



Province of Newfoundland and Labrador

FORTY-EIGHTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND AND LABRADOR

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Volume XLVIII

FIRST SESSION

Number 14

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HANSARD

*Speaker: Honourable Tom Osborne, MHA*

Monday

18 April 2016

The House met at 1:30 p.m.

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

Admit strangers.

Before we start today's proceedings I would like to welcome to the Speaker's gallery from the Nunatsiavut Government, President Sarah Leo, and the hon. Darryl Shiwak, Minister of Lands and Natural Resources.

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

**MR. SPEAKER:** Also, we welcome from the Town of Victoria, Mayor Barry Dooley, Deputy Mayor Sharon Snooks, Councillor Aubrey Rose, Councillor Glenn Clarke and Town Clerk and Manager Shelly Butt.

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

**MR. SPEAKER:** From the Town of Bonavista, Mayor Betty Fitzgerald, Deputy Mayor Doug Robbins, Town Manager Calvin Rolls and CFO David Hiscock.

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

### Statements by Members

**MR. SPEAKER:** Today we have Members' statements for the Members for the District of Torngat Mountains, Stephenville – Port au Port, Burin – Grand Bank, Terra Nova, Ferryland and Mount Pearl North.

The hon. the Member for the District of Torngat Mountains.

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

I rise in this hon. House to pay tribute to a group of young people who have proven themselves to be real champions. The Provincial Atom Hockey Championships were held last month in Stephenville and a team of young people from Natuashish and Nain, called Team Innu Hawks, competed in that tournament. A big thank you has to go out to the team coaches, Juan Strickland, Samantha Strickland and William Flowers, for making it possible.

In the first game, Team Innu Hawks faced the host club from Stephenville and defeated them 8-1. They then tied Botwood with a score of 1-1. Against The Straits they won again, a 5-2 victory. When they came up against Team Bay D'Espoir they skated away with a 6-2 win. The championship game came down to the Innu Hawks playing Botwood again, and they defeated Botwood by a score of 6-2.

A group of young Aboriginals from two different Aboriginal communities, coming from the most isolated region of their province, proved that they can compete with the best, and this year they can rightly claim to be the best.

I ask all hon. Members in joining me to congratulate Team Innu Hawks on being this year's Atom hockey champions for Newfoundland and Labrador.

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

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

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

Mr. Speaker, I rise today to acknowledge Mr. Richard Gallant of Stephenville. On April 15, Mr. Gallant celebrated his 93rd birthday. I had the honour to join him and his family and friends to celebrate this milestone.

Richard joined the military in 1941. After basic training, he was posted as a communications specialist in the European theatre. Following the war, Richard returned to Stephenville, and in 1946 he began working at the Ernest Harmon Air Force Base and remained there until its closure in 1966. He attained life membership with the Royal Canadian Legion, was the Sergeant-at-Arms and also served as president for three terms.

He was an active member of the Knights of Columbus, a dedicated church volunteer, a councillor with the Town of Port au Port. In 2015, he was a recipient of the Queen's Jubilee Medal. He's the proud father of 10 children, grandfather of 18 and great-grandfather to 21. A lifelong volunteer who served his country, his province and his community, Richard Gallant is a truly remarkable individual.

I ask all hon. Members to join me in extending well-wishes to Mr. Gallant on his 93rd birthday.

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

**MR. SPEAKER:** The hon. the Member for Burin – Grand Bank.

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

Mr. Speaker, I rise today to recognize a remarkable athlete from Fortune in my District of Burin – Grand Bank. Kiana Stacey, the 14-year-old daughter of proud parents, Terry and Kelly Stacey, started off at the ice rink figure skating, but soon discovered hockey was her true passion.

Since taking up the sport five years ago, Kiana has developed into an exceptional hockey player. Kiana is so respected by her coaches and fellow players that during this hockey season she was chosen to serve as captain of not one, but three teams: the Marystown Mariners under 15 girls team, the Tri Pen Minor Bantam AAA ice females, and the United Towns Bantam boys' team.

Being a member of three teams has seen her crisscross the province this winter, as well as travel to St. Pierre et Miquelon to play hockey. Her leadership on the ice was demonstrated this spring as two of the teams she captains won gold in provincial tournaments, while the third completed the season with bronze.

Mr. Speaker, I ask all Members of this House to join me in congratulating Kiana Stacey and in wishing her much success as she continues to develop in the sport she so enjoys.

Thank you, Mr. Speaker.

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

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

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

I rise in this hon. House to recognize the members of Royal Canadian Legion Branch 27.

The members of Branch 27, like the people of the Terra Nova District, have a long history of volunteering. The Clarendville branch was formed on May 4, 1951 by a group of 17 ex-servicemen. Today they maintain an active volunteer membership of more than 70 individuals.

On April 9, I had the privilege of attending the Branch's honour and awards celebration when individuals who give their time, energy and talents to promote the interests and benefits of veterans who have served this province and country with pride and dignity were recognized.

Each year, the legion, in partnership with local schools, hosts a Remembrance Day poster and essay contest. I am proud to say that the 2015 provincial winners are from my district: first place winner Tristian Spurrell; second place was tied between Chloe Vivian and Janie Smith. I wish to thank the teachers of Riverside Elementary for continuing to support student involvement in this worthwhile event.

I ask all hon. Members to join me in congratulating the members of Branch 27 for their dedicated service to the people of the Clarendville area.

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

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

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

I rise today to recognize a constituent of mine from my district who passed away on February 22, 2016, Mrs. Ellen O'Keefe – known as Molly – who lived a full life to the exceptional age of 102 years. Molly was born May 22, 1913 in Clears Cove, Port Kirwan. Molly left home at the age of 16 to work as a housekeeper for Dr. Horan on the Southside Road in St. John's. In 1935 she was hired as a housekeeper for John Ronayne who was a fish merchant in Tors Cove and returned to the Southern Shore to work. It is there she met Albert O'Keefe and they were married on October 10, 1938.

Molly and Albert raised three children, Anita, Lucy and Alice. Molly resided in Tors Cove until December 2012, and at the age of 99, she

moved into Chancellor Park where she passed away on February 22, 2016.

Mr. Speaker, I would like to ask all my colleagues in this House to join me in honouring the life of Ms. Molly O'Keefe and the contribution she made to our great province.

Thank you, Mr. Speaker.

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

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

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

I rise in this hon. House today to congratulate and recognize a young resident of Mount Pearl and Loran Scholarship winner Noubahar Hasnain.

Noubahar was named Mount Pearl Female Youth of the Year at last year's Focus on Youth Awards and just recently served as one of our Youth Ambassadors for the 34th annual Frosty Festival.

Every year, the Loran Scholars Foundation invests in young Canadians who have more than an excellent transcript. Approximately 3,600 applicants apply and interviews are conducted to determine who are the best fit for the scholarship.

Out of the 3,600 applications only the top 30 are chosen. Each scholarship is valued at \$100,000.

Noubahar is currently in her graduating year of high school, attending Mount Pearl Senior High. She plans to continue her education in the fall and I am certain that this scholarship award will assist significantly.

Mr. Speaker, I ask all Members of this House to join me in congratulating Noubahar on her accomplishments to date, and wish her all the best as she continues her education. I would also like to recognize the work of the Loran Scholars Foundation and thank them for supporting our students.

Thank you.

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

**MR. SPEAKER:** Before we move to Honour 100, we'd like to recognize a former Member of the House of Assembly in the gallery today, Mr. Glenn Littlejohn.

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

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

**MR. SPEAKER:** Today for Honour 100, we have the hon. the Member for St. John's West.

**MS. COADY:** I will now read into the record the following 43 names of those who lost their lives in the First World War in the Royal Newfoundland Regiment, the Royal Newfoundland Naval Reserve and the Newfoundland Mercantile Marine. This will be followed by a moment of silence.

Lest we forget: John Fowlow, Richard Fowlow, Zebulum Fowlow, Harry Frampton, John Frampton, John Frampton, Albert Edward Francis, Ephraim Freake, James Freake, William Freake, Buchanan W. Freebairn, John Joseph French, Mackintosh Frew, Henry Frizell, Eldon Froud, John Fry, William Fry, Charles Fudge, George Thomas Fudge, Jeremiah Fudge, Ignatius Furey, David J. Furlong, William Furneaux, Francis Joseph Galgay, Michael Gallant, Morgan Gallop, John Galpin, Cyril Gardner, Edward James Gardner, Frederick Gardner, Theophilus Gardner, Fred Garf, George Gear, James Joseph Gear, Ambrose George, Joshua George, Alexander Gilbert, William Gilbert, Arthur F. Gill, Ernest Gill, Arthur Wilfred Gillam, Charles Gillam, Samuel Joseph Gillespie.

(Moment of silence.)

**MR. SPEAKER:** Please be seated.

Statements by Ministers.

**Statements by Ministers**

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

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

Mr. Speaker, Budget 2016 outlined clear objectives and targets to address the unprecedented fiscal challenges facing this province. We are taking action to ensure we protect our residents from the potential financial impacts caused by the lack of planning and poor management of the previous administration.

One important aspect of our plan is to shield this province from increasing interest rates and use the public's money on essential social programs and not mounting debt servicing costs. We must ensure that every available penny that we can borrow to spend, is not spent on increasing costs of borrowing.

That's why we are pleased to see that all three credit rating agencies, Standard & Poor's, Dominion Bond Rating Service and Moody's have responded to the strength of government's long-term plan. Dominion Bond Rating Service upgraded the outlook for Newfoundland and Labrador from negative to stable and changed the Issuer Rating and Long-Term Debt ratings to A low. Both Moody's and Standard & Poor's made no change to the province's credit rating.

Dominion Bond Rating Service has said although the province is facing challenging times with the economy, they acknowledged that the "government is committed to taking credible action as reflected by the substantive and difficult decisions announced in the current budget, with more measures forthcoming in the fall."

Moody's stated in their response that "The challenge facing the province is substantial, although we note that the government is exercising the full extent of fiscal flexibility Canadian provinces possess." Moody's also acknowledges the further cost-saving measures government is pursuing, particularly through the Government Renewal Initiative.

Mr. Speaker, I am pleased to see these agencies have acknowledged the difficult decisions we have made in Budget 2016 and support our credible plan to be more efficient, to eliminate government waste and to treat the public's money responsibly. Our plan will lay the foundation to support residents and protect future generations.

Thank you, Mr. Speaker.

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

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

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

I thank the minister for a copy of the statement. I only received it about five minutes ago, but I will certainly review it as best I can at this stage.

I'll reference some of the information that's outlined here. It says 2016 budget will outline clear targets. "We are taking action to ensure we protect our residents ..."; "... government is committed to taking credible action as reflected by the substantive and difficult decisions announced in the current budget, with more measures forthcoming in the fall"; "Our plan will lay the foundation to support residents and protect future generations."

I'm not sure what budget she's speaking to. She's not speaking to the one we heard on Thursday, Mr. Speaker, I guarantee you that.

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

**MR. HUTCHINGS:** And not what the people of Newfoundland and Labrador are talking about today, I guarantee you that.

Furthermore in terms of the stable rating, the bond-rating agency goes on to say, however, "Risks remain tilted to the downside, as the outlook for the economy remains weak and the plan to reach balance is incomplete."

What this government did on Thursday was further put this province behind. It's unbelievable that all these people will stand and try and support what you've done to the people of Newfoundland and Labrador last Thursday and it's disgraceful.

**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 thank the minister for the advance copy of her statement.

I'm glad I didn't have it too soon before I came into the House because I got so upset when I read it. I'm shocked that the minister can stand in this House today and read this statement when because of her budget many people in this province don't know if they're going to be able to feed themselves because of the budget.

I'm glad the agencies are happy because believe me the people of the province aren't, and they don't feel protected by this budget, they feel attacked by it.

Thank you very much, Mr. Speaker.

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

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

The hon. the Minister Responsible for Seniors, Wellness and Social Development.

**MS. GAMBIN-WALSH:** Mr. Speaker, I rise today to acknowledge award recipients and hall of fame inductees at Sport Newfoundland and Labrador's annual provincial amateur sport Stars and Legends Awards Gala held this Saturday past.

Our athletes and coaches continue to have success in local, national and international events. Congratulations to all those who were nominated in the various categories, particularly the 2016 award recipients as chosen by Sport Newfoundland and Labrador's award selection committee.

The 2016 award recipients are: softball player Sean Cleary as Senior Male Athlete of the Year; hockey player Sarah Davis as Senior Female Athlete of the Year; sledge hockey and wheelchair basketballer Liam Hickey as Junior Male Athlete of the Year; target shooting's Samantha Marsh as Junior Female Athlete of the Year; volleyball's Keith Randall As Coach of the Year; Galway Hitmen softball team as Team of the Year; soccer's Doug Redmond, as Executive of the Year; swimming's Joan Butler as Official of the Year; and basketball's Brian Hunt as Volunteer of the Year.

This year's Newfoundland and Labrador Sports Hall of Fame inductees were: Nigel Facey in the athlete category for soccer and hockey; Sandy Faulkner Ash in the athlete category for soccer; and Howie Meeker in the builder category for hockey.

The provincial government is committed to supporting sport, recreation and healthy living at all levels.

I ask all Members to join me in congratulating all award winners and the Hall of Fame inductees for the hard work and dedication which led them to be honoured as well as Sport Newfoundland and Labrador, the provincial sport organizations and the many athletes, coaches, managers, parents and volunteers who support athletic excellence at every level.

**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 Members opposite in congratulating the award recipients and hall of fame inductees. You're all to be commended for your skill and determination, as well as your contribution to amateur sport in this province.

Sport Newfoundland and Labrador is the volunteer organization committed to promotion and advancement of amateur sport throughout the province. They represent 55 provincial sport organizations with over 70,000 individual members.

Mr. Speaker, while we recognize the importance of recreation and amateur sport in this province, we are preparing to debate a budget that axed large portions of our recreational funding and health promotion. So while I thank the minister, it's curious how you can acknowledge the importance of something in one breath and then cut the programs and services related to it in another.

Thank you, Mr. Speaker.

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

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

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

I thank the minister for an advance copy of her statement. Congratulations to the athletes, teams, coaches, officials and volunteers who were honoured this year. Bravo to them all!

How much celebration will there be this year with \$740,000 cut to sports and recreation programs, including Stars and Legends, leadership training and travel subsidies. Government is pulling out of the Jumpstart program cutting \$350,000 that made it possible for more than 3,000 low-income children to enrol.

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

**MS. ROGERS:** Hall of fame?

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

**MS. ROGERS:** Government should be inducted into the hall of shame.

Thank you very much, Mr. Speaker.

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

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

The hon. the Minister of Fisheries and Aquaculture.

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

Mr. Speaker, the 3Ps cod fishery located off Newfoundland's South Coast recently became Canada's first Atlantic cod fishery to achieve Marine Stewardship Council (MSC) certification.

Our government is committed to the sustainability of this valuable seafood industry to ensure the long-term viability of harvested species, the health of our oceans and the future viability of rural communities. In fact, in 2008, Newfoundland and Labrador's inshore Northern

shrimp fishery became the first MSC-certified fishery in Canada. More than 90 per cent of our aquaculture operations have achieved Best Aquaculture Practices certification and more than 80 per cent of the value of Newfoundland and Labrador's wild fisheries is now MSC certified.

Seafood products from our province are exported to more than 40 countries around the world. The MSC recognizes and rewards responsible management of seafood resources, influences seafood buying behaviour and maintains the most widely respected and accepted global standard of certification of wild captured seafood.

As world markets increasingly demand sustainable seafood, eco-certification is more important than ever if we are to continue to compete and market our products globally. It is a foremost priority of our government and for our seafood industry.

Thank you, Mr. Speaker.

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

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

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

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

I'd like to thank the minister for an advance copy of his statement. Marine Stewardship Council certification is very important. The products, it shows where they're harvested to, and that it's a sustainable fishery. When consumers see the blue label, they'll be sure it is a sustainable fishery and they'll know where their product came from.

The cod fishery is a very important part of our future, and a very important part of diversification in this province. Last week's budget had five lines on our fishery. Five lines talking about the cod fishery, the most important industry in this province.

Mr. Speaker, both the harvesters, processors and unions have come together to talk about the future of the cod fishery. This government has

done very little to talk about the future of our fishery and how important it is to all Newfoundlanders and Labradorians, especially rural Newfoundland and Labrador. I urge this government to put a little bit more emphasis on our fishery.

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

**MR. K. PARSONS:** It's an important industry in this province.

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

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

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

I thank the minister for the advance copy of his statement. It's good to hear of another of our fisheries achieving MSC certification, especially our cod. Our seafood is exported globally, and MSC certification does a lot to promote our products. But it's too bad there's no money in this year's budget to start a real seafood marketing plan so buyers and consumers could easily recognize our high-quality products. If this government really was worried about revenue, then they would put a marketing tool in place –

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

**MS. MICHAEL:** – which is long overdue in our seafood industry.

Thank you very much, 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.

Well, last week we were all subjected to the long-awaited Liberal plan. The Premier and his Liberal team have delivered a devastating budget and it's an attack on the people of our province. It's full of broken promises and it's full of Liberal choices which will negatively impact every Newfoundlander and Labradorian and burden every single family in our province with extra taxes that will cost them thousands each year.

Now, Premier Ball has also decided to introduce a Liberal levy, a cover charge for every hard-working person that makes over \$20,000 a year.

I ask the Premier: Where was the evidence-based decision making when you decided to impose a Liberal levy that targets our low- and middle-income families?

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

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

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

Well, first of all, I will tell you that when you have to make difficult choices because you want to protect the future of your province, sometimes they're not easy choices to make. I can tell you everyone on this side of the House of Assembly understands what it takes to make those difficult choices. It is not lost on us that this budget indeed impacts Newfoundlanders and Labradorians.

In the past, as I've sat through this House of Assembly in 2012 I listened to a 10-Year Sustainability Plan from the Leader of the Opposition right now. Well, that plan is a complete failure. It was supposed to bring per capita debt down to a national average. It will never come close to that target.

Budget 2015-2016 from the previous administration was a complete failure; it doubled the deficit that they predicted last year. Mr. Speaker, the tax rates that we put in place takes us back to 2006 and 2007. We remain competitive.

Mr. Speaker, I realize these are tough choices, but we will protect the future of our province.



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

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

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

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

Budget 2016 is a Liberal budget, Mr. Speaker.

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

**MR. P. DAVIS:** It's that Premier's budget. It's not the Opposition's budget; it's that Premier's budget. That Premier and that government decided to bring forward the Liberal levy. It's a tax grab for the current government. It was this government's choice which puts a tremendous and unfair burden on the people of our province.

A person earning \$25,000 a year is just making ends meet, and they just tagged them with an additional \$300 cost, while a person who earns \$200,000, or \$300,000 or \$400,000 has to pay \$900. On Friday, he told a group in Paradise that the wealthiest pay 88 per cent of the taxes in our province. Now we know, Mr. Speaker, how he feels. He feels the rich are paying enough. Now we know.

I ask the Premier: How were these levy amounts determined and where is your concern for the lower- and middle-income families of Newfoundland and Labrador?

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

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

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

We are very concerned about the lower- and the middle-income earners in our province. We've enhanced over \$76 million to support those middle-income earners.

I think it's fair, Mr. Speaker, that we understand the context of where we are. The tax rates that you see in our province right now, we're back to 2006 and 2007 levels. I will remind the Member opposite that he speaks that the levy is not part of that. The levy is included in that so we remain competitive right back to 2006, 2007 levels.

For me, as Premier of this province, it was a difficult choice. I think the easy political choice was made just seven or eight years ago when it was the previous administration that put in tax-reduction measures that were not sustainable in our province. That's where we are. This is a temporary levy and, in 2018, you will see this levy reversed.

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

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

**MR. P. DAVIS:** Mr. Speaker, the reality of this temporary levy, it's a cover charge. It's a cover charge for people working in Newfoundland and Labrador. The Liberal levy unfairly targets hard-working Newfoundlanders and Labradorians, particularly our low-income, hard-working Newfoundlanders and Labradorians, many who live from paycheque to paycheque. I'm not sure if the Premier understands how that is, but sometimes people live from paycheque to paycheque.

I ask the Premier: Why did you choose to target those who can barely afford to live today? Is that the stronger tomorrow that you promised people in last fall's election?

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

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

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

This is a temporary levy. It's in place in many other provinces right now. In fact, Ontario has a very similar model right now that they call a health tax. BC has one, Quebec has one.

As a matter of fact, back in 1996 there was a surtax that was put in place in this province. We remain competitive, back to 2006 and 2007 levels, Mr. Speaker.

I will just mention one thing, when he talked about covering something. I can tell you, Mr. Speaker, yes, we are covering something. We are covering the mess that this group over across the way here, that they left this province in. That is what we are trying to do. That is what we inherited. Does he forget that?

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

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

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

In just five months this Premier and this government have abandoned their commitments that they campaigned on when they went door to door and visited with the people of the province last year. Election promises are out the door. Reversal of the HST, the job killer that the Premier so proudly protested, now it's back on. Job cuts, now they are laying off 650 people just to start, and we don't know how many more there's going to be. Where's the diversification plan? There is no sign of a diversification plan that he promised Newfoundlanders and Labradorians. As a matter of fact, Mr. Speaker, there is no plan at all.

I ask the Premier – your government has made choices. Your government and you have made choices. You've painted a picture with no plan, with no hope, with no vision for the people of Newfoundland and Labrador. Why would you not have chosen a more balanced plan instead of sending people to the ferries and the planes and leaving our province?

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

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

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

I encourage the Member opposite to take some of the politics out of this and let's start talking about some of the facts. He knows that if he checked the tax rates in other provinces that we remain very competitive.

If he does want to answer a political question, I would ask the former premier of the province why is it that on September 28, when I wrote this very same Member, why it is in his capacity he refused to let the people of this province know going into the election, indeed, what the financial situation was in our province. He hid it from us. He hid it from the people of Newfoundland and Labrador. He knew back then, in September and October, and refused to put that update out there, Mr. Speaker. It was on

September 28 and he refused to answer that letter.

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

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

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

He knew the circumstances when he cancelled the HST after he took the office, Mr. Speaker.

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

**MR. P. DAVIS:** Ninety million dollars in revenue lost in this province because he cancelled the HST and replaced it with a levy that targets our lowest and hardest working Newfoundlanders and Labradorians. That's what he did, Mr. Speaker. That's what he did

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

**MR. P. DAVIS:** It's an unfair levy. It's an unfair Liberal levy that goes against all forms of taxation, all forms of being fair and concerned about people. It's going to bring in \$79 million versus \$90 million that the HST would have brought in.

The Premier and his Liberal government have made decisions. They made decisions to cancel that HST. That was their decision, Mr. Speaker, not ours. It was a flip-flop, and a flip-flop that's causing hundreds of millions of dollars that Newfoundlanders and Labradorians are going to have to pay for. I can tell you, that unfair levy is the talk of the province today.

I ask the Premier: Can you admit that this was a mistake? Can you also end your attack on the lower and hard-working Newfoundlanders and Labradorians?

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

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

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

What we are trying to protect is the future of our province. I agree, these are tough tax measures

that had to be taken on behalf of the future of our province.

The track that we were on, Mr. Speaker, was over \$27 billion just in seven short years. I say this: Since 1949, since Confederation in our province leading up to 2015, we had a net debt in our province of just over \$15 billion.

As a result of the poor planning and the mismanagement of the previous administration that debt would have grown in seven years to over \$27 billion, all of that with access to over \$25 billion in oil money and oil royalties. You didn't plan, you mismanaged and this is the mess that this administration will now have to clean up.

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

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

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

I remind the Premier, he's in the Premier's chair today. Budgets are about choices. Last year we made choices.

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

**MR. P. DAVIS:** We clearly laid out, Mr. Speaker, what the implications were on a dollar of oil. Members opposite should listen to this.

We clearly laid out the implications on a dollar of oil. We clearly laid out what a cent in the exchange rate would make. It was there for them to look at. So they either ignored it or they're incompetent and couldn't figure it out. I don't know which one it is but it's one or the other, Mr. Speaker.

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

**MR. P. DAVIS:** Mr. Speaker, when asking for a plan the government told us to wait for the budget and now we've seen it.

I say to the Premier, budgets are about choices and they're about decisions. Leadership is about being accountable for those decisions.

How are the budget decisions of your Liberal government, such as removing the Home Heating Rebate, taking \$54 million out of health care and burning seniors with additional taxes and fees – how is that a plan for a stronger tomorrow?

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

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

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

The Member opposite speaks of choices. I remind him the choice that he made not to do was reply to the people of this province on September 28. That was a choice that he ignored.

So he's suggesting now that everyone in this province should have understood the fiscal realities of the election? Well, he ran a full campaign ignoring to answer that question.

Mr. Speaker, these are difficult choices. These are tough but necessary choices that had to be made. We will put in programs that will help protect the vulnerable in our province. We realize there are critical services in our province that we must continue, and we will continue to make a financial commitment to.

This budget includes \$8.48 billion in expenditures, I would say, Mr. Speaker. So there is quite a bit of activity. We are not giving up on Newfoundlanders and Labradorians and we will help them prepare for their future.

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

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

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

The Premier likes to talk about what I've done or what I didn't do. He should check the name plate on the door, because I think his name plate is on the Premier's door today. That's who's in charge today, Mr. Speaker –

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

**MR. P. DAVIS:** – and that’s whose choices matter to the people of the province.

It’s your choices, your decisions and your plan that impacts the people of the province today, such as the HST rebate, the Home Heating Rebate – taking those away, that’s what impacts people. That was your decision, Premier, not ours. That was your decision.

Mr. Speaker, the evidence-based decision making decisions of this government are continuing to roll out. Just today Eastern Health announced a reduction of 50 long-term care beds – just Eastern Health. Absolutely amazing, I can’t believe it. They’re reducing 50 long-term care beds in the eastern part of our province – 40 at Masonic Park, and 10 at the Waterford. Liberal choices will take those much-needed 50 beds out of the system.

So I ask the Premier: How does this choice build a stronger tomorrow for those who require long-term care in the province? Those who are waiting in hospital beds waiting for long-term care, how does this improve their lives?

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

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

The former premier mentions about the name tag on the door. Well, indeed, the name tag on the door has changed, but I can tell you, as a result of mismanagement and the poor planning of this previous administration, the problems inside of that office are much larger because he did sit in that chair.

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

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

**MR. P. DAVIS:** So, Mr. Speaker, it’s obvious, the Premier doesn’t want to talk about long-term care.

We have the fastest-aging population in the country. We laid out a plan to create new long-term care, where his plan is to reduce long-term care. He’s taking 50 long-term care beds just out of Eastern Newfoundland today – 50 long-term care beds.

I ask the Premier once again: Where is your plan for long-term care? How does this benefit people who much needed long-term care?

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

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

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

The issue of long-term care beds relates to Masonic Park, which is in a state of disrepair and beyond remedy. Those clients will be better served by moving to a vacant space which is unused at the Veterans Pavilion. The other 10 clients from N2B at the Waterford are being accommodated in much better accommodation. As part of our plan to replace the Waterford, they are going to Pleasantview. They are being well taken care of and there is no reduction.

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

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

**MR. P. DAVIS:** We wondered about that, Mr. Speaker, and we checked. I checked when I was over and met with Eastern Health today. As a matter of fact, there are not 50 vacancies in the province in long-term care today. There are not enough vacancies to fill Masonic Park down at the Veterans Pavilion. There is not enough vacancy. There are some there, but not enough for the vacancies, the 40 people who are going to move.

This is going to put extra pressure on the system. There are 50 beds taken out of the system, pure and simple – 50 long-term care beds taken out of the system. Not only that, speaking about being taken out of the system, this government promised no layoffs. They promised no layoffs during the election last year and in the budget announced last week they have identified 650 full-time positions.

Today we’ve learned of 107 positions being eliminated from Eastern Health, 16 more from Central Health and we know 2,500 who have been put on notice that your jobs are intact only until September.

I ask the Premier: Can you let the people know how many positions you've eliminated as part of your budget, restoring fiscal confidence and accountability?

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

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

**MS. C. BENNETT:** Mr. Speaker, I understand the Members opposite enthusiasm to weave a tapestry of bologna. Quite frankly the 2,500 temporary positions that the –

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

**MR. SPEAKER:** It's your time in Question Period you are eating up, folks.

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

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

Just to clarify, the 2,500 that the Member opposite refers to are 2,500 temporary positions that were extended as of March 31 for six months. Those are part of the normal operations of government. They are not related to anything other than normal government operations, as was clearly explained to officials from the Opposition office last week.

Mr. Speaker, when it comes to the positions that we announced as part of our budget last week, the number for core government and the FTEs for the agencies, boards and commissions, those numbers were being very transparent as it relates to our actions of Budget 2016.

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

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

**MR. P. DAVIS:** Mr. Speaker, I tell you I've heard it all now when she refers to public servants losing their jobs as bologna. You're talking about long-term care and public servants and calls it bologna.

Mr. Speaker, at a time in our history where we need young people, we need families to live and

to work in our province, the Liberal's choices made in the budget to increase fees and taxes have instilled fear in the people of our province. We're hearing from hundreds of them.

By their own admission and in their own Budget Speech, the Finance Minister and the Liberal government have cleared the runway for people to leave our province like we've never seen before. There's another set of cuts coming this fall in budget two.

I ask the Premier – let's see if he'll answer this question: Why didn't you have the guts to lay out your full-range budget choices now in the spring as traditionally done? Why are you leaving people in limbo, in fear for several more months?

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

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

**MS. C. BENNETT:** Mr. Speaker, we have been very clear with the people of the province that these are unprecedented fiscal situations. Members opposite seem to forget that left unchecked, this year's deficit would have been \$2.7 billion. Because of the actions of this government and because of the things and the choices we made, we were able to reduce that deficit to \$1.8 billion.

We must be able to provide sustainable, efficient public services for the people of the province. It is important that we make the choices that we're making so that we can actually pay for the services we need to provide, Mr. Speaker.

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

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

**MR. P. DAVIS:** Mr. Speaker, the Premier has gone silent, so I'll try this question for him.

I simply ask the Premier: How will your plan for a stronger tomorrow for the people of the province – when your first set of choices are driving people, businesses out of the province. How will this improve our province for those

people and businesses? Is there more coming this fall?

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

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

**PREMIER BALL:** First of all, Mr. Speaker, I want to address some of the comments that were made by the Members opposite when it comes to increasing spending. Well, maybe they forget some of the commitments that they had made last year, one of which was of the \$400 million; it was \$222 million that goes to the NLTA pension fund –

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

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

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

Of the \$400 million that they're talking about, \$222 million of it goes to the NLTA pension fund, some to debt servicing. They didn't seem to be overly worried about debt servicing, overly worried by the fact that in just seven years over \$27 billion, we would require over \$2 billion in debt servicing in this province.

That is what's eating into the services and the critical services and benefits that the people of Newfoundland and Labrador need. By addressing this issue today, that's our approach to do that.

**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.

Mr. Speaker, I can remember my time sitting opposite, and particularly last year when I was Premier. Liberal Party Members, they were in the Opposition over here, every single day got up in their place and they asked us for more and more and more. They asked us to spend more and do more and give more every single day, hundreds of millions of dollars. Through weeks

on end, they would come up and they would ask for more.

Mr. Speaker, this is about their budget. Since the budget was announced we know that Liberal ministers, we know that backbenchers are receiving an overwhelming amount of calls and negative feedback from their constituents. Mr. Speaker, we know the pressure is on every Member opposite to vote for their people or for their party.

Can the Premier assure the people of the province that he will allow a free vote on this budget, allowing every Liberal MHA to vote on their conscience as opposed to being whipped to vote on this devastating Liberal budget?

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

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

**MS. C. BENNETT:** Mr. Speaker, it's important to address the comments from the Member opposite in his preamble when he speaks about, his words: more, more, more. Mr. Speaker, when we sat on that side of the House last year he presented a budget that had a deficit of just over a billion dollars. We had six out of 12 years of deficits in this province. We had spending at 20 to 36 per cent higher per capita than any other province.

Because of that administration, Mr. Speaker, this side of the House is taking accountability for the situation we find ourselves in now with oil prices also impacting, compounding the problem on top of the mismanagement from former administrations and we will not make decisions that are anything other but in the best interest of the people of the province in the long run, Mr. Speaker.

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

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

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

Interesting to see, I asked the Premier if he was going to allow his caucus to vote freely and he puts the Minister of Finance up.

I am going to ask again, Mr. Speaker. Each of the 40 Members in the House of Assembly, each and every Member here in the House of Assembly has the opportunity to vote in support or against and vote down the budget. Every Member can do that. A frequently asked question over the last number of days from people of the province.

I ask the Premier again: Will you allow your Members to vote freely on budget day?

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

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

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

What's important for us as a government is that all Members of our caucus have a choice to actually have their input into what they have. One thing that I've said in this House now, it is the fifth year I would say, Mr. Speaker. We've been here before. We went through one of the longest filibusters that we've seen in the history of our province. That was of the Muskrat Falls debate.

At that time many people around this province were asking for a free vote. The Members opposite were part of that. What they did was they whipped their caucus into a free vote. Right now I say, Mr. Speaker, I would argue that the money that's advanced to Nalcor to support this province, I wonder now if they had to vote for that project all over again would they be prepared to vote the same way? Because they were not prepared to actually put the money in place. It was poorly planned.

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.

The Premier has not answered. I've asked the question twice, if he'll allow a free vote, and he hasn't answered the question. I say again it's probably the most frequently asked question I received over the weekend.

Mr. Speaker, the Premier's inability to get help from the federal government has led to tax hardships for families, seniors and students. There should have been other options, but the Premier has stated in his own words: It is what it is.

When other premiers, Premier Wall and Premier Notley, are lobbying and advocating and contacting the federal government to look for assistance, our Premier is sitting on his hands. He threw them up, he threw in the towel and he didn't pursue opportunities with the federal government.

I ask the Premier: Five months into your mandate, how can the people of our province have confidence in your government, in your captains of industry, in your choices when you don't make efforts to pursue opportunities for Newfoundlanders and Labradorians?

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

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

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

I think what the premier is referring to is the equalization formula that we see in our province.

**AN HON. MEMBER:** Leader of the Opposition.

**PREMIER BALL:** Leader of the Opposition, the former premier.

What I'm saying is what he's thinking is that Alberta and Saskatchewan, because they seem to be shouting a bit as he says, that the volume is what's required. Alberta and Saskatchewan have not received any more from equalization.

He knows – he should know, at least – even though he failed to make the case for Newfoundland and Labrador back in 2014, the formula is an \$18 billion program. I can assure you we are working with our federal colleagues. Already we've seen well over \$300 million in infrastructure funding.

We've seen a small business community fund that they refused to even sign off. That's how important that relationship was with them. It was

either they couldn't get in the door or the door was shut in their face.

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

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

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

I guess the Premier is not aware, it's a 10-year fund to be utilized over a 10-year period. It didn't have to be used last week, last month or last year for that matter, Mr. Speaker.

Mr. Speaker, once again I'm going to ask the Premier. Instead of advocating to his federal cousins in Ottawa for more funding, the Liberal government decided to increase taxes and fees on our lowest-income earners in the province, those people who struggle every single day.

I'm going to ask the Premier one more time: Why did you accept status quo instead of fighting for more on behalf of Newfoundlanders and Labradorians?

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

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

**MS. C. BENNETT:** Mr. Speaker, I have listened to Members opposite since last Thursday talk to people in this province about what they perceive is the reality and the facts about our budget. Well, let me clarify it for them.

Currently, based on the tax increases that we've been forced – none of us want to do it, we've been forced to make tax increases and tough choices. We have the third-lowest first income tax bracket. We have tripled the point increase in the first tax bracket across the top bracket, and including all of the levies, all income tax levels are back to 2006, and we've implemented an enhanced seniors' program, Mr. Speaker.

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

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

You have about ten seconds.

**MS. C. BENNETT:** We have implemented an income supplement to help the most vulnerable and some of those that are impacted, and we've also provided an enhanced seniors' benefit, Mr. Speaker.

For the Members opposite to continue to avoid the facts that are in the budget is, quite frankly, irresponsible.

**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.

The provincial budget projects, on page 5, a 15 per cent reduction in employment and a 22 per cent reduction in real compensation of employees over the next five years. Today we saw 107 jobs gone from Eastern Health, 15 from Central Health.

In her Budget Speech, the Minister of Finance admits that deficit-reduction measures in the Liberal budget account for 40 to 50 per cent of these serious declines in the economy.

So I ask the Premier: How could he allow the Finance Minister to proceed with a budget that does so much harm to our economy and to our people?

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

**MS. C. BENNETT:** Mr. Speaker, for the Member opposite, and certainly for those listening at home, I'd certainly like to explain the remaining part of that per cent that the Member opposite didn't refer to.

We have two years where the large-scale projects in our province will be concluding. When those projects conclude that's going to see a significant impact on the unemployment rate. Quite frankly, it's one of the reasons why I believe people of the province elected us to govern, because for a decade the former administration was focused on diversifying the



economy by only focusing on developing oil and not focusing on how to diversify the economy throughout the province, Mr. Speaker.

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

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

**MS. ROGERS:** Mr. Speaker, government blames our fiscal crisis on the drop in oil prices. During the election they promised economic diversification, yet their first budget shows no evidence of any plan for economic diversification.

Mr. Speaker, I ask the minister: Aside from crossing her fingers hoping oil prices will increase, what are her concrete plans for economic diversification?

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

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

**MS. C. BENNETT:** Mr. Speaker, I can assure the people of the province and the Member opposite that what we're not going to do is we are not going to budget based on hope that money is going to – we are going to base our budgets based on fact and not on faith. We're going to base it on the fact that oil prices, even today, analysts are saying, could dip to \$30 later on this year.

Mr. Speaker, we have to accept the reality that there has been a decade of spending. There has been a decade of poor planning and, as a result, the people of the province are left in this situation. The responsible thing to do is to make methodical steps forward through this budget, the fall budget and next year, to make sure we get our fiscal situation back under control.

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

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

**MS. ROGERS:** Mr. Speaker, this is not a budget by a government who knows what they are doing; this is merely an accounting exercise void of vision and hope.

I ask the minister: What new sources of revenue has she created, or is she satisfied to just pick the pockets of our hard-working people with regressive taxes, levies and fees?

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

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

**MS. C. BENNETT:** Mr. Speaker, I made it very clear in this House last week that I don't think there's any Member, I would argue, in this House of Assembly that is pleased with the idea of increasing taxes. But I would remind the Member opposite that even though this is an unprecedented fiscal situation, these are not unprecedented tax increases.

These changes, including the temporary changes we've made, bring us back to 2006-07 levels. Mr. Speaker, we need to continue to make sure that we have the resources to be able to provide cost-effective and efficient public sector services for the people of the province at the same time as we manage the risk associated with the borrowing and debt load that the previous decade has left the people of the province to face.

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

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

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

I ask the Premier: Based on what his minister just said, how does he justify demanding that low- and middle-income Newfoundlanders and Labradorians bear the brunt of the levy tax, which, as far as I know, is pretty new in this House?

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

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

**MS. C. BENNETT:** Mr. Speaker, we have implemented the Newfoundland and Labrador Income Supplement which low-income seniors, low-income persons with disabilities and

individuals will be able to avail of that to offset some of these tax increases.

The combined tax increase that we're undertaking actually brings us to 2006 levels, and I would remind the Member opposite that currently on the lowest tax bracket, we are the third lowest in Canada, Mr. Speaker.

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

**MR. SPEAKER:** Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

### Notices of Motion

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

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

I'd like to give notice that I will ask leave to introduce a bill entitled, An Act Respecting Insured Medical And Hospital Services In The Province, Bill 24.

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

The hon. the Member for the District of Bonavista.

**MR. KING:** Mr. Speaker, I'm bringing forward a private Member's resolution for Wednesday, seconded by the Member for Terra Nova. It states:

WHEREAS the First World War was a significant event in the history of Newfoundland and Labrador; and

WHEREAS Honour 100 represents the provincial government's commitment to commemorating Newfoundland and Labrador's First World War story and will focus on significant anniversaries, legacy, education, provincial outreach and research; and

WHEREAS as a province, we will honour the sacrifices made by our veterans and come together and commemorate the anniversary on

July 1, engaging our young people to learn more about the history that has shaped this place we call home;

THEREFORE BE IT RESOLVED that this House of Assembly calls upon all Newfoundlanders and Labradorians to join with the Government of Newfoundland and Labrador to mark this centennial day and commemorate those brave men and women by participating in planned events at the National War Memorial and community memorials throughout our province.

Thank you, Mr. Speaker.

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

**MR. A. PARSONS:** Mr. Speaker, pursuant to Standing Order 63, the private Member's resolution entered by the Member for Bonavista is the one to be debated this Wednesday.

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

Answers to Questions for which Notice has been Given.

Petitions.

### Petitions

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

**MS. ROGERS:** Thank you, 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 Deficit Reduction Levy is an extremely regressive surtax, placing a higher tax burden on low- and middle-income taxpayers; and

WHEREAS surtaxes are typically levied on the highest income earners only, as currently demonstrated in other provinces, as well as Australia, Norway and other countries; and

WHEREAS government states in the 2016 provincial budget that the personal income tax schedule needs to be revised and promises to do so;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to ensure that the Deficit Reduction Levy be eliminated and any replacement measure be based on progressive taxation principles and that an independent review of the Newfoundland and Labrador provincial income tax system begin immediately to make it fairer to Newfoundlanders and Labradorians.

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

Mr. Speaker, we are getting hundreds and hundreds and hundreds of calls. I'm sure every Member in this House is getting calls from the people of the province about this regressive levy.

Do you know, Mr. Speaker, that if you have a household, a single household with two earning members, both earning \$50,000 a year the levy for that household will be \$1,200? If you have a single person earning \$900,000, living alone, that household will pay \$900. There's something wrong with that. This is not progressive; this is regressive.

I wonder, Mr. Speaker, who in God's name was the government listening to when they boast about thousands of people coming to their town halls and when they consulted with them, and they said that thousands and thousands of messages they got from people across the province? How people recommended taxing and putting a levy on low-income earners like this? Who in God's name was this government listening to? They certainly weren't listening to the people who are speaking to all of us here in this House.

Mr. Speaker, this is not compelling us forward. This is not based on a budget that propels the province forward; this is simply an accounting exercise where the Minister of Finance so proudly stated they went line by line by line. I believe they did that, because that's all they did. There is no diversification. There is not a single

new job that has been created. There is not a single new penny of revenue that has been created. Instead, what's happening is government is choosing to pick the pockets of the hard-working people of Newfoundland and Labrador.

This is not a budget; this is a scheme for pickpocketing. That's what it is, Mr. Speaker.

Thank you very much.

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

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

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

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

WHEREAS the federal government cannot justify discriminating against Newfoundlanders and Labradorians when determining the dates of the recreational groundfish fishery;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the government to be vocal in calling the Government of Canada to extend the recreational food fishery in Newfoundland and Labrador to promote fairness, safety and tourism in our province.

Mr. Speaker, the fishery is a huge part of our province. It's a huge part of who we are as a people. This government across the way don't realize that; they don't know how important the fishery is to Newfoundlanders and Labradorians.

I talked to a lot of fishermen and fisher people and they tell me that they all agree with the recreational fishery, but it should be done and let the fishermen and the fisher people in this province get out and catch the cod. It should be something that this government is doing to ensure there are markets in place. It's the one thing that can keep rural Newfoundland alive. Everybody in rural Newfoundland and Labrador

and everywhere in Newfoundland understands the importance of the fishery other than the government.

Mr. Speaker, the recreational fishery is important to our communities. I urge the minister to talk to his counterparts. They're talking about a tag system. Let the people know what's happening and let the people know where we're to. Also, let the fishermen know when and schedule for a recreational fishery.

Thank you very much.

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

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

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

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

WHEREAS the Newfoundland and Labrador English School District trustees propose to close Whitbourne Elementary effective June 2016 and bus them to a distant school; and

WHEREAS Whitbourne Elementary is an important accessible and inclusive neighbourhood school with programs, community partnerships and extracurricular activities designed to meet the particular needs of the children who attend it;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to ensure that Whitbourne Elementary school remains open.

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

Mr. Speaker, I bring this petition. The people who signed it know now that it's not just the school trustees suggesting the school close. This school, along with four other schools in the province, have been closed as of Saturday.

People who signed this petition – I have hundreds of signatures here in my hand – along with others heard this for themselves on Saturday. They heard the school trustees make a decision that took not into account one thing that was said to them at the April 2 hearing that took place in Whitbourne – not one thing.

Parents of children who have real, exceptional needs stood and told the story of those children, and we know that those children are going into an inaccessible building. What the school board has in mind for these children is disgraceful.

It didn't escape the parents who were present on Saturday that this is a decision that was made – they had no choice. They did have a choice, but they were being given a demand by this government to close schools, to save money on the backs of their children. On the backs of their children, one of whom is in a wheelchair, another one uses a walker, children who cannot be on a bus for a whole hour in the morning before going to school because of their physical conditions and their mental conditions.

Mr. Speaker, it is disgraceful that these parents had to go through what they're going through. I'm warning the government now; they still want this petition read because they're not giving up. They are going to continue to tell this government, to tell the Minister of Education that they have a responsibility for the children and they have a responsibility to make sure that this decision gets reversed. They are not going to give up the battle.

They had this battle some years ago. They didn't give up then, and they're not going to give up now. What has happened is shameful, and these parents feel completely let down by the government and by the minister, by everybody on that side of the House, Mr. Speaker. As long as they present petitions to me, I will be delighted to be able to stand and be their voice here in the House of Assembly.

Thank you very much.

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

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

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

WHEREAS the lifeline of the residents of Bell Island, both socially and economically, is its ferry service;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to confirm that every measure be taken to expedite the modifications to the existing wharf structure, ensuring that Bell Island returns to two-ferry service as soon as possible.

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

Mr. Speaker, Bell Island and the people who are serviced by the ferry service there have been reliant on a two-ferry service. We invested, as an administration, over the last number of years millions of dollars to ensure that people would have equitable access to transportation so it would grow the economy.

We've moved from a reliance on income support to a commuting service, Mr. Speaker, that 525 people a day travel to the mainland part of the Island and work in the service industry, work in professional services, are health professionals, to ensure their stability and their financial contributions are significant. We've been down to one ferry. There's been no work done on the Portugal Cove side terminal for the last five months. Even though there was a contract let, the breakwater itself – which is another issue around parking – has all the construction equipment there and all the materials ready to go, but nothing has been done.

We've been urging the department to work a deal with the contractors to start moving that forward. We have issues around parking, which becomes a safety issue. We have an issue around new ferries coming here and no ability to put them into play because of the fact that wharfs won't be done.

More importantly, the people of Bell Island are worried about having a two-ferry service that

they always had. This administration talks about diversification and their policies about growing tourism. Well, Bell Island's one of the hottest growing areas for tourism in this province, and you're stifling that because you're not moving forward on the contract that was put in place.

So I urge the minister, and I urge him to work with his colleagues to ensure that the contractor gets on site and starts doing the work they were contracted to do.

Thank you, Mr. Speaker.

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

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

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

WHEREAS our province's seniors deserve quality care and assistance when residing in long-term care facilities; and

WHEREAS our province is currently experiencing an escalating shortage of long-term care beds;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to explore all options including partnerships to create new long-term care beds in this province.

And as in duty bound your petitioners will ever pray.

Mr. Speaker, it's very difficult for me to stand here this afternoon. We are all very angry in this Province of Newfoundland and Labrador. As I stand here and present this petition on behalf the people calling for more long-term care beds to take care of the seniors, Mr. Speaker, who've given their entire lives to this province, we face an announcement of another loss of 50 long-term care beds in Newfoundland and Labrador.

The people of this province have certainly been let down by this Liberal government. It is well

known that we have an aging population in this province and seniors need to have adequate care facilities.

The announcement today that mass layoffs are coming will do nothing to improve the standard of care for Newfoundlanders and Labradorians. Is this the stronger tomorrow you promised the people? Remember, no layoffs under a Liberal government.

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

**MS. PERRY:** Mr. Speaker, I'm getting some heckling from across the way. The person who called last year for double dentures and cut it all out altogether this year, Mr. Speaker.

In our district, we don't like to lose things. We don't like to acquire something by losing something else. We lost our dialysis today. We lost our clinic in Hermitage today. We lost services to rural remote communities like Rencontre East, Gaultois, McCallum. These people can't even get a doctor, Mr. Speaker, now they have to travel even further to get to a doctor. It is absolutely deplorable that you called upon them to vote for you and this is how you treat them. The government has a responsibility to address this major issue – no thoughts whatsoever of honouring the promises they made to the people.

Not one single word came out in the budget on long-term care but they ripped the partnership program that we had in place for 350 long-term care beds. There is a shortage of long-term care beds and the plan to address this would make a massive difference to individuals and their families and it would create a lot of jobs, Mr. Speaker. We need those jobs today more so than ever. Long wait times for long-term care and acute care services remain in our health sector today and left unchecked, these wait times will grow.

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

**MS. PERRY:** Mr. Speaker, is my time concluded?

**MR. SPEAKER:** Yes.

**MS. PERRY:** Okay. Well, I certainly will be back to speak in this House again, Mr. Speaker.

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

**MS. PERRY:** The people of this province deserve better!

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

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

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

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

WHEREAS 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 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 extracurricular 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 remains open and to immediately arrange for a democratically elected English school board.

Mr. Speaker, on this past Saturday the school board trustees voted to close Holy Cross Junior High. It was amazing to watch the process because I don't know who they were listening to. They certainly were not listening to the people, to the parents, to the guardians, to the children, to the teachers and to the principal of

Holy Cross Junior High. I don't know who they were listening to.

The fact that they were not a duly elected board of trustees is absolutely scandalous. It undermines the whole premise of the accountability of school board trustees to the people of their communities. They made a decision to close a school in central St. John's. There wasn't a single member on that board who lives in St. John's, so who were they accountable?

The premise of our school board is to ensure that we have trustees that are duly elected by the people of the community who are accountable to the people of the community. This was a secret vote. It was a secret ballot. We don't know who voted, how they voted. Nobody has to justify how they voted. On what grounds were these decisions made?

The other thing I find particularly concerning is that the teachers were not at all consulted, the teachers who know these children intimately, the teachers who know their needs. Mr. Speaker, 38 per cent of the children at Holy Cross Junior High have exceptionalities. This particular school has increased the standards for these children. These children were doing much better than they were in previous years. The school was successful in providing every student with the greatest opportunity to succeed, which is what we want to happen in our schools. We want to provide every child with the greatest opportunity to succeed.

Why was it important to keep the school open? Not out of sentimental reasons, but because now almost every child in that school will have to be bused to another school, which means they won't be able to take part in after-school activities. Most of these children come from families that have –

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

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

I look forward to standing and speaking to this issue again.

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

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

**MR. A. PARSONS:** I move, pursuant to Standing Order 32, to Orders of the Day, Mr. Speaker.

### Orders of the Day

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

**MR. A. PARSONS:** Mr. Speaker, I move, seconded by the Minister of Service NL, for leave to introduce a bill entitled, An Act To Amend The Highway Traffic Act, Bill 12, and I further move that the said bill be now read the first time.

**MR. SPEAKER:** It is moved and seconded by the hon. the Government House Leader that Bill 12 be now read a first time.

Is it the pleasure of the House that the minister shall have leave to read Bill 12 a first time?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Those against?

Carried.

Motion, the hon. the Minister of Service Newfoundland and Labrador to introduce a bill, "An Act To Amend The Highway Traffic Act," carried. (Bill 12)

**CLERK:** A bill, An Act To Amend The Highway Traffic Act. (Bill 12)

**MR. SPEAKER:** This bill has now been read a first time.

When shall Bill 12 be read a second time?

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

**MR. SPEAKER:** Tomorrow.

On motion, Bill 12 read a first time, ordered read a second time on tomorrow.

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

**MR. A. PARSONS:** Mr. Speaker, I call from the Order Paper, Motion 1, the Budget Speech.

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

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

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

It's certainly a pleasure to get up and speak to Budget 2016 as a Member of this provincial Legislature, one of 40 Members. It is a privilege for me to stand here as the representative of the people of the Ferryland District, since 2007 first elected.

It certainly is a privilege. You run for elected office. There are many who do that aren't successful. It is indeed a pleasure and a privilege to represent the people of one of the 40 districts in Newfoundland and Labrador. To work hard for them; work on issues of importance to them, either individual issues or issues in the community, issues related to public policy right across the full spectrum of running the Province of Newfoundland and Labrador, whether you're on the government side. Here in the Opposition you have a role to play and it's a very important role. I think everybody understands that. As I said, it's a privilege to be a part of that.

Over my career in politics I've had the opportunity to serve on both sides. This is a new role for me in Opposition. I'm enjoying it. Through the years on the government side as Cabinet minister, I'm quite familiar with the process that has gone on over the past number of months and weeks in regard to preparing for a budget and the role that the public service plays in many departments right throughout government. In finance, the excessive number of hours and hard work they put in putting a budget together was part of that.

Public servants may not often be recognized in terms of the work they do in putting a budget together but it is important to recognize that there's often long hours in the evening time and on the weekends. As you can imagine, an \$8 billion exercise in terms of bringing all that

information together and making decisions. It is a big process in terms of doing that. I just want to recognize, based on my experience and what I saw, I certainly do recognize that of the public servants.

In that process of the budget, what political side you are on or political ideology or where you believe you should take direction of the province, there are always difficult and easy decisions. Well, that's what they are. They are easy decisions. The difficult ones, when you are faced with them, as I've experienced sitting around the Cabinet table and/or in caucus, are challenging. It comes down to the fundamental principles of what you believe in. Then you come together and try to draw some conclusions in regard to how you are going to move forward collectively on a particular item. I understand that.

The past couple years there has been times we sat around and made tough decisions. Again this year with a new government coming into power in the fall, we had to sit down and look at where we are and make decisions on how we want to move forward with the province in terms of leading it and providing the direction as we move forward for the next four years.

It is challenging, everybody recognizes that, but fundamentally at the end of the day, when you go into an election campaign you lay out for people what your fundamental principles are. You make promises and you're expected to live up to those promises. You lay out for people what your vision is for the first year in office and for the four years in office. You lay out fundamental pillars of what you think is going to be important and how you're going to get through that.

People have a right at the end of the day to hold you to that. That is certainly what it's all about, about getting elected. We run as an individual, you run to represent people in a district. Certainly as a government, you run on a platform. You run on a belief and direction of that particular government and you should be held accountable for it.

That finds us today; here we are today discussing the budget of 2016 and what the current Liberal administration campaigned on in



the fall, last fall, and what they delivered here in this budget. That's what we will discuss over the weeks ahead through estimates. In Estimates this morning, the Public Service Commission, Human Resource Secretariat, we went through a bunch of items in regard to those two entities. The minister was available and all of her staff in regard to those and went through. That's an exercise for people that are out there to understand how we break down those various aspects of a particular department and go through line by line in regard to the expenditures related to last year's budget and what the actuals were for a particular year. Then again, the current government lays out the estimate for the coming year.

In particular, departments, when you go to Estimates, you can – as a standing committee, the Members from both sides sits on those committees and can ask any questions related to those line items, as well as policy issues related to the department and the direction they're going and success that's been had to date, and/or moving forward, what that will be.

It's all part of the budget process and we're working through that now. I know last fall, us being in power for a number of years, we went to the electorate to lay it out for us, but our ideas, our vision was for the Province of Newfoundland and Labrador and the democratic process. The people chose. We respect that.

The people chose, gave a mandate to our folks on the other side to form our government and to bring in what they believed was in the best interests of Newfoundlanders and Labradorians and based on, as we lay out in a platform to the people, why we should vote for one particular party or one bunch of individuals. That platform people expect you to follow through on. So we've had lots of discussions about that as we move through our budget debate.

As we look at where we are today in terms of our financial situation, I mean nobody – I don't think any side would deny, or certainly it's not our intention to deny the province is challenged by the consequences of a revenue shortfall, a lot of it due to global market in regard to oil reduction in the amount of a barrel of oil. We've seen it in other Canadian jurisdictions, more specifically Alberta and now Saskatchewan.

When you're based on natural resources in a time of plenty, you get great returns from those. When it's not in the global market – and there's a whole number of intervening variables at any point in time that cause that challenge; there are challenges from a revenue point of view and from operating the government. There are challenges. With that comes the ability to lay out an immediate plan to address any shortfalls and a long-term plan to deal with it over a four-year government period or even longer, depending on what the indicators are at that time.

We all know action is required. Last year in 2015, when we laid out our budget, we introduced a balance of some fee increases, things like HST. We inserted two new brackets in the personal income tax on the higher end and a number of variables to look at how we would bring that balanced approach forward. That's what we did.

That's what we're thinking should have been done with this particular budget. We don't think it's balanced. I would think it's very quick on the revenue side to pull a whole lot of revenue, a whole lot of funds out of people's pockets in a variety of areas, a variety of demographics, right through the whole demographics of our province. In doing that based on what is happening globally and in Canada itself, when the economy slows, and the economy is slowing because of various reasons, it's tough to take more consumer spending and reduce it because small businesses and all businesses are what drives our economy, all the time. But certainly in a time like, this we need to be very careful of what we do and make sure it's a balanced approach.

In our 2015 budget we laid out – as I said, it was in bringing a response to a revenue crunch and trying to lay out a long-term plan to deal with that so people can see it. Everybody knows here in the House when you lay it out – and our friends on the government side will see that there are challenges when you're in government for laying it out and you need to convince people that you're going in the right way and that things are being done the way that they need to be done.

So you honestly lay it out. You lay it out for the people and you say here it is, and you work

through it and try and do what you need to do to get through it. We did it in an election year. We could have easily said no, no new tax increases. We are not going to do any of that. That won't be popular. HST, we announced it first last year; it wasn't popular. We didn't do it because we thought it was going to be popular; we did it because it needed to be done.

Looking and evaluating where we were to, we had to make some choices. They were serious choices, laying them out in front of people and what that would be. Again, on a balance, we looked at some infrastructure spending and in our documents of last year – and I will talk about that as I move forward today – we laid out infrastructure. There is always lots of infrastructure in all of our districts and all the various industries around the province; we can always look at increased infrastructure. We tried to take that balance. That's what we did in 2015; we took that balance and laid out priorities for this year and looked at what the priorities would be in future years based on our abilities. That is what you do, and it's important that we do that. You're honest and upfront with the people and you let them know what you're doing.

In regard to what we are seeing in this budget, there was certainly choices made by this particular government running an election campaign, particularly related to HST, adamant, the now Premier said back at that time as Opposition Leader, back last year, unequivocally, right away, HST is a job killer. We're not going to do it. Unequivocally, straightforward, that was said.

We see in the budget today that the HST is in. It's something that we laid out, basically, straightforward with the people of the province. We said we think it's a need. It's something we need to do, and this is the revenue we think we'll generate from it.

As a result of the election of the Liberal government last fall, immediately coming into office – we had already contacted the Department of Finance in Ottawa and requested that the HST be levied. There are two particular times during a year – January 1 to June 1 – that HST, with the approval of the federal government, can be levied. We did that. We gave notice. That process was set to begin as of

January 1, that there would be a 2 per cent increase, to go from 13 to 15. With the coming in of a new government they decided, no, we're not going to do that. So they wrote and had it stopped.

That means the next time they could – I believe it's July 1 when they could institute the levy. It would be then. We had predicted somewhere in the range of \$180 million in regard to the generation of new revenues from the HST increase of 2 per cent. The fact that it was cancelled, that's \$90 million, basically, that we don't have now that we could have had. Now, based on this budget, we've flip-flopped. We're going back and we're putting HST in place, which is going to, I assume, be instituted by the federal government (inaudible) collections start.

I notice in the budget, I think even the Estimates of the current government is higher than the \$180 million. If I remember correctly, it might be about \$220 million. That means we may have left even more money in the first six months of this year on the table. That would be about \$110 million. I think that would exceed what the current levy is that the government has now instituted.

We're saying it's a temporary levy, but if they had recognized the HST and the revenue it was going to generate, obviously, that would offset the levy. That's certainly confusing on why that was done. I guess the government and others will answer for that as we move through debate and tell us why that happened.

Other things we hear too – and I'll take you through that in terms of we were in government for a number of years and made a number of decisions about spending and budgets, where we would invest, why we needed to invest, where we were when we came to power. The revenues that were generated for things like the oil industry, how we would use that to rebuild a province that had huge deficits in regard to infrastructure, in terms of post-secondary investment, in terms of economic development, in terms of growing our rural communities.

Let's face it, no matter what government is in power, you never get to do it all, but you prioritize and you try to build it collectively to make a province a place where people want to

raise their family, where people want to stay, where people want to go to post-secondary, go to college, get expertise, get training and want to stay here and grow your family. That's what it's all about. That's what the initiatives in any government are all about. We took that very seriously and invested heavily in many aspects.

Other areas, innovation, research and development, our municipalities, all of that builds strong communities and stronger regions. That's what you need. I'll talk further too, when we get into it, about investments in health care, social programs, education. All of that builds strong communities. That's what we need and that's what we did over the past number of years.

Always, whether I was the minister of innovation, business and rural development, Fisheries, Municipal Affairs, we all had discussions with my colleagues on this side and on the other side about needs they had and needs they thought were important. That's fine, they certainly did have needs. We worked with them to fulfill those needs. We didn't get them all done, but there was never a time when someone on the other said ever said: well b'y, you know, we shouldn't spend that. That's not a good investment.

I will go through shortly some of the significant infrastructure. The monies that have been spent and what it's been spent on. We often hear there was \$25 billion, or there was X amount of dollars for this, and we didn't spend it properly and we wasted it. Well, if someone wants to stand up and say that, that's fine, but let's back it up and tell us where was that to.

Here's the infrastructure we spent. This is the reduction we gave in personal income tax to allow this province to be very competitive and allow people to live here and build their families here, and also for people to move here and to be competitive, and for businesses to move here and to have competitive corporate and business taxation. Those are all indicators or pillars of how you build your economy and how you do it successfully.

We did that. If people disagree with it, that's great. It's nice to stand up and say there's something here you shouldn't have done. Or if

something was built in your district, there was infrastructure put in your district, but today you should stand up and say: well, that shouldn't have been done. That piece of infrastructure shouldn't have been built. You shouldn't have done it. That's fine. That's a debate we can have if someone wants to stand up and say that. The infrastructure was spent, the dollars were spent to build our communities, build our region and build our province.

We've heard too in regard to we have no choice, those sort of things. We always have choice as a government and the direction we take. Once you're sworn in, whether you are a premier or cabinet minister in caucus and all concerned, you represent the group that runs the show. It's your choice. You make the choices what you do now to move forward. There are many variations of what that could be – many variations certainly. A wide range of programs and policies and levers you could use on the revenue side and on the expenditure side. That's what you put together.

It's always left with those that lead and those who are on the government side, and that's where it needs to be. Leadership is about taking that stand, taking the responsibility and laying it out for people. Sometimes it's tough and sometimes it's not so tough, but, at the end of the day, you have to take responsibility for it and you have to do what you believe is in the best interest of Newfoundlanders and Labradorians.

We've also talked earlier – there has been a lot of discussion as we've gone through – about our credit rating, which is extremely important, as we know. As your credit rating rises, obviously it is a benefit in regard to servicing your debt. In terms of borrowing money, it is a far better interest rate and you want to keep that debt and servicing down as low as it can possibly be.

I know last fall when we presented to the people of the province – or last spring when we brought down the budget, we seen several times through the years the three bond rating agencies were happy with that, happy with the plan that was laid out. Even as late as November, I think one of the bond rating agencies had looked at it and were still content with what we had laid out. Now that had started to change when the current government in January, I believe it was,

formally initiated that they were going to cancel the HST, which signalled that the plan had changed.

The credit rating agencies and all concerned were looking for – okay, well the plan is going to change. You are going to pull revenue out. How are you going to replace it? With a barrel of oil and revenues dropping, what's the plan? How are you going to move it forward? That was lacking. It was lacking for quite a while, till Thursday, and we got some indication of where this government was going to go, what their ideas are, what some of their plans are; but, as we talked about here in the House in Question Period, it now appears we are going to have two budgets. We had a budget on Thursday and we're going to have another one in the fall.

I think that causes some concern because it is not a plan in regard to the fiscal year. It's causing, what we have heard, and I'm sure on the other side as well, because I've seen a lot of emails and a lot of messages sent to various Members and people who have concerns with the approach on Thursday and what that's going to mean in regard specifically to people and cost. I talked about the demographics and the various parts of society that are affected.

Still, you look at seniors, obviously, many on fixed incomes. You look at the disposable income they have. So you look at a levy that goes on where they may have to pay \$300 or \$400 a month. You look at gasoline that goes up, 16 cents. You look at their car insurance. All of this adds up, and these are net dollars that are coming right out of their pocket. Home Heating Rebate – all of those things are direct dollars that are coming out, off a group like seniors which is devastating. It is fixed income.

So is that a balanced approach? Is that where we need to go? What does that do for the needs and what they need to survive and stay in their communities and live in their homes? It's a challenge. It's a real challenge. So what's the balance? Is there something else we can do to balance that out? Because we've invested heavily over the past number of years in regard to seniors and everybody knows the demographics in this province – the fastest aging demographic in the country. So that brings challenges.

We've looked, as a government, certainly looking at keeping seniors in their home, investing heavily in home support, which is essential to allow them to stay in their homes. So that's one of the things that are extremely important. What this budget is doing is looking at how do these seniors still survive and still be able to maintain their homes and live in their homes and have those services they want when we're heavily burdening them with taxation and fees.

I get back to the point I said before, in terms of balance. It's all about a balance. It's about you need to raise more revenue, but you also got to talk about your expenses. How do you balance that out? And that's what we're talking about. Certainly it's part of the revenue stream. It's a part of diversity. It's economic development. It's your community. It's your economy. It's your businesses. So you can't do one thing on one side of the ledger that's going to dramatically affect the other side, and that's the balance.

On Thursday, the budget that was presented didn't show that balance, didn't demonstrate that balance or didn't show long term how we're going to deal with some fundamental issues we have in regard to our deficits as we move forward.

That's important; that's what we're saying. That's our concern, certainly, with the budget in terms of how it was laid out heavily on the taxation side and just driving revenues, and this is how we're going to get revenues. We're going to tax everybody, we're going to increase fees to everybody, and we've got an economy that's sort of flatlining. So that's going to impact the economy, because it's all about disposable income. It's all about people spending, and you don't feel comfortable with that or confident, it's very concerning.

Another thing we've seen, certainly, is indications in terms of the public service. There were layoffs announced. I think there were 650 announced in the public service. People understand you've got to do things on both sides of the ledger; you have to make serious decisions.

One of the things that's really concerning is we don't know whether that's it and we don't know

whether there are more coming in the fall. From a consumer point of view and consumer confidence, and people being concerned and have fear about what the future holds, I mean that dramatically affects the economy.

If we have 48,000, or in that range, of public servants – either core public service or with all our agencies and boards – that are out there today and saying, I don't know what's going to happen in the next six months. Do you think they're going to buy a new car? Do you think they're going to do renovations on their house? Do you think they're going to take a trip? A lot of them are going to sit back and say, I don't know, I'm uncertain, I don't know what the future holds for me. They're not going to invest. They're not going to spend. If you don't spend, you're not supporting local business; you're not supporting the local economy.

We all say small business is the foundation of our province and of our economy. Sure they are. In all of our districts, here in St. John's or you're out in Renewals, you're on the South Coast, you're in Labrador, we all know it, we see them every day. We talk to them. It's fundamental. They might hire two people, they might have 15, but that's a livelihood for those people.

If people are nervous about spending and they don't know what the future holds, and they don't have a plan from the government on what the future is going to hold, it's problematic for the economy. That's why we don't understand why we don't have a budget which lays out here's where we're to, here's where we're going, here's the cuts, here's how we're going to raise new revenue from economic development and for other means that people clearly know and understand.

As I said, it's reality. I've gotten calls and I've gotten emails over the past three days. People are very concerned. From the middle-class families that are just raising small kids to middle-class families that have kids starting to go to university, to those that are retired, seniors, fixed income. So it's across the board and there is concern.

One of the biggest things, and we all know this, is the population of our province. As I said before, we look at the demographics and which

way we're going, we need young people. We need new families or young families to grow our economy. Any economy does. That's so important that we can't tinker with disincentives for people to stay here, especially young families, or encouraging them that this is not the place to be and don't give them hope and don't lay out for them a plan of why the next number of years is going to be good and you should stay here. This is a place to flourish because we have a couple of tough years, but we have a plan and we can lay it out for you. You should stay because it will come back when you look at all we have to offer in our province, one being our offshore but certainly our fishery. We look at the ITC sector, how that's been grown; various industry, I mentioned before, the ocean technology sector; look at the investments we've made for our education system at Memorial, the College of the North Atlantic, Marine Institute, the infrastructure we built, state-of-the-art genic centre at MUN was about \$17 million. We believe it was a good investment. To build that cluster of research and development is so very important.

We built our engineering program at MUN, looked to double that by 2020; improvements to our medical school, added great space to our medical school; pharmacy school at Memorial, all of that; huge upgrades to Grenfell College on the West Coast. All of that is about creating an environment where people want to stay, people see opportunities to get good education, and then to graduate and become part of the economy and part of our communities. That is the bigger picture.

When you start tinkering with that and don't have a good balance, that's problematic. Because once people leave and go elsewhere and put down roots – well, as a young family that's what they do – we lose them, and we can't afford to do that. So the environment we create, even in a tough situation, that environment needs to be balanced. It needs to show that any government has an idea of where we currently are, where we need to go in the short term and what the long-term plan is. This doesn't do it – I'm sorry, it doesn't do it.

What we heard last Thursday and what we're hearing from the general public is a huge concern. Everybody needs to understand that

because, at the end of the day, everybody here represents the people in their district. You can be part of a party, you can be part of a government or part of an Opposition but everybody has to answer. Everybody has to answer to people in their communities that goes to the ballot box and marks an X for them, because they are the ones who decide at the end of the day.

It is great – I said I was in Cabinet before. That's all great and wonderful to be in Cabinet but, at the end of the day, you answer to the people in your district. It doesn't mean anything when people decide well, did you represent me? I had views; I had opinions. What is the majority of my district saying? They are the ones at the end of the day when you go back to the ballot box, they'll remember – believe me, they always remember, and so they should. They should always remember what you stood for, who you stood for and when you stood for it and if you listened. That is part of politics. That is part of the democratic process. That's the way it is. That's the way it should be.

This budget, a lot of people will certainly think about it, a lot of discussion about it going on everywhere over the past couple of days and the weekend and will continue to go on. As elected officials – a person I used to know used to say you “Dance with the one who brung ya.” That basically means don't forget the people that elected you and don't forget the people who voted for you. If you're going to continue your life in politics, you'll be going back knocking on that same door again and asking. They'll have questions, they always do, and so they should.

As we continue on, we talk about that balanced approach. In many cases, we always look for more spending. We have to garner that with the overall plan of where we're to. If we don't have a plan of where we're going and what we're doing, it's hard to fathom how we can make those kinds of decisions. That's the issue we have here in regard to this budget. It doesn't lay it out clearly where we're going and what we're doing.

Decisions that are made and have been made, we think, based now on, as I said, our economy, what's happening in it, has the ability and we think will, if not correct it in some way, continue to hinder its growth, will continue to hinder

activity in our economy at a time when it's so crucial that we're able to continue to support our economy, our local businesses, our people in our communities to continue to grow.

There's a limit when you tax. Everybody understands you've got to tax, you've got to raise revenues, but you do that to a certain point. Once you get to a certain point where you exceeded that threshold you're in trouble, because basically it's a disincentive in the economy and it's a disincentive for people to continue to work. They may not get work; they can't find opportunities. That's a concern.

So you can't tax people or you can't tax your economy to the point where you cause devastation and you're going in the wrong direction. You've got to have a plan to see it through the rough periods. That's very important. That's what we need to do here, but we're not seeing it – not seeing it at all.

The Liberals made some promises in the fall in their election campaign on what they would do. Some of those they haven't kept and people are not happy about it. As I said, people will have to answer for that and have to see us through.

I've heard discussions in regard to our wealth over the past number of years and what we did and what we didn't do. Some will say, and I keep hearing this figure, there's \$25 billion – that something happened to it. What did you do with it? Did you waste it? What did you do with it?

I'll take you through some information in regard to some of the investments and stuff we've done in Newfoundland and Labrador, done in all districts, done in all areas of the province, done in Labrador, done here on the Island to grow that environment that I spoke to earlier, that allow communities to grow and flourish. That's why you do it. You reinvest. You've got to build that sound basis to allow people to be able to do that. If you don't, it's not a solid basis to where we want to be. That's so very important.

I'm just going to go through and talk about over the past 10 years. Last year we did a document, Solid Investments in Provincial Infrastructure. That was basically outlining the whole range of areas and industries where we did expenditures,

and most people here sitting in the House would be quite familiar in the district where they are.

At some point during the debate of the budget, if someone wants to stand up and say: yes, okay, I saw that or I'm aware of that piece of infrastructure but I don't think we should have did it. Well that's fine. That's good. Stand up and say: no, we shouldn't have did that. We shouldn't invest in that program. I don't think that was right. That's fine, because you can have a good policy discussion about it then. But to just stand up and vaguely say: well, the money is gone and we don't know where it's gone. Well that's not worthy of a discussion. We want to talk about it, let's have a discussion about it.

Those investments were made over a period of time to build everything we needed in our province. We hear the same story over again in terms of – a number of years ago we had mould in schools. We had all kinds of things with regard to schools and children in our schools.

Health care facilities; we have a massive province, as we know, geographically and far dispersed, from Labrador to the Island and all over. It's tough to meet those needs, but whether you have it in regional centres, you need to have that core infrastructure. You need to have it.

In health care we continue to find new medicine, new drugs, new technology and the need of professional medical people to do that type of work. It's very competitive. So we have to be able to provide a level of care and balance to the people of the province that they so deserve, and it's challenging at times.

Again, municipal infrastructure is another huge one. We've done a lot with municipalities over the past number of years. Last year we were able to agree to a new fiscal framework which saw continued investment, but measured investments initially under what was recommended. That's something the current government will have to look at again as they move forward.

I was happy to see, one of the things in the budget that I have to say to the government and to the minister, they did stay with the initiatives we had introduced last year in the fiscal framework for municipalities. I certainly give them credit for that one. There's not a lot in this

budget but I give them credit for that one. It was good and I was glad to see it, because that was something that was worked on for an extended period of time.

It was about looking at a whole range of things in regard to municipal governance, municipal infrastructure, access to revenues, sustainability of communities, all of those things. It was the first time ever in the province, historically, that municipalities would get access to a share of the gas tax directly. As well, they would get, for the first time ever, a rebate on their provincial HST portion. So they were two huge revenue streams they had asked for and we had worked with them to deliver.

There were other things outside of that. We looked at Crown land. We looked at the ability to access Crown land for development, and access it over a period of time so that communities – as I said before, what it's all about – can continue to grow, regions grow, and they're able to access what they need in terms of growing their communities. So that was good. That was maintained.

There were also elements in that in regard to looking at local governance, because right now – I forget the numbers – maybe 260 municipalities, a little under 200 maybe local service districts, then you got areas that are unincorporated. My numbers could be a little off. It's a little while since I was in Municipal Affairs. So there's a wide variety. As we grow and as we look to deliver services – and it is challenging, and everybody knows it's challenging. We've got to look at what the model is.

One of the big recommendations from municipalities and Municipalities Newfoundland and Labrador, was we knew to look at the governance model. So what we did last fall – I think it was the end of August, maybe, we moved ahead with that. There was a committee struck to look at various local governance models, certainly in Canada and other areas, wherever, and just seeing, based on our demographics, our geography, all those types of items, what may best fit in terms of looking at a more cohesive and balanced approach to local governance. That could be related to how we raise revenues to service a region, how we look

at sharing services. All of those make it very important.

That committee was struck and representatives on it. I'm not sure where it's too. We haven't heard anything on it, but it was our intent to do data collection, do a comprehensive discussion, a consultation, and by April, I think of this year, report back to Cabinet with some recommendations of what that may look like, and collectively we will find a new means to move forward.

So I'm not sure where that is. Again, it was an element we had identified in the fiscal framework, which was historic in terms of what we had developed with municipalities. We'll see where it's too, but I think it's extremely important we have that look and see where we are.

Significant investment in the province over the past 10 years to continue to grow our economy. It certainly helps in terms of any time you invest in infrastructure – whether it's the federal government or a province. Over the past decade when the economy started to slide at times, there was often – and we did it in 2007-2008, I believe, put extra money in for infrastructure to offset a decline in other areas of the economy. The new federal government prime minister, I think, is adopting somewhat of the same approach: to invest heavily in infrastructure to help drive the economy. It certainly helps GDP growth, all of those things that are important – person years of employment, all of those things that are important in the economy.

There was reference, I guess, some time ago by the Premier that we were going to get some extra dollars in infrastructure over and above per capita, but I don't think we've seen any of that. I'll speak to that as I move through in terms of some of the items through the federal government we seem not to be as excited about in terms of lobbying them to get some help at times when we can and should as part of this great country we call Canada. There are all kinds of federal programs, federal transfers that can be used to provide us with assistance.

When you look at things that invest in terms of growing the economy, forestry and agriculture; over \$64 million invested over the past number

of years ranging from access to roads, commercial harvesters access to roads, contributes to industry and business and growth. That's important. When you look at where we spend, it's one of many areas as we continue to go through.

Specifically, we can look at, in particular, in St. John's the Foreign Animal Disease Laboratory. It's very important in monitoring control of animal diseases. That grows the industry and builds infrastructure within the industry, so approximately \$4 million there.

If you look at forest access roads in terms of driving that industry in the forestry sector, silviculture, all those types of activities, and commercial wood harvesting, those types of things, we know that's required and that's needed. That was almost \$50 million that was invested in those areas.

Many MHAs and Members here would be quite familiar with that. They know those roads and access roads and how important they are. They need upgrade every year. New roads need to be put in to access for commercial harvesters to get into areas. We're all quite familiar with that. That's obviously well spent in terms of driving economic activity.

In the aquaculture areas again, there is a new sea potato facility here in St. John's, \$400,000. It's spread all throughout the province which is important. As I said, when we grow our province and grow our region expenditures, you look at opportunities in various regions and how that helps grow the region which is so important around the province.

Wooddale Provincial Tree Nursery upgrades, Bishop's Falls, Grand Falls-Windsor, approximate cost in excess of \$6 million, just significant again in terms of driving that particular industry, in that sector, forestry and agriculture. That's just an example of some areas that we thought were important, were important investments, and still do. Anyone who doesn't I guess they can tell us that it wasn't the place we should have invested.

If we look at post-secondary education, you look at education in general – anybody who looks at communities and building strong communities, a



strong province, a strong country look around the world, education is the key component. You look at giving access to education so you can develop those expertise and knowledge-based industries in your own area of the world or to go elsewhere. Because travelling too, obviously, you need the experience and that education or that world experience elsewhere also helps drive your economy. That is a quality you can export. It's a knowledge-based quality, or it can bring it back in future times to grow your economy. That's so important as well.

In post-secondary education, under \$400 million invested in total. We look at Memorial University infrastructure, the College of the North Atlantic, as I mentioned earlier, all of that is about building opportunity, building the infrastructure so young people have access to that in our great province. That drives not just economic development, but social development as well, which is very important for all our residents of the province to have that opportunity.

We need to have state-of-the-art facilities. At Memorial, we have a lot of students that come here in terms of their education. We've been very successful in terms of entrance fees at Memorial. It also brings a lot of new people to our province and in that and of itself, when people come, they do an undergrad or do a graduate degree or do a co-op program, they are out working with companies in the province. Foreign students come and they're out working with companies, like I said, in our economy. That gives the benefit as well of having them exposed to the area, putting in roots, being entrenched in their community. We talk about needing people to come to drive our economy; it certainly supports that from that perspective as well.

We have a core science facility at the university being built; you see that. Grenfell Campus, I mentioned about \$27 million. In Corner Brook, there is a new extension to the Arts and Science Building, bringing in things to modernize the facility, teaching laboratories and all those types of things to make it state of the art. We are very comfortable with that in terms of expenditures like that that people can use to grow both the social and economic side of our society.

In Labrador City, a \$22 million investment in the Lab West campus of College of the North Atlantic. Macpherson College residence, that's the one at Memorial University, people will see a brand new residence facility. That was in the range of approximately \$65 million. So students that come to St. John's certainly can have state-of-the-art facilities. We have known over the past number of years there was a residence in St. John's, but it has been there for a number of years. The time had come to replace those and do the things we needed to do to support the student community.

Mr. Speaker, another area we looked at from an industry point of view, because whether in a budget or you're doing it over a four-year term or a 10-year term, you identify your industries – all your industries, but those that you have a huge opportunity to continue to grow, to continue to work with. One of those is the fishery in Newfoundland and Labrador. That's been a hallmark for why we've been here for 400 years or more. It's changed dramatically in terms of the way it's prosecuted, but still many similarities.

For us in our time in office – and we found that was well spent to invest in fisheries and aquaculture. On both sides, on the fisheries perspective, on the wild fishery, various programs, we had to support that, as well, to support research and science. What we saw over decades past is that the federal government in their role, in terms of supporting science, has certainly deleted many of it and scaled it way back. We thought it was important to invest those dollars and to get the evidence and the information we need in terms of our ground fishery and some of the things we're seeing with the return of cod – that we're prepared. That's a sound investment. We think it is. If others don't think that's fine, but we think it's a sound investment.

It's money well spent that sets up as well – that even when you go to DFO and have meetings on science and all those types of things, we're at the table with evidence, we're at the table with good information. We can sit down and make the case of why we think the management and regulation of things like the cod fishery and/or groundfish should go in a certain direction. That's an important expenditure. We believe that's well

worth it. It's good to invest in that because that's investing in the future in our wild fishery.

On the other side of that with the Marine Institute and through our investment there – and the cod signs and what we're doing there, I mean you look at the masters and Ph.D. students now who have gone through, we probably have the inventory of some of the best groundfish scientists or cod scientists in the country right here in Newfoundland and Labrador. So that's good investment. We believe it is.

That's really good investment because we have that expertise and knowledge here, have it to work here for us and also to be exported. That's good expenditure we believe. It's a good expenditure of driving that knowledge base and driving the expertise to support our industry here, like I said, that's been around for 400 years and certain to be around as long as we're here in any form.

We look at other areas of investment on the south coast. I know my colleague can talk about what the aquaculture industry has done down that way, the improvements it has and how has it driven the economy down there. Even things like infrastructure, aquaculture wharves; Harbour Breton, Pool's Cove, Hermitage, Sandy Cove, Milltown and St. Alban's. When I had the privilege to be Minister of Fisheries, I had an opportunity to visit many of those locations and look at what the impact was in those areas and those regions based on our strategic plan to invest in economic development and to invest in the aquaculture industry. We've seen tremendous returns from that.

As we know, the downturn in the cod fishery in '92 certainly brought devastation to that region and to many other areas of the province, but through an opportunity and through an investment and through partnerships with the private sector and investing public funds, that we believe are well spent, we were able to basically rejuvenate that region and provide new opportunities, new small businesses. I think there are about three operators there now.

I know last fall we had discussions with a company out of Norway for a fourth who wanted to do a \$249 million project and looking for a partnership with government. I have no

idea where that is now with the current administration. When you look at the budget and talk about economic diversification, we didn't see a lot. That's certainly an opportunity that I encourage them to take a look at because we need to drive the economy. We need to look to be innovative. If we have an opportunity, we should be seizing it and working with those proponents to move it forward. I think it's an opportunity to be explored.

On the science side in terms of aquaculture and those types of things, I had a chance to visit St. Alban's as well over the past number of years, and the aquaculture, health and development. That facility was built there, state of the art for the aquaculture industry in St. Alban's with the expertise and the staffing there to provide that type of resource to the industry. Again, for us, we thought well spent to drive that industry and support it, and will do in the future in decades to come, no doubt. It's done.

The other thing you have: special assistance that we provide to the fisheries. I think about \$10 million over – I have many in my district, related to fishery committees, Small Craft Harbours – anybody with a rural district understands that in regard to they operate a fishery in various communities. We often assist with stages or wharves or particular projects to assist them in what they're doing. What most of it comes from – obviously, it is regulated the fishery by the federal government. Small Craft Harbours would do most of the significant infrastructure in regard to significant wharves, breakwaters and those types of things. There's still a role for us to play, and we believe there's a role for us to play in doing that.

If I remember correctly, I think this year in the budget in the fishery they might have gone from \$3 million to \$10,000.

**AN HON. MEMBER:** \$10,000.

**MR. HUTCHINGS:** Yes, so it's \$10,000. So we're going to work with those small communities and those fishing communities with \$10,000. I know when I was there in my district, it was very well used and the fishing community and those that took care of various infrastructure really availed of it. We thought it

was really good investment, and it was money well spent.

So then we move into areas like roads and highways and transportation. Everybody's familiar with that when you look across our province and in Labrador. I think somewhere in the total of below \$2 billion, maybe \$1.6 billion or \$1.7 billion I think exactly. Ferry terminals and wharves, airport strips, infrastructure, marine vessels, Trans-Labrador Highway – \$418 million; provincial roads in excess of a half a billion dollars. Again, to drive an economy you have to build the infrastructure. Travel is commerce or commerce is travel. You've got to, either way, support it; it's got to be there. So we took on to do that, and certainly to build that infrastructure. Again, we certainly believe it's money well spent.

Some particular ones people are familiar with in the district: Placentia lift bridge, approximately in excess of a \$50 million project. It is a lot of money, a big expense, but it provides accessibility for residents in Placentia, and you need that for commerce and activity on all sides. So that's important.

Overall, the roads program every year – I know the Minister of Transportation and Works a few weeks ago announced \$10 million, I think, in regard to particular projects that he said they had prioritized and reviewed. I think we were looking for some more additional information into the 40 districts. Were all activity in them prioritized first, or did we just take an area, a number of districts, and review those and prioritize them and say we're going to put \$10 million there? Or did we prioritize everything and say here's the priority so this is where we're going to spend our monies? He did say to me there was further review coming. I think there were further announcements coming in a week or two ahead. We certainly look forward to that as we move forward.

The other big, significant infrastructure on the Northeast Avalon was the Team Gushue Highway, a significant investment in that. It's still going on to be completed, about \$62 million. That's the biggest – as I said, that investment when you hear some talk about what happened to that \$25 billion. Well, that's almost

a little under \$2 billion that's gone into infrastructure which is very important.

I think I heard the Minister of Transportation and Works stand up in his maiden speech – and I certainly congratulate him on that. I think it was well said. He talked about his experience and his road to politics and his experiences. He shared that with us. It wasn't political, which is always good in a maiden speech. It's from the heart; you thank the people that you got you here. You talk about your experience in politics. In his case, I understand he's significant in municipal politics and some of his life experiences, but the road to get here.

In that discussion I think he talked about an infrastructure deficit and talked about maybe a billion dollars. Well, think of where we were if we hadn't invested over the past 10 years in terms of some of those billions of dollars that we invested to bring our province to where we are. There's always more to do, but it is important that when you have an opportunity to invest, to grow your province and grow your economy through infrastructure and all those services and programs, that you take that opportunity.

The Trans-Labrador Highway: For the people of Labrador and from the social and economic side of things, significant and tremendous investment in that, and it continues in terms of completion. In excess of, I think it was \$500 million, so half a billion dollars. We believe that's a good investment. You've got drive opportunities in all areas of the province; it doesn't matter where. You have to make that investment. I think it's about 1,200 kilometres, so that's drive. In Labrador too in regard to what they bring to the province in terms of mining, hydro development, all of those things that are so important to that region as well.

I just mentioned earlier about municipal and infrastructure as well. It is very important for our communities. I was very privileged to have to spend some time in that department as minister and work with the many communities and regions in our province. To this budget and what we're seeing in regard to some of the challenges – what effect it has on people and consumer spending. In a lot of those small communities there are people on fixed incomes. Dollars can be tight.

This is going to have an effect, what we've heard in this budget in terms of municipalities. Because once you're in – wherever you live there are priorities. You have disposal income and there are priorities on how you spend that disposable income. If you cut that dramatically, you have some choices to make. You have the fundamentals of just living in your household. You have various fees. You have extra activities you may be involved with. If that ability or that disposable income is cut significantly, you really got to decide and make tough decisions on where that's going to be expended out of your individual pocket or certainly as a household. Those are decisions that municipalities and people who live in those communities will have to make in regard to this budget, and it will be challenging.

In our term, and terms I guess, another big expenditure outside of transportation was municipal infrastructure. That would have went over a billion dollars, I think, in total in terms of what we would expend. Again, whatever area it is, when we hear talk about where did it go, why did you spend it, and what did you spend it on? Well that's another example of significant dollars that were spent in Newfoundland and Labrador to drive our opportunity and build our communities. We think it needed to be done and we certainly did it.

My colleague for Cape St. Francis in regard to the other big one we did was in regard to the funding ratios. We know what the federal government is doing now in regard to their infrastructure plan. They are looking at various municipalities and saying: Well, we don't know if you can afford it. Maybe we'll have to up the ratio so you can access the funds.

Well that's something we did, maybe in 2008. It was a number of years ago, where we looked at: How can our municipalities access particular dollars they need to build infrastructure and build opportunities in their communities? One of the biggest challenges was smaller communities, less than 3,000 people in particular or even less than 10,000, how they get that portion, because before it was often 50-cent dollars that they would have to raise. It was kind of negotiated. So it could be difficult for any community.

What we had done is we went with a 90-10 ratio for the very smallest communities; obviously, 80-20 and 70-30 for the largest. This allowed access to those dollars that could help put in municipal buildings, give them access to fire departments, fire trucks, all of those things that a community needs; waste management. A number of areas that allowed our province to grow and build on infrastructure that's so needed.

Again, we thought it was worthwhile, certainly to build our communities. That's why we invested so heavily in it to a tune of in excess of \$1.2 billion.

**AN HON. MEMBER:** Huge.

**MR. HUTCHINGS:** A huge investment. Yes, indeed.

When you look at – I'll just give you examples of what that's meant in our province and how it's a legacy in the province. Water treatment facilities in Marystown, Corner Brook, those projects collectively exceeded \$66 million. That would match the guidelines for the safe Canadian drinking water quality. So we think they're worthwhile investments.

Multi-purpose facilities in Paradise and also in Bay Bulls – in my neck of the woods, look at that – \$26 million. So that, as we know, in recreation and all those types of things is very important. Healthy living starts very young. We need to encourage our youth to be active, to eat well, but you need to have facilities that they can avail of.

About growing a community – if someone's going to move into a community, what's the first thing they ask about? They ask about the schools. They ask about the recreation facilities. They ask about the municipal infrastructure, look around and see what's there and what's available. That also drives people wanting to move and stay in our communities. I'm not sure what some of the things in this budget are going to do in regard to that, but we thought it was important to build that infrastructure to make it exist and want people to stay and move to particular communities.

Corner Brook city hall, a huge piece of infrastructure, an investment there of over \$23 million, again, disbursed all out through the province. A great facility in Clarenville, the Eastlink Events Centre in excess of \$15 million as well. So that's building that municipal infrastructure right throughout Newfoundland and Labrador. It's not only building the infrastructure, but it's allowing formulas and revenue partnering and sharing with municipalities so they can actually access it first and foremost, and then move forward in terms of building infrastructure.

We know there was tremendous uptake in the program. There's always more required than often is what's there, but it's still needed and it's still a sound investment. One of the challenges we have – and I'll speak to that in a little while in regard to the waste water regulations that are coming upon us in 2020, 2030 and 2040 depending on the municipality and their outflow of effluent and what that's going to mean.

One of the things we're very – received from the federal government is what portion do we get? Is it a per capita portion or are we getting more because of our difficult times? It will be interesting to see where that goes. Still, a big issue for municipalities in Newfoundland and Labrador in dealing with that and the federal regulations in regard to it.

Madam Speaker, one of the biggest things that we can all relate to, no matter who we are, whether we're very young, whatever age we are, is certainly health care. It touches everybody. We have a friend, a loved one, whoever, that we all know is touched with possibly various diseases, but just as a citizen we access the medical system in a variety of ways. We always need to make sure it's there. It's there for us in whatever capacity we need it.

Obviously where you live there's always challenges in terms of getting that level of access and that level of care. In a broad range in the province you make sure and you try to make sure with your investments that we have that level of care, and based on your population – we've half a million people – you often can't have everything or you can't have the high level service in every area, and sometimes you even have to go out of province to get it. But you try

to strike that balance, and to do that you have to invest.

Over our time and some of the royalties and revenues we generated in our economy, we made it a priority to invest in health care. Because you need it to build your province, build your economy and make sure people in our province have a comparable level of service to others in the country. That's important. We get some help from Health and Social Transfer from the federal government. That's a topic that's coming up for discussion now, because I think it expires in 2016 and what it holds for us in regard to what's being transferred to us from the federal government for the future.

That plays a role in terms of our budgeting as well, in terms of our demographics. As I mentioned a couple of times, how we're aging as a population quickly and we need those new people coming in, staying, growing their families, so we have those to operate in our economy, and certainly socially to build our communities. So, it's very important.

Again, in regard to moneys and expenditures, yes, we invested and we invested heavily in health care right across the province because we needed to. Are there things you can do better and do more efficiently? Sure there are, no doubt, yes. I'm sure the Minister of Health who has direct experience in his professional life can bring a unique perspective to it as well. But that's all part and parcel of it.

Again, in terms of investing and saying where did you invest the money or you didn't invest it or we don't know where it's too – well, yes, here's where we invested it. We keep saying here's where we invested it. We think health care is important and we invested almost \$1.5 billion in various areas of health care. Addiction treatment centres, huge – we've dealt with in the past number of years, and still deal with today, for those that have challenges in society. So, it's on government at a time when you have access to funds that you build those services that you need to support your community, and we did that. Hospitals and facilities, standard, but you need to have top quality and you need to have the resources to operate them.

All of that, long-term care facilities, built a number of those over the past number of years. As I said I think it was almost \$400 million. There are challenges again with the infrastructure costs. If you go back and tie into the budget and what we are talking about here today, we had laid out a plan for private involvement in long-term care. We laid it out very clear that all jurisdictions in Canada – I think all of them – have gone that route and have had success.

There are always challenges. Some of the critics said oh, it doesn't work anywhere else. Well, that's not accurate; it does work. There are always challenges no matter whether it's public or private. What we had laid out for the people of the province, I think it was 360 beds that we would create, long-term care beds on the West Coast, in Central and on the Northeast. Today we hear they are eliminating 50. That doesn't really address the concerns. We know that as we move forward, it becomes a bigger issue.

We had laid out a plan but today, right here in this budget, we don't have a plan. We don't have a plan in terms of long-term care. As we know and people would know too when we look back at the challenges in hospitals and acute care beds, as people move through and, unfortunately, don't have anywhere to go – if someone goes to the hospital and gets their surgery cancelled, a lot of times it is due to the fact that there's not a bed available for that man or woman who is a senior that needs to go to long-term care. It's not available, so there's a bottleneck.

As we see our populations getting older, that's going to continue to increase. Now, we've built a number of facilities, as I said, in the province; I think about \$380 million to deal with that. What we said is let's look at the private sector; let's partner with them to allow them to build it. We'll partner with them and operate them, lease space and the variations you can have with that to meet this demand. Unfortunately, here we are today, that process could be underway now, but we're not meeting the demand. We don't know what the plan is, and that's troublesome for all of us in our great province.

My mom is 90 years old; she'll be 91 this summer. She's in a personal care home. Through

that experience I've seen – we all go through it certainly with our parents or other loved ones in regard to how you manage that spectrum and through it all. I've been able to see some of that and the challenges. There are a lot of challenges, but, as I said, when we had the ability to invest billions of dollars, we did it because we needed to do it.

I keep saying here, when people get up and say, well, what did you do with it? Here's what we did with it. If you could point something out that's in your region or in your district or somewhere else that you don't think we should have done, that's easy enough, just get up and say, philosophically I believe we shouldn't have built that and here's why. That's good, we can have a debate.

Just to highlight some of that: a protective community care residence in Bonavista; long-term care facility in Carbonear, over \$100 million; community clinic, \$3 million; the Labrador West Health Centre, I had an opportunity to be there I think it was last year or the year before, almost \$100 million. That's all investments trying to meet the demands of health care dispersed throughout all of Newfoundland and Labrador. That's very important to do.

The other one, too, is that I talked about technology and innovation in the health care sector. It's always evolving and new equipment, more modern equipment, more technology, diagnostic equipment. It's always leading edge and there's always a challenge of keeping up. It's very expensive.

I think it was \$100 million in various forms of diagnosis equipment; dialysis equipment almost \$10 million. Many people here would know that we pushed out our dialysis and treatment around the province in various areas, so people travelling vast distances in terms of care and getting access to that care, to try and do it on a regional basis. Certainly MRI equipment, X-ray machinery, mammography devices, ultrasound equipment, CT scanners; so all that stuff that makes the health care system run is very important for the professionals that work in it, and for those that live in communities and regions that they can access it. It's very important.

Investments in Gander; CT scanners in Labrador City; dialysis treatment, we did one in Bonavista, I think it was last year or the year before; but all over and CT scanners in St. John's and Carbonear. So all of that is investment that you need to do to build your economy and to make sure people will live and stay in the region and want to raise their family there.

As I said before, you come to a community or city or region and you want to stay, you're going to look around and say what do we have in terms of recreation, what do we have in terms of schooling, where's the health care facility I can reach, what's available to me. That's all things that any family look at and are concerned about.

I mentioned the addiction treatment centres. It's very important that services are available for people. It's always a challenge, people suffering from some mental health, addiction, all of those types of things. As well, for those who know first-hand or experience someone with that, it's challenging in trying to meet that service and getting the help you need. In that vein, as things became available and we were able to do it – we did significant investments in regard to that.

Tuckamore Centre in Paradise, almost \$13 million, it opened in 2014. It provides a supportive and safe environment for our youth with complex mental health issues. Hope Valley Centre in Grand Falls-Windsor was a little under \$13 million, a 12-bed facility, the first of its kind in the province, a youth addiction centre. Humberwood addiction Treatment Centre in Corner Brook a little less than \$4 million. An adult addictions treatment centre in Harbour Grace, just recently opened I believe, just under \$7 million. These are all significant investments in regard to various aspects of society. What we need to do and what we felt was necessary to do, and quite clear where that was spent.

I talked about post-secondary education and the investment in post-secondary. As well, it's very important obviously our K to 12 education system, the very youngest in our society as they enter that educational stream and how important it is for them to have access to a top-rate environment. I think we've been able to develop that and that investment has been significant, almost three-quarters of a billion dollars in

various areas of the province in new schools, repairs and renovations.

Since 2004, there has \$600 million spent on school infrastructure, 59 major capital projects, 14 new schools opened and eight more at various stages, extensions and renovations and all those types of things. That's been upgrading our facilities and making sure they are up to a level that's acceptable to our families, our students and to our communities.

We look at areas like Placentia; Laval High, that was about a \$14 million facility, a 7 to 12 school; Port Saunders, a little over \$13 million.

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

**MR. HUTCHINGS:** Yes, indeed. The Member recognizes the importance and what it means for the area. So I'm sure it's money well spent, no doubt, and he knows that, no doubt. He'll probably talk about it in the budget, how important it is they were built and that sort of thing and what it means to the community.

Now, L'Anse-au-Loup, \$16 million for a school – I don't have them all here. There's so many, I couldn't list them all. I know you have a new one in St. Anthony too. Riverside Elementary extension and site improvements in Shoal Harbour – that was about \$8 million. So, like I said, disbursed and based on need and disbursed throughout the province.

Madam Speaker, one of the areas too when we talk about having a social conscience and certainly as society in general, it's always important we look at those that are often most vulnerable in our society or need special assistance. One of those areas is social housing, and that's done a lot through the Housing Corporation, affordable housing. That often touches seniors, persons with disability, and persons, overall, that's requiring supportive living and housing needs.

So again we see significant investment there, well in excess of a quarter of a billion dollars to do enhancements to various infrastructures all around the province. Crestview neighbourhood revitalization project in Corner Brook, about \$7 million; social housing overall in St. John's and upgrade, about a million dollars; Stephenville,

another million dollars; Nain and Hopedale, about \$2 million.

Again, it's investments either on the social side of things or the economic side of things to make sure we continue to grow our government and to invest, which is very important.

We look at from an economic point of view, and one of the great successes we've had over the past number of years is certainly our tourism industry and what the numbers have looked like – I think it's in excess of a billion-dollar industry in terms of the revenues driving the economy. I think there was some mention earlier by the Minister of BTCRD that he was going to increase the marketing budget for tourism, but I don't think it was increased in the budget. I think it's at \$13 million, where we have grown it from \$6 million, I think, originally, over a number of years ago. We're all quite familiar with the ads and the commercials and the awards that have been won, and how we've grown that industry and what that means in terms of small business and growing communities and regions.

With this budget, again, in terms of a lot of taxes and fees we wonder what that's going to mean for those small businesses in all areas of the province. You look at gasoline, gas tax, 16 cents, what that's going to mean for visitors to our province, I'm not sure. Obviously on the point of commercial travel, anything that's travelled by any vehicle – truck, trailer, no matter – a lot of things are shipped into the Island and trucked around the Island, obviously there's some concern in that industry as well and how that's going to challenge where we are and what we're doing.

One of the big parts of that too with the tourism are the provincial parks and the infrastructure and significant dollars have been spent in that as well in regard to building and the T' Railway and all those types of things in terms of building that and what we're doing.

Also a significant investment over the past number of years in Justice and Public Safety, whether that's to our police forces and building infrastructure that's so much required. Well over \$100 million has been spent there. We have a new courthouse in Corner Brook and correctional facilities province wide and doing

upgrades that are very much needed. It's very important. From a society point of view you need that infrastructure and you need those supports, so again well spent.

The other one I wanted just to touch on too is emergency services. Most people – and especially outside St. John's or in rural Newfoundland and Labrador, small communities, we know how important these volunteers are in the volunteer fire brigades and everything they do, extremely important. As I said, most are volunteers. They dedicate a lot of their time for training and everything they do, so it's often good to certainly recognize those.

Investing in infrastructure for them just recognizes what they do, and making sure they got the information they need to be able to continue to function and do the important jobs they do, whether it's in a very small community or a region. Over the past number of years, somewhere in the range of in excess of \$200 million has been expended on various modes related to emergency services. We think it was well spent; it was well needed. It provides support to those communities to sustain themselves and continue to want people to live and grow in those communities. They need to be ensured that the appropriate emergency services are there.

Areas where there was significant investment, water bombers, over \$150 million expended; a new fire hall in Gander in excess of \$5 million. New fire trucks, pumper trucks, emergency vehicles, you see them all over the province and what they mean and how important they are for those communities, \$21 million. Then overall, just how important personal protective equipment that these volunteer firefighters need, and very important to them to make sure they have everything they need in terms of being called to emergencies. So several million dollars certainly spent on those and extremely needed. That's why it takes certain initiatives to support them. Through all of these I've mentioned, there are more to be done; everybody understands that. You take that balanced approach and the success we've had to date, we continue to grow and do what we need to do. You can't fault the fact that this was needed, it was invested and, in our opinion, it was certainly well spent in all these cases, very well spent.



Another very important one that is very important to communities from a social point of view but also from an economic development point of view is the Rural Broadband Initiative. It was something that we initiated a number of years ago to partner with private service providers. The Canada radio television corporation, CRTC, they really regulate broadband, high-speed Internet, cellular coverage, those types of things. They are the ones who really control it and they issue a licence to service providers to execute or carry out that service delivery. They have the authority to direct companies to provide that service in a particular area but if they don't do it, you are sort of at a loss.

We recognize the fact that high speed is such an important thing in communities and regions that we decided we would partner with the private sector. Give incentives for them to go into areas where they say well maybe, we don't have the business case, and to work with them to do that. I think it was about \$35 million that we invested and leveraged in excess of about \$130 million.

I know the Minister of BTCRD had some in his district that he is probably quite pleased with. I think there was a company, Northern Wireless – I think it was a new company that we had partnered with and did some work. I know there are some communities in (inaudible) areas as well – very important. I don't know what's in this year's budget. I think there's a limited \$2 million, \$1 million maybe; I'm not sure. It's not a great amount, but I'm happy to see it's there. It is important and we're up to about 98 or 99 per cent I think. So it's important. We're at that tail end where it's a real challenge to get that final – I hope to see it done. Maybe he'll get us at 100. We will wait and see. It is very important and that was one of the areas that we certainly thought was very important and we invested in that and invested heavily.

Those are some of the areas that I touched on in regard to, as I said, some of the talk that I've heard across the way from time to time: Well, what did you do with the money? Well, those are numerous examples of what we did with it and where we invested it. It is important and certainly important to the continuation of our province for success and growth.

With that backdrop and we've talked about the budget and some of the restrictive nature of that and what it's going to do to our economy, it is certainly concerning. We came in with a five-year plan last year and laid out where we thought we needed to go, everywhere from raising revenue from an HST perspective to looking at things like attrition and pulling dollars back in our expenses through that, a more of a balanced approach. As we said before, the bond rating agency had looked at it and it said from their perspective they thought it was a plan forward.

Fair enough, so it was \$1.2 billion roughly when we had brought down that budget. We knew through the declining price of oil over the year that the projections would be off. That's fine, but we had a balance. We had a baseline budget that we would readjust to meet the challenges of that drop in revenues. That's what I mean.

If you had a baseline budget you can work with that, but we don't have that today. We don't know where we're to; we don't know if this is budget one or budget two. There is tremendous concern out there in terms of the fees and what's been levied from a public service perspective and from a business environment what the next six months are going to hold. That's not good. That's not good for an economy that has slowed significantly. Obviously right across the country it's slowed. It's causing major concerns from residents right across our province.

Mr. Speaker, we had talked today in regard to the bond rating agency. The minister gave a statement in regard that – I think it was Dominion Bond Rating agency had suggested that the rate had been changed to stable. It may have. I got the statement just before I came in the House. If I remember correctly, what the statement did say is that the plan to reach balance is incomplete.

So that's concerning from the bond rating agency if they're indicating to us the plan is not complete and it's not to where it needs to be, which is really of concern in regard to what's happening. I think there was also reference to the fact that more cuts may worsen the problem, so that's concerning as we move forward with further reductions over the summer or into the fall with budget two.

The other thing I'll note too, in the current budget we were often criticized for our expenditures from budget to budget, yet if you compare last year's budget to this year's budget there's an increase in expenditure of \$400 million. So I don't know how you can say that in terms of expenditures, but you've gone and you've increased it by \$400 million. I don't know, I guess we'll have discussions on that in the budget. To be so loud and vocal and you're spending too much – continuously, and the first budget the new Liberal government brings in, they're \$400 million from the budget we brought in last year.

I say to the hon. Member, I look forward to him getting up and standing in his seat. He can tell us then what his views are. I'm looking forward to all that.

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

**MR. HUTCHINGS:** Oh, yes, we'd expect.

So, we look to hearing from him on – and the expenditures in his area that I talked about before.

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

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

**MR. HUTCHINGS:** I'll look forward to see if he thought those were good expenditures or some we shouldn't have done. That's fine. That will help the debate. It's not a problem, good stuff.

So, \$400 million in the difference of the budget that we brought in last year to this year – an increase, obviously.

The other element to all of this is the persistent uncertainty I spoke of and what it means to consumers, employers, investors, lenders. The minister, as well, I think in her Budget Speech mentioned that provincial deficit reduction measures are estimated to account for 40 to 50 per cent of predicted declines in the broad measures of economic activity. So they're even acknowledging that some of the measures they've taken are going to slow the economy.

That's concerning, because a government never wants to do things that's going to slow the economy, especially an environment where we're in today, certainly nationally with many jurisdictions, but here as well with being an oil producing province and the reductions we've seen. So that's extremely concerning that the minister would reference that the actions taken are going to decline our economic activity. I guess that gets us some of the concerns we're hearing from individuals all across the province in regard to these measures and what it's going to mean to individuals.

As I said, there was some reference to 26 temporary notices given to public servants. We're not sure where that's going. It's certainly adding to the uncertainty as we move forward over the next number of months.

In regard to department restructuring, we've heard some views on that, but it's always important to make sure any restructuring is done consistently with human resources, whether you're letting people go through attrition or you're terminating their positions. If you're going to deliver services more efficiently or in a different delivery model, you have to ensure that your human resources are aligned with your initiatives. I don't think, to date, we've basically seen that.

A different delivery model at times may be good. It may be more efficient, but you've got to see it and you've got to make sure the human resources are aligned with that, so the delivery service and what's received and what's needed to be received is clearly identified and being clearly articulated on how you're going to do that for the people of Newfoundland and Labrador.

The other issue that's come up from time to time, and the Leader of the Opposition mentioned it today, in regard to the federal government and what role, or lack of role, or lack of advocacy on behalf of the Premier and the current government could have helped us in terms of where we're to today. There are a number of transfer programs, of benefits, those types of things that we work through with the federal government, no matter what government is in power, in terms of to assist in various times.

When you look at the equalization program, which basically looks at giving comparable services through comparable taxation systems to Canadian jurisdictions, within that – that’s the fundamental principle of it. From that perspective, you assist those provinces in tough times in terms of seeing them through, through funds and difficult situations. In this particular case, I know when the House opened some weeks ago I asked the Premier about what his efforts were in terms of the federal government.

There’s a component within the equalization formula, the stabilization fund, which allows for where there’s a 50 per cent reduction in revenues from one year to the next, there’s access to funds. I think the per capita for that was \$60. I think that cap was put in place, gosh I don’t know, maybe 20 or 30 years ago.

So our point was that’s outdated. It’s not really relevant to today, so why wouldn’t you go and argue and advocate for greater assistance. I guess his response was it is what it is, which does nothing to help Newfoundland and Labrador.

Parallel to that, we saw Premier Notley of Alberta who – obviously, it’s a significant oil-producing province – has been very vocal in terms of looking to the federal government, and still is, to find assistance. Premier Brad Wall, who was just re-elected in Saskatchewan, is looking at a significant reduction in revenues from natural resources is asking again. In his budget just released recently, I think he even put a figure on it. I think it was \$453 million he said that should be reflective of assistance.

In Newfoundland and Labrador, there was no advocacy. There was nothing from our Premier, from this government in terms of assisting us. I think this year, in the fiscal year coming up, there will be \$18 billion paid out in equalization in Canada. We haven’t received it in a number of years, since maybe 2008, I believe. Within that, we’ll be getting \$32 million I think that’s coming from the stabilization fund, which is not a lot. When you look at the Canadian history in terms of investments and how the federal government stepped up from time to time and helped, you look at Bombardier in Quebec. Successive governments, different governments, different stripes have invested.

You look at the auto industry in Ontario over the years. If you don’t do it through equalization or you can’t find a way – and that’s never been an issue in Canada and the federal government; there’s always a way to find access to those additional dollars to help a particular jurisdiction in time of need. I remember back when Hibernia was first being developed, one of the partners stepped out and the federal government stepped in with approximately \$2 billion because there was a need. They recognized it and they stepped in to support it.

Again, at this point, I’m not seeing the type of leadership and advocacy that we need here to try and provide assistance. Because half a billion dollars or a billion dollars in terms of where we are to today certainly pulls back some of the things we’ve seen, or we would hope would, in this budget and some of the impact on Newfoundlanders and Labradorians and what they’re seeing today. That could have eased that burden that we are seeing today, and that was our point from day one. Why wouldn’t the federal government step in? We’re a resource rich province, oil producing, and we have some challenges. Other jurisdictions are asking for the same. Why not collectively come together with other oil-producing jurisdictions and say, look, there is no reason why here you shouldn’t step up and help us through this period of time?

As I said that’s what Canada is all about, the Federation of Canada and the territories and the provinces, and there are programs in place for that. That would have certainly helped with the burden of what we’re seeing and what was delivered to this province on Thursday. But we haven’t seen it to date.

If you just look at some of the figures here – that is great these other jurisdictions are getting this amount from equalization: Ontario, \$2.3 billion, significant dollars in terms of adding to their operations; Quebec, \$10 billion; Nova Scotia, \$1.7 billion. Still here we are today and haven’t been on equalization for a number of years – again, I think it was 2008 and when we were, the 10 or 12 years prior to that, we were in excess of one billion dollars.

For those past number of years, we weren’t required to receive anything from the federal government, yet today we don’t seem to want to

fight and say it's a reasonable approach here at this point in time that we get some assistance to see us through it. I just don't understand; maybe it will be brought up and discussed further in budget debate. But if you can imagine if we had some of those dollars that we did receive in the past that our current government could look at this in terms of current budget and the format, I think it would alleviate a lot of the noise we're hearing and a lot of the worry that we're hearing from residents right across Newfoundland and Labrador today. We thought it was a good idea, but I guess not on the other side. So we'll see where that goes, but to date we've seen nothing on it.

The other area too that we asked about from a budget point of view is significant as we roll forward is the health accord and the money that is paid out to provinces and where that is to. As we said several times there now, that the demographics are going in a wrong direction for us. So the trouble for long-term health care and dealing with the more senior members of our population, as we know, the cost per patient for health care is much higher as you get older. So that's a real challenge we need to look at as we move forward.

Again, we look forward to the Premier and the government looking to act on this. I think he did say in the House a little while back that they were even looking at, which we had suggested, the demographic makeup of a particular province and how that may impact what per capita you may see. So it may be not straight per capita across the board, but looking in particular at health care in a particular province, what the challenges are, that may be something we could look at. I think that would be very worthwhile looking at because our population, obviously, is not similar to other jurisdictions, and therefore a broad-based accord or a regulatory framework is not conducive to what we would want. So we'd look forward for further insight into how that would help us and obviously it flows into a budget as well.

The other thing we based the relationship with the federal government and the provincial government is the fisheries fund. It's one that last fall, or prior to it, the then premier wrote the federal leader of the – no, he was not Leader of the Opposition; he was Leader of the Liberal

Party, I guess, and asked him about the fisheries fund and where he stood on it. The letter said he would honour the promises made to Newfoundland and Labrador.

Again, to date, my colleague, the fisheries critic, had asked in regard to what has been arrived at. Is there anything we would receive? Again, we talk about diversifying the economy, which is lacking in this budget, and driving the economy. That fund was all about, particularly the fishery, the wild fishery and the aquaculture industry to help to drive new opportunities and a new direction for the industry, recognizing there's a possible transition and there probably is.

I know the minister chairs the all-party committee on the fishery. We've worked on the shrimp issue, Northern Shrimp. We know there's a transition coming as the shrimp moves further north, as it was over the years. It came further and further south. Basically, many say because of the lack of cod and the groundfish but as that is starting to come back we are seeing the resource retract.

We know there's a huge transition coming. It seems like through the science we've done through the *Celtic Explorer* and others through DFA, that it is coming back and we're seeing greater opportunities.

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

The speaker is having difficulty hearing the hon. Member. I would ask all Members, if you have conversations, please take them outside.

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

I know they're very excited over there and we have another hour and a half to go.

Mr. Speaker, the Fisheries Fund is one that is important. I am sure the minister is working, but to date we have seen no results from it. Again, whether it's equalization and some assistance there, whether it's our health accord, whether it's the fisheries fund, we need some action. We need some direction.

All of that flows into the budget we have here today and the decisions that are being made here. Hopefully, if we had some movement on that it could be different but we haven't seen it.

We haven't seen any movement on it. We look forward at some point to seeing some movement on it to assist us here in the Province of Newfoundland and Labrador.

Another theme that we're seeing in this budget is the lack of stimulus for growth. A plan, no plan, economic – we know last year the team on the other side ran and talked about economic diversification. We haven't seen it. If you are going to grow the economy and you are going to try and raise revenue, instead of cutting and taxing everybody you have to come up with a plan. You have to work with the economy, work with businesses, work with those to make sure that we can drive industry, drive development, economic, new sources of development but we haven't seen it. That's of concern because you can't just tax and put fees up and not think it's going to affect the economy and affect business. That's a real problem.

In the budget debate, I guess we'll hear it. We haven't heard to date on diversification. There's nothing in the budget to do that. We don't know where it is.

Mr. Speaker, I had mentioned before in regard to some of the concerns and what we've heard from Newfoundlanders and Labradorians and what they are thinking. I think it's always important to – it certainly puts a lens on, when a budget comes down, of what people are thinking, as I said, what their concerns are, what their fears are. I just want to share a couple of notes I received in regard to – I had heard from people. Some of my colleagues and I'm sure people on all sides heard.

It just says: As a resident of Newfoundland and Labrador, I'm writing to express my extreme displeasure with the budget presented on Thursday. The seniors have given their all throughout their lives to hopefully be able to retire in a decent fashion. The added expense they will incur when everything skyrockets from the major increase in gas, and see them not affording to heat their homes, nor put food on their table. Many live on \$17,000 per year and thereby surviving is now – you're asking for more. Along with that, our seniors want to live in their homes, but with working children are being stripped of home care hours and will be forced to give up the little independence they

have. You should be ashamed of yourself to put this added stress on during their golden years.

That's just an indication of some of the concern that people are certainly expressing.

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

**MR. HUTCHINGS:** Mr. Speaker, no, I wouldn't say. These are real Newfoundlanders and Labradorians. If you'd like to read it, I'll pass it on to you.

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

I would ask the hon. Member to please address the Speaker. I would ask all hon. Members, if you have conversations to carry on, please take them outside.

The hon. Member.

**MR. HUTCHINGS:** It goes on to say: Our children, the province's future, are being forced to attend our crowded schools or multi grade, while you continue to bring in full-day kindergarten to add to the overcrowding. The children that were already at risk will fall through the cracks due to your government's neglect.

This is from Newfoundlanders and Labradorians speaking of their concern. To me, I find it a concern. It's certainly very valid. I'm not sure others do, but we do here on this side of the House.

Our MHAs were elected to represent us and I'm sure many do not agree with your attempts to get the deficit under control, but are muzzled as Members of the caucus. It goes on to talk about the concerns they have in terms of the financial situation. That's a concern that people have in regard of what they've heard on Thursday.

Another one says: To be plain and simple, the 2016 budget plans are going to be devastating to my family, absolutely devastating. They talked about the fact that they have – they're middle class, they both have decent jobs. Even with that, they talk about the fact that when they look at child care, they're not frivolous in their spending. When they look at the extra taxes and fees they are paying, the numbers are being

bounced around they say, but the average household should expect an extra \$3,200 a year. They're struggling with that in terms of what's that going to mean because any middle-class families we know, you have so much disposable income. It's challenging when you've got to take a big chunk of that and take it out of your daily operations.

There is no room in the new budget to help stimulate the economy. It's just going to lead to a downward spiral and no one will be able to afford anything. I fully agree that some changes did have to be made. Increasing the HST was inevitable and necessary. Forcing every member of the province to basically pay a cover charge for living here and taxing every single thing we do is not the way to do it.

Again, from a Newfoundlander and Labradorian that we've received so much on, just their thoughts on the challenges that this budget is presenting for them.

Then we heard from a senior couple: My wife and I have no means of increasing our future income. So our future disposable income is taking a huge hit.

Obviously, that's someone who's on a fixed income, and as I said, they got a set limit of disposable income. We are nervous; we are terrified of what lies ahead. As I said, they are just very forthright and concerned of what that is.

Another comment here: It will not only hurt employment, but will devastate families who were thought to be making pretty good money. Between mortgages, child care, heat, food and transportation, there is not a lot left. Your budget is taking this from them and essentially left them with nothing.

So, again, as I said, average Newfoundlanders and Labradorians, some are seniors, some are middle class, certainly young families starting out, just getting started. It's a concern, and that's what we're hearing. I think if you are hearing it you're obligated to bring it forward and let people know, let government know what we're hearing, and that's my role in doing this today. It's important.

Others are talking about voting against the budget, that type of thing. One lady says: I never stayed at home and raised my children. I have no income and we're living on my husband's pension. Again, a concern about, as I said before, the fixed income.

That was my point, Mr. Speaker, in bringing those in and sharing what we're hearing. I guess all Members are hearing some of it. I'm not really sure, but I know we certainly have. I would imagine they have. Those are concerns of legitimate Newfoundlanders and Labradorians in regard to what was laid out on Thursday in regard to fees and taxation.

The other thing that goes, too, is that there was no clear plan on how we're moving forward. There were challenges when I started first. I said, yes, sure there are challenges. We all recognize that. There are steps that had to be taken, but is there a balanced approach to be taken? If there is, what is that and how is it laid out?

The uncertainty of what may happen in the fall, I think, has an impact on people when they're not sure what's going to happen or how it's going to move forward. They don't know that, and I think that's causing some consternation as well as they look at how it's going to move forward.

Mr. Speaker, I wanted to just touch on some of the comments made last year by the then – well, the role I'm in now, the critic for Finance. Now she's in the role of Finance Minister and brought down a budget on Thursday. I think it's important and I guess if I'm here next year, someone could quote me and what I've said about it.

This was in response to the 2015 PC budget, May 4, 2015. In referencing the budget we brought down in 2015, that budget looked at a variety of areas and the balance certainly on the personal income tax side. We brought in two new brackets for personal income tax, a fourth rate, a 14.3 increase for taxable income from \$125,000 to \$175,000 and a fifth rate of 15.3 per cent for taxable income over \$175,000.

We did recognize there are people out who maybe could pay some more, and so that's what we tried to do in terms of increasing and

bringing in those two new personal income tax rates. We would still be very competitive in terms of Atlantic Canada as well as personal income tax rates.

We looked at things like the provincial energy rebate; we eliminated that effective July 1. We had to make some tough decisions. Financial corporations' capital tax was increased, as well generating revenues and doing the things to generate additional revenues without shocking the economy. As I said before and keep saying, make a balanced approach to what we're trying to do here.

The other one was – obviously, we all know harmonized sales tax. We said January 1, 2016, we would increase it from 13 to 15 per cent, and the provincial portion gone to 10 per cent. The important side of that when we said that recognizing those in our province that have lower incomes, we would mitigate the impact on low-income individuals and families; the HST credit would be enhanced. We were going to enhance the HST credit to offset that increase of the 2 per cent HST.

I understand in this budget, HST went up but there's no rebate for those, I don't think, in any situation related to HST. So not only are they getting HST, but they're also getting a levy. I think it's anybody with \$20,000 or more. They're also getting hit with – if they have a vehicle – a 16 cent increase in gas tax, their fees are going up to register that car and a whole range of other things. So really –

**AN HON. MEMBER:** Insurance 15 per cent.

**MR. HUTCHINGS:** Insurance is gone up 15 per cent. So all of those hit pretty significantly in regard to those changes and what they've meant. As I said, when we put it up, we said we would enhance the HST credit which is now no longer available.

I talked earlier about the rebate for municipalities and local service districts in terms of – and I understand that's still in place and would carry on as part of the fiscal framework that we announced last year. One of the industries we looked at was the Interactive Digital Media Tax Credit. That was something to drive opportunities in that individual industry.

We had heard from industry and the work we had done that it was needed to help drive the economy and economic diversification, which we haven't seen a lot of in this particular document since Thursday.

What I said earlier in regard to the commentary last year by the then Finance critic, I thought it would be good to share some of her thoughts then in regard to where we were to and her view on some of the things we had done in the budget and what her thought on some of that was. She said, "Their plan is to take more from those who can afford it least." She indicated that was her plan from last year. She said, "... this Budget does nothing to help families, nothing to help the unemployed or seniors. In fact, it makes them worse off."

If you compare what we did last year to this actual budget today and take those words and apply them: "Mr. Speaker, this government will let you believe there are only two options, tax and borrow. This is what this Budget is a reflection of. It is a reflection of tax and borrow." It was one year ago. It was May 4, 2015. We stand here today, the budget that was presented on Thursday.

"We do not support an increase in HST. This will only stunt our economy and make it more difficult for people to build a life here, to raise their kids here ...." Liberals would grow the economy. "If necessary, we would borrow over increasing taxes so we do not risk the revenue side of the ledger at a time when our economy is contracting."

"Mr. Speaker, led by the Leader of the Official Opposition, this team of Liberal entrepreneurs, a team of energetic and passionate leaders in our Province who are eager to get to work and roll up our sleeves and put our business acumen to work to create opportunities for people across our Province, not just in the oil industry but in every single industry that is important to the growth of our economy." Yet we see nothing in any of these documents of what has been presented here in regard to diversification of the economy or driving that economy.

"Mr. Speaker, let me say again, I am very optimistic about our future, but the importance of clear and well-thought-out economic policy is

critical at this time in our history. Quite frankly, because Liberals are more experienced managers ....” Okay, yet based on that we’ve had a couple of budgets. We had a budget on Thursday and we have another one coming in the fall, and in the interim we don’t know what the final numbers are in terms of layoffs or what the effect is going to be on the economy, but we’re continuing to roll on.

She goes on to say at the time, “At a time when families are losing jobs, incomes are declining, seniors’ expense is growing, this government chose to neglect their responsibilities and turn yet another critical obligation to set forth a responsible fiscal plan into gamesmanship .... That is exactly what the member opposite is doing.

“I tell the minister, yes, sometimes it is enough to simply criticize because sometimes that is all they deserve ....”

That was the current Minister of Finance last year as Opposition Finance critic responding to our 2015 budget. She said, “The people of the Province deserve better. We have for months put forward the ideas and the priorities of our party .... As a government, we will build the financial plan needed to make those priorities a reality and truly sustainable.”

Let me be clear, Mr. Speaker, “... there is nothing more important for a government than to engage with the people who are the stakeholders in the decision and listen to them.” Mr. Speaker, based on what I’ve heard to date, I don’t know how many agree with what was brought down last Thursday, but I guess we’ll see over the weeks ahead.

Mr. Speaker, if there was really engagement, if this government was serious about real engagement, the stakeholders would have been consulted. People who work, struggling to make it from pay period to another, would have been consulted. They would have told this government that a 10 per cent increase in utility rates in January is going to make it really, really difficult for seniors to eat because they pick heat over food.

That’s the kind of thing we’re hearing in the past number of days since this came down on

Thursday. Real concern by seniors, real concern by those on fixed income in regard to the items outlined in this budget.

There was nothing about a levy, no HST rebate, no Home Heating Rebate. We’ve seen increases in gas tax, a whole range. Car registration is up, all of those on those families and their disposable income.

It goes on to say, “Let me tell you, our leader” – who’s the current Premier – “will bring his skills and his experience from both his professional background and his years on the Board of Western Health, his national experience from the Canadian Pharmaceutical Association, fighting big drug companies. He will be the one to better deal with the cost of medication and how he can ensure that the people of Newfoundland and Labrador ... will get their fair share of the federal health transfers.” As I said earlier, we haven’t seen that yet. “He is the best one to put at the table, and I have every confidence he will get the job done.”

Well, we need to get it done. Again, I spoke earlier about the equalization, stabilization fund, I reference here the federal health transfers, we haven’t seen any movement on any of it – none. As I said, some of that would have helped, no doubt, in regard to some of the things that are in the budget and some of the steps that were taken, but it was all tax and fee increases. Some of that help certainly would have assisted, I would think, and they would have used that to help in the attack and the blow on Newfoundlanders and Labradorians with regard to taxes and fee increases on their disposable income.

“Mr. Speaker, I have to tell you, there are 170 words in the Budget Speech out of 14,000 that were dedicated to education and training .... It is imperative that we grow the economy. To grow in a global economy, we must have a workforce that is reflective of the jobs that need to be done today.” Well, we need people to stay here and want to live here and build their communities if we’re going to get people to work in our economy.

“For any government, including a Liberal government, attrition will help with reducing the cost of government without negatively



impacting the economy – for any government – however, in the absence of a clear plan, we are not convinced that it will not have an impact on the delivery of service.” Well, that’s what we’ve said all along since Thursday. Where’s the plan? Where’s the plan here? We don’t have a plan. That’s what’s causing great concern for the people of our great province.

It goes on to say: “Mr. Speaker, this government has an abundance of assets that it is responsible for managing on behalf of the people of the Province .... This government has a huge asset in buildings and land that managed better could get better value for the people of the Province.”

“Does anybody know what the value of the provincial real estate portfolio is? Does anybody know? Does anybody on that side know?... Almost \$2 billion is the value of the real estate asset.”

That is quite interesting because this government has made the decision that they were going to sell \$50 million worth of assets in this fiscal year and would use that revenue. Well, in questions in the House of Assembly, as far as we know, there are no assets being sold. There’s no money being raised. There’s no \$50 million. So where’s that \$50 million in the budget on the revenue stream? I don’t think it’s there. They were going to do it, yet we don’t have it.

“Mr. Speaker, I would ask the question, what are the objectives of this, and what is new about a regional approach to economic development?” We agree. We need some ideas. We need some approach in terms of regional economic development, indeed we do.

She said last year: “There is no detail. There is no accountability.... We saw that when we went on the road last year for our Let’s Connect consultations. We saw it in the communities. You could have done so much more to develop these ideas.”

We agree, but we haven’t seen it. Lots of consultations done – looking for the plan, haven’t seen it.

Mr. Speaker, I can tell you on this side of the House we value community partnerships. We value them and we will not throw them under

the bus twenty-four hours before a budget. No, Mr. Speaker, they’ll throw them under the bus on the day of the budget. That’s what happened here.

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

**MR. HUTCHINGS:** Mr. Speaker, “We will roll up our sleeves and we will work hard with our municipal partners to make sure that those valuable volunteers are supported ...”

Anyway, it is great talk but we haven’t seen any action.

“Even in this Budget, which was supposed to be where they made the tough decisions, they actually increased spending by 1.7 per cent, or \$110 million. They increased it by \$110 million.”

Well, do you know what the budget is increased by this year? Mr. Speaker, \$400 million from last year to this year. They told us over and over again and they criticized us for spending too much and each year raising the budget, but this year let alone – and she said last year it went up \$110 million. Based on all of that, it’s gone up \$400 million from last year to this year. Amazing!

Mr. Speaker, the government would like you to believe they have two options, to borrow or tax. She goes on to say: “They want you to believe it because those are the only options they have.” Well, we haven’t seen many options in this document, I can tell you. We’ve seen one. Government has to, if necessary, look at borrowing before you increase taxes. So here we go, this is about the economy and what we’ve been talking about in the last little while.

“Retail sales are driven by consumer spending.” Think about it, what we’ve talked about today in regard to the measures that have been taken in this budget. It’s tied directly to consumer spending.

“The only good indicator that this government showed last week, and spoke to, was the 2014 retail sales numbers. What was government’s response? Government’s response was to increase a value-added tax for the people of the Province” – which they just put on – “to put

their hands in the wallets of the people of the Province ... ”

Well, I don't know how many pockets people got, but there are hands right now in everybody's pocket in this province, based on what we've seen on Thursday in terms of fees and increases.

It goes on to say: “ ... the entire Liberal Party has said we would not implement an HST increase at this time. It is bad economic policy. At a time when people are losing their jobs, and more jobs are to be lost, this is not the time to react with an increase in consumption tax.”

She goes on to quote Winston Churchill. I've heard this in the last little while, and that from Winston Churchill says, “We contend that for a nation to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.”

Mr. Speaker, I think it's important to go back and look at people's ideas on where they think we should go. Those were some thoughts shared with us last year. The current Finance Minister was Finance critic and, like I said, it's right out of Hansard. So if someone wants to dispute it or wants to get up and talk about it, I certainly welcome it. That is what was said.

When you put this and take these comments in light of what was delivered on Thursday and you talk about growing the economy, having a plan, taxing people, no optimism for the future, having a financial plan, no hope, being truly sustainable, engaging with people, all of this is a contradiction of what we've seen today and seen in the budget on Thursday. There is no clear direction here. There is no economic plan. There is no idea of how we're going to increase revenues and how we're going to get there.

As I said, and as I've referenced here in speaking in regard to what we have heard – and I've just shared a couple of emails in regard to what has to be heard in regard to concerns people have and what we're hearing from them. It's challenging and people are really concerned. They don't know what the options are. That goes through the whole demographic of our population.

We've heard from young families that – in my own district, I spoke to people who have small kids, both of them are working. They look at the increased taxes and where they're to in their home and everything else that's being laid on them now, they're not sure what the future holds for them. If we have one challenge in this province, and we all know it, it's our population and how we need to attract people to this province, and how we need to get people to stay in this province and wanting to raise a family and grow, because we need them.

We can't do things right now that are going to put that in jeopardy. We have some troubles now, but if we do that and we see a significant drop in our population – and I think some of the budget documents even indicated well in excess of 20,000 people over the next number of years – that's a huge challenge for us to try and rebound from that. We can't have that.

We need to make sure we do everything we can to take a balanced approach, recognizing – I said when we started we have challenges and everybody understands there are things we need to do. You need to make sure you have a balanced approach and we're able to alleviate some of those concerns and make people want to stay here and grow their families here, which is so extremely important.

I just want to reference – I talked about the current Finance Minister back last May when she was Finance Critic in regard to some of her thoughts on what she thought our budget in 2015 represented. That budget looked at a five-year plan. We think it was measured, balanced and would get her back on track. What we are seeing here today I think lacks that ability to give people confidence. Because a lot of it is about confidence and hope, and people can see a future and they want to be a part of that. You need to be able to communicate that. People want to be a part of it in order to feel a part and participate in our economy and in the social aspect of who we are in the province.

I think what we've seen and delivered on Thursday, I think, as the Leader of the Opposition said, it's going to smother the economy. It's an economy that has retracted somewhat and making it more difficult for families, for seniors, and for business and

communities. We have heard a lot about an evidence-based approach in the Liberal campaign and here in the House about a plan. We are void of that as well, and that's causing, as I keep repeating, some of the concern that people have.

They campaigned on a stronger tomorrow. That's what they promised, but this doesn't reflect in any way, shape or form a vision or a direction of a stronger tomorrow. It's really worrying people. The budget takes us backwards I think in some of the gains we've made over the past number of years.

Many people see it as devastating to the people of the province and it's going to impact – I don't think there's anybody in the province it is not going to impact. Every person, every family, every small business, everybody is going to see the effects of this. Everybody is going to pay more. Everybody is going to pay more to live in this great Province of Newfoundland and Labrador. It's coming right out of our pockets. Some even refer to it as a cover charge to stay in Newfoundland and Labrador, the levy.

There were promises made during the election that hasn't been adhered to. People have concern with trust, they really do. They don't know, they're confused. They're looking at this budget and saying, what do we do? Where do we go from here?

There were promises of no layoffs, no HST, but that didn't come true. There's uncertainty about what is to come. As we talked in this House too over the past number of weeks about budgets. There was a budget number one coming. In the first phase we've seen indications of sniffing a revenue generation through taxation and through fees. We've also seen some reduction in the public service, 650 positions. We've also seen there are 2,500, I think, that have been notified their temporary positions have been extended to September, and then we know there's indication there may be more to come. That's going to happen in the months ahead, in the weeks ahead, in the fall. We don't know. So that's certainly adding to the uncertainty.

Adding to that is the fact there hasn't been a plan laid out. Push the burden, basically, out to the people of the province. Really, as I just said,

we looked at income tax, we looked at fees, looked at a couple of lists and said let's add on 10 or 20 per cent and that's our budget, let's go.

The plan for diversification that we talk about – I've spoken earlier in terms of some of the things in industry and what we've tried to do, opportunities over the past number of years. We hear from the other side that we didn't diversify the economy. Well, look at various industries. Look at with the exponential growth that's happened in the tourism industry. Look what's happened in our aquaculture industry and what's happened there – and there's opportunities in both. Look at our technology industries like ocean tech. We have new entrepreneurs, new companies that are growing and flourishing.

You look at our film industry that we've invested heavily in and how that has grown and continues to. New industry, digital media – we have several companies here now that we've helped support that continues to grow and has grown a cluster of activity.

You look at research and development, which is so important. We established the Research & Development Corporation to look at – it's all about diversity – various industries, whether it's mining. I know they're working with various mining companies, working with the oil and gas companies to look at investment in research and development that's part of the requirements under the Atlantic Accord that allows greater diversity, greater ingenuity, innovation, engineering that allows applied research to be done. Applied research allows industry, government and partners to get a return from what they've invested, and to make sure we continue to grow our economy. That's so important.

So those are some of the things we've done. They say you haven't diversified. We have; we made investments. Again, when I talked earlier about infrastructure and what we've done and money we've spent if you don't agree with what we've done, stand up and say we shouldn't have done it, fine – but where should we have done it?

That's fine; that's a debate we can have. This year, in times of economic downturn it's often time to invest in research and development,

invest in those areas in the downturn so when you bounce back we'll have an extra thrust from that in regard to how we want to move forward. I understand there's a cut in the Research & Development Corporation in the budget as well.

So those are things we've tried to do. I said the fishery, research, various industries. Certainly on the post-secondary side in terms of genetics and research with the new genetics centre in St. John's in regard to building that cluster of research and development.

I understand through Dr. Terry-Lynn Young – I just saw an announcement – there are other things that are going to be connected out to Grand Falls-Windsor, I do believe. I had the chance to mention Dr. Terry-Lynn Young and some of the work she's done on the sudden cardiac syndrome that she identified in our founding population here in Newfoundland and Labrador a number of years ago. She identified that.

The genetics centre, I think it was \$70 million invested in that facility, well worthwhile to make sure that we push that side of driving a cluster in regard to wanting the people to come here and to do various types of research at Memorial or elsewhere. That's diversity in terms of making exposure for various activities, various industries in the province.

It's so very important to continue to expand the basis of our economy here in the province because that's what it's about. It's about the current dollars that are flowing through, but it's also attracting new dollars to the province and making sure that we generate new activity. That's what's needed. That's the kind of vision that's needed, the kind of thing we need and the leadership we need to draw that and to continue to build it here in the province. The plan, as we said in terms of taxation, was a very simple plan and no real view on diversity or how we're going to grow the economy.

Again, I just reiterate what we're hearing, smothering small business, erode business confidence and make it more difficult for the economy to thrive. Small businesses, from what we're hearing, are very nervous about what they're going to do, scared about continuing to

grow their small business. Will they lay people off? Will they be able to operate?

Consumers and people they have now that's buying goods and services for them, people that are, as I said, visiting for services, will they continue to do it? Will people have disposable income to do it? That's the concern. That's directly tied to consumer spending. When you're taking it out of people's pockets, they don't have that ability to spend it so they're not driving the activities that need to be driven.

I just want to take you through some of the things –

**MR. KIRBY:** (Inaudible.)

**MR. HUTCHINGS:** Yes. The Minister of Education just shouted out something. I'll be happy then, when he gets up, to share his thoughts on it.

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

**MR. HUTCHINGS:** Yes.

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

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

I'll just highlight as I go through here some of the direct impacts in the various groups and what we have in regard to some of the things from the budget that people haven't seen. So on seniors, we think they will receive an impact in regard to eliminating of the Home Heating Rebate. We saw a two-hour cap on homemaking hours under the home support program. We saw eliminating the adult drug program from clients of the Newfoundland and Labrador Prescription Drug Program under Access and the 65Plus program; reduced the Community Healthy Living Fund; reduced the Age-Friendly Transportation Program. So all of those you can see any senior living in any part of the province would be dramatically affected by any of these initiatives and what they represent.

You look at students – one of the things that we spent on and are certainly very proud of is the assistance we gave to students. Again, to encourage them to be here, to get that education,

they need to participate in a modern economy. All of those things, we did to support it.

So what we've seen in Budget 2016 we're going to see a reduction in the grant portion of the Student Financial Assistance Program; we're going to see reduced departmental school supplies budget; increased cap sizes from grade four to six from 26 to 28, grade seven to nine from 29 to 31; increased cap sizes for French immersion in grades four to nine; (inaudible) grades combination for grades one to six; elimination of teacher positions – I don't think we're clear on what that will be, although the president of the union has stated it could be approximately a 200-person reduction for grades one to twelve. I guess we'll get the details on that as we move forward.

Operating grant to Memorial will be reduced by \$14 million; reduced funding to Sport Newfoundland and Labrador sport fest Stars and Legends. That's an area of huge concern for the overall health and well-being of a healthy population, and particularly related to youth. We all know we have challenges in this province in regard to some of our behaviours and what that means in terms of healthy living, but we need to make sure for the short and the long-term that we develop patterns of healthy activity, especially for our youth.

Because as we know – most studies that are done – those that are engaged in healthy activity early in life usually partake in them right throughout their whole life. So it's important that they're exposed to it and have access to it to make sure we get some of those indicators of healthy living that we don't score so well with on a national level, that we support a process to improve those. Less access for youth in various recreational activities doesn't help in the short or long term.

Reduced funding to Recreation Newfoundland and Labrador programs; eliminated the Jumpstart program. If I remember correctly, that's a program that allows youth access to various programs based on economic status that I think normally they wouldn't get access to. That would allow them to get access to that. It's very important to (inaudible) healthy living, healthy well-being of Newfoundlanders and Labradorians. Basically, as the Member for

Cape St. Francis would say, give everybody a chance to participate. No matter what you're socioeconomic status is we would make sure that everybody gets a chance to partake and do what they need to do.

In regard to the impacts, we talked about seniors, talked about students, for families, overall, what it is going to mean in terms of Budget 2016. Gas doubled, increased 16.5 cents; HST increased 13 to 15 per cent; a levy for every individual with income over \$20,000 in \$300 to \$900 range. Based on where you would fall within that spectrum, you are going to get tagged with a levy.

Closed The Rooms to the public on Tuesdays; 15 per cent tax on auto insurance is reinstated. Obviously that one there is on families and to single seniors and seniors living together would actually be an issue for them. All provincial income tax brackets increased by an average of 2 per cent; 50 new fees introduced. Fifty new fees were introduced and 300 are increasing. That goes broad based across the board. Really anything you do in regard to Newfoundland and Labrador fees, that type of thing, we are going to see an increase in that. That's coming out of disposable income.

We look at those in society who are low income. We look at a \$12 million cut to the Newfoundland and Labrador Prescription Drug Program. My understanding is that's related to over-the-counter drugs that are now paid for through the drug program if, based on your economic status, would be available to you. I think its diabetic strips, things like that. A low-income person that would have some challenges I would expect, and that would be of significance and concern.

As well you look at for low income, the levy itself and the tax increases –

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

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

I would ask Members to take their conversations outside.

The hon. the Member for Ferryland.

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

Low income again, there are significant implications for them with regard to the \$12 million to the Newfoundland and Labrador Prescription Drug Program and the levy and tax increases. So, again, seniors, students, families, low income, all segments of society are touched by this and touched pretty significantly.

If you look at the business side of things, I mentioned earlier reduction in funding to the Research & Development Corporation of about \$3 million. That corporation partners with the private sector, as I said before, partners with companies. I know there are great masters and other programs in science and engineering that grants go to research and Memorial students and Marine Institute students. A tremendous program to drive activity in our youth, drive ingenuity, drive innovation and new ideas where we can get – ocean tech is an example – new areas of development and get those ideas commercialized. So very good programs with that whole side of working with various private businesses, certainly driving economic activity – or even starting new economic activity is very important as well.

Reduction of funding to regional development fund: I believe that's the non-profit side of things, which is extremely important. The non-profit sector in Newfoundland and Labrador develops tremendous growth and economic activity in our communities. Oftentimes we may not think so, but most of us would know in our districts there are various non-profit groups that get assistance from government and does tremendous work in regard to driving general activity, just drawing people into the community.

My own experience, on the Southern Shore, the Colony of Avalon is a non-profit group in Ferryland. It ranges anywhere from 16,000 to 20,000 would flow through that in any particular year. It's not just flowing through that entity, but based on what they're offering and the services they're offering and people coming out. People are coming out and they're accessing small businesses, they're buying fuel, they're eating in restaurants, they're staying at bed and breakfasts, and they're doing all those things that drive the local economy. So when you talk

about supermarkets, grocery stores, all those kinds of things. When you talk about the return and how important it is to work with and the activity that's generated by a non-profit organization, it is huge. So it is very important we continue to work, continue to support them.

The other area in the district, Portugal Cove South, Mistaken Point; we have UNESCO designation coming up this year again. There are a lot of volunteers out there that have worked very hard. I think the visitation rates have gone from very low probably up to several thousand now. We've even seen some small businesses open in the area and the region reflective of that with the development of what we're seeing. That's extremely important.

It certainly means a lot that we continue to support those non-profit groups. A lot of them are volunteers and they do great work. It's very important to an area. Any time we do anything in regard to assisting them or not assisting them in what they're doing, it really hurts the overall activity and the economy. That's something we need to be very careful of in terms of activity.

Financial corporation tax, general corporate income tax by 1 per cent. Insurance companies' tax increases by a percent. Retail sales tax on used vehicles increased to 15 per cent. All of those variables affect Newfoundlanders and Labradorians in regard to their daily lives. Some of them now, obviously immediate taxes you will see but if someone through the year goes and renews their vehicle or goes and purchases a salmon licence or whatever it is, some other licence, they'll see it first and foremost throughout the year. We continue to take dollars from their pockets and dollars that they could spend in their communities, small businesses and those types of things.

In Labrador, we've seen discontinued the Air Foodlift Subsidy Program. We have seen a court closure in Wabush; eliminated a sport and recreation grant to Sheshatshiu, Inuit First Nation Band Council, which is of concern. Again, we get to sport and recreation and driving the activities for youth which is so very important and plays a key role oftentimes in their first exposure to sport and to athletics. It may be through the school system, it may be through a non-profit group, it may be through

any kind of different program that's out there that allows them that access. So that's very important to make sure they get access and are able to participate. Everybody participates. No matter who you are, where you live or what your current economic status is, you are able to participate. That's very important to having healthy communities and healthy populations.

Other things we've seen in this budget looks like at court closures in Harbour Grace, Wabush, Grand Bank, Grand Falls-Windsor. Twenty-four-hour snow clearing for provincial roads and highways is cancelled. We've heard a lot of concern on that one. Many of the activities we have, whether it's Long Harbour – various projects' people work early in the morning or coming home late at night, it's obviously a concern to them in terms of safety on the highway and for those who are waiting for them to return to home. There is certainly some concern with that.

We also see ferry rates up and some change in schedules. We have mentioned along the way today job reductions in the public service; 600 have been identified. The true number is unclear at this stage because there's indication there will be further reductions coming up in the months ahead in budget two in the fall. That's causing as well a lot of concern, no doubt, in the public service in regard to what that means. There's no plan laid out in regard to how we move that forward.

We've seen reductions to regional health authorities. Some of that was announced today in regard to long-term care. That's a concern. As I said earlier, we have significant requirements in regard to long-term care, increasing the capacity for long-term care. We've done, I think a couple of hundred million dollars in investments over the past number of years in regard to building facilities, but it needs to continue.

We had a plan last year to work with the private sector to do that, to work to relieve some of the pressures we have on long-term care and the needs of our seniors. We haven't seen anything yet from this government on how they're going to deal with it. It is an issue and it needs to be dealt with, and certainly quickly and part of the overall plan.

We have seen discontinued winter road maintenance service for municipalities where contractor service is available. The tax rate on diesel products increased by five cents a litre. That goes to the whole transportation piece, commerce, economic development and what that means in regard to the cost of food, anything that's trucked in. Obviously we live on an Island and trucking to different parts of the Island or in Labrador. That's usually passed on. Any costs like that are passed on to the consumer.

So you're taking more money out of the consumer's pocket. When they go to purchase, their purchasing power is even less in the fact that what they're purchasing has gone up. It really tightens their ability to purchase in their purchasing power of what they have today and what they're going to have in the months ahead.

Tax rate on diesel products increased by five cents, that's what I spoke of; aviation fuel increased; and I spoke of the 650 full-time equivalent jobs in the public sector, boards, agencies and commissions. We understand too, he talked about projects and what's deferred. Any time you have to make priorities based on the evidence and what's put forward in regard to the need requirement, certainly in regard to schooling, it's tremendously challenging.

I know out my way we had planned to build a new middle school for the region, Bay Bulls to Bauline. That has been cancelled, which we don't know in that region what's going to happen with those kids. The school is bursting at the seams. In the last number of years we have built a number of classrooms on St. Bernard's. We put on a number of other classrooms and now we have full-day kindergarten coming in September. There's a lot of concern by the general public and the general communities in regard to how we move that forward. There's a lot of concern on what happens there.

We have a high school in Mobile. We are getting double stream in St. Bernard's. As those kids move through, it's really challenging in terms of what's going to happen and providing that level of service that's required, that everybody deserves in all parts of our great Province of Newfoundland and Labrador.

There are concerns in regard to deferred projects. Gander Academy reconstruction K to 3; Paradise new (inaudible) school. There is a redevelopment in Grand Falls-Windsor, Springdale-Green Bay Health Clinic deferred. Grand Falls-Windsor labs and Coley's Point Primary. I saw some activity in regard to the community and community leaders and people who have concerns in regard to Coley's Point; no doubt legitimate concerns in regard to their children and what they believe is important. It's very important in terms of providing that service that they so deserve. It's very important in terms of infrastructure and how we move it forward.

Mr. Speaker, when I started today I talked about a balanced approach in terms of this budget in 2016 and what the expectation was. Everybody knew coming in, based on our budget last year in 2015, there were challenges. We saw a further reduction in oil and the oil industry around the world. That continued to grow into the fall. There would have to be adjustments in the budget and what the estimates were and projections for growth.

All of that culminated in having to make decisions for the new government when they came and won the election last fall. In doing that, they went to the people last fall and laid out for them clear vision and direction of how they would govern and what would be their priorities and how they would deal with some of the circumstances we were finding then and probably would have to deal with later if things continued on the same way they were going. Within that, there were some promises made and promises weren't kept. That causes a lot of concern for people today when they see the budget that was delivered on Thursday.

One of the major issues people have with this budget is that its heavy on revenue generation through taxation and fees, and no idea how we are going to diversify or grow the economy, no indication of what the plan is.

The indication is that there's more to come, that even in the public service we're not sure what's going to happen and there's more that could come in the fall. The effect of that in the economy of small business, of those that are spending money, those that are making decisions, seniors, young families, people now,

in terms of seeking employment, it puts them in a position where they don't know what the future holds. They don't have any indication of where they're going. In actual fact some say they don't have hope; they don't know what lies ahead. They're so concerned they don't know how to make the decisions they need to make. I think that's what's lacking.

We needed a clear vision, a clear direction, an understanding, and everybody has it, that we're in tough times. We need to make some changes to that and we need to have a balance, but we have to lay it out over a period of time. We have to give people some idea of once that's reflected and what they think it's going to be. I think if that had to be done, I think people would have an understanding of some tough decisions. But tough decisions, just when you're taking money out of people's pocket and no other decision, worries people. It's an exercise that doesn't bring comfort to anybody in this Province of Newfoundland and Labrador.

For that reason, this budget, a levy that's laid on people with \$20,000 or more in this province and have to pay an extra \$300 to \$900 just out of the blue really has people bewildered on where this government is, and if they have an understanding of the province and an understanding of direction of where we're going and where they are taking us.

I think over the next weeks the stress of people will rise. I think it's important that people listen to what the people of our province are telling us. As I said when I started this, us 40 Members are all elected and we're elected by the people in our district. We need to listen to those. We've heard a lot about consultation and listen to what people tell us and what the plan is.

We need to continue to have discussions and debate on this budget here in the House. At the end of all of that, each of the 40 Members in this House gets to stand and vote on this budget to say if this is in the best interests of Newfoundland and Labrador and is this in the best interests of their constituents. At that point in time we'll all decide and we'll all have to stand, and through it all and say first and foremost whether we're going to stand and support this budget.



I know I, for one, will not. I do not think it is in the best interests of this province. I think it lacks vision, lacks innovation, it lacks direction and it lacks hope for the people of Newfoundland and Labrador. That's what they want. People want a clear direction and a clear vision. They understand there are tough decisions might have to be made, but at the end of the day they want to make sure and they want to have the comfort that whoever is at the wheel has the leadership, has the skillset and has the team that they are confident can run the show over a four-year period. I'm not sure right now in Newfoundland and Labrador – actually I'm not from what I've heard that they actually believe that. That's unfortunate.

This 2016 budget, I won't be voting for this budget. I don't think it's reflective of Newfoundland and Labrador. I think from a business perspective, it's going to hurt the economy. I would say this is going to hurt it tremendously. We're at a point now with our economy where it's slowed. We need to be innovative, we need to have that plan, and we need to provide people with hope that what any government is doing, they can see the light at the end of the tunnel. They can see a way forward. This doesn't do it in 2016; if anything, it's a greater hindrance to our economy and to Newfoundland and Labrador in what's been done on Thursday than we would have seen if we had continued on in 2015 and the plan we had.

This does nothing to instill any confidence in the people of Newfoundland and Labrador – nothing to instill the confidence. What it does is going to have a negative effect to Newfoundland and Labrador. It touches everybody's pocket in Newfoundland and Labrador this budget in a negative way. It is going to drive people away. It's going to reduce the good work we've done over the past 10 to 12 years in this province and built us up to where we are today.

It's disappointing that our Premier and our government today didn't get help from the federal government like other provinces have asked for and looked for and we basically said it is what it is. Well, it is not it is what it is; that's not at all, Mr. Speaker. This is Newfoundland and Labrador. We've had tough times before. We'll see our way through. But all people want

to have is a clear plan, clear direction and hope from the leadership in the Government of Newfoundland and Labrador.

I'm sorry, we haven't seen it. We haven't seen it to date, and we certainly did not see it on Thursday.

Thank you, Mr. Speaker.

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

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

Before I recognize the hon. the Government House Leader, it has been brought to my attention we have a former member of the Legislature in our gallery today, the former hon. Joe Goudie.

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

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

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

Prior to adjourning I would just like to advise all Members of a reminder that this evening in this House we will be having Estimates for Municipal Affairs and Fire and Emergency Services Newfoundland and Labrador, which will be beginning at 6 p.m.

Tomorrow in this House, Tuesday, April 19, starting at 9 a.m. will be the Estimates for Fisheries and Aquaculture under the Resource Committee, and tomorrow evening will be the Estimates for Natural Resources and Office of Public Engagement, also the Resource Committee, beginning at 6 p.m.

Now, Mr. Speaker, I would move, seconded by the Member for Harbour Main, that the House do now adjourn.

**MR. SPEAKER (Osborne):** It has been moved and seconded that this House do now adjourn.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Against?

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

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

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

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