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Speaker: Honourable Tom Osborne, MHA

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The House met at 1:30 p.m.

MR. SPEAKER (Osborne): Order, please!

Admit strangers.

Today we welcome to the Speaker's gallery Dr. Sharif Rathore and Dr. Iffat Shaheen, parents of Fatima, our Page.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: As well, we have friends of theirs, Janice Parsons and David Vincer.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: For those of you who don't know, today is Fatima's last day, so we wish her well.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: As well, I welcome to our public galleries Helen Sinclair, Mary Walsh and Joanne Morris with the Association of Early Childhood Educators of Newfoundland and Labrador. They are going to be the subjects of a Ministerial Statement.

Also, in the public galleries we recognize the Provincial Francophone Day representatives Cyrilda Poirier – I hope I pronounced that properly – President of the Francophone Federation and Gaël Corbineau – I hope I pronounced that properly as well – Director of the Francophone Federation.

Welcome to our galleries.

SOME HON. MEMBERS: Hear, hear!

Statements by Members

MR. SPEAKER: For Member's statements today, we have the Members for the Districts of Harbour Grace – Port de Grave, Mount Pearl North, Exploits, Labrador West and Stephenville – Port au Port.

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

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

I would like to recognize the Conception Bay North Joint Council. Each month municipal councils assemble to discuss issues pertaining to communities throughout our region.

This association originated in the early 1970s and has now grown to include multiple municipalities such as Brigus, Cupids, South River, Clarke's Beach, North River, Bay Roberts, Spaniard's Bay, Tilton, Bishop's Cove, Upper Island Cove, Bryant's Cove, Harbour Grace, Carbonear and Victoria. Conception Bay North is comprised of strong municipalities with growing populations along with significant business sectors and industry.

The inshore and offshore fishery continues to be a robust mainstay in the region. Other strong industry sectors include forestry at Garland's Forest Products, manufacturing at Tetford's Restwell Mattresses, retail at Powell's Supermarkets and Atlantic Grocery and many more industry players which deliver services and product and provide employment for our residents.

Since beginning my political journey, I continue to attend the Joint Councils meetings. It is this team which continues to come together to tackle issues facing our region such as the replacement of Coley's Point Primary school, as it houses students from many of these communities. The council is also united on working together to keep the Harbour Grace court service in the region.

Colleagues, please join me in recognizing the Conception Bay North Joint Councils.

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 recognize and congratulate the nominees and the winner of the 2015 Citizen of the Year Award for the City of Mount Pearl.

Volunteers give so much of their time, without need or want for compensation of any kind. The selfless acts of these individuals were especially

evident at the 2015 Citizen of the Year Ceremony which was recently held in the City of Mount Pearl. The work of volunteers is oftentimes not recognized, and it is vital that such ceremonies continue, to bring the efforts of these individuals to the forefront, highlighting the great work they do.

I would like to recognize in particular Donna Collens, Sandra Milmore, Bill Vincent, Sandra Woolfrey-Fahey and the winner of the 2015 Citizen of the Year Award, Emma Thornhill, nominated by the Mount Pearl Seniors Independence Group.

Mr. Speaker, I ask all Members of this House to join me in congratulating all nominees as well as the winner, Emma Thornhill, of the 2015 Citizen of the Year Award for Mount Pearl. Volunteers are truly the heart of our community.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. DEAN: Thank you, Mr. Speaker.

I rise in this hon. House to acknowledge the recent marking of another milestone by a true Newfoundland and Labrador icon. He was a Member of the Grand Falls Junior All Stars, who won the Veitch Memorial Trophy in 1953. He won five Herder Championships in the 1950s and 1960s.

He donned his number 8 jersey with the Toronto Maple Leafs on December 7, 1961, to become the first person from our province to play in the National Hockey League. From there, he moved on to conclude his career with the Detroit Red Wings, wearing number 12.

In 1994, he was inducted into the Newfoundland and Labrador Hockey Hall of Fame with four hockey-playing brothers: Lindy, George, Seth and Jack. His family continues to be referred to as our province's first family of hockey.

Alex Faulkner lives with his wife Doris in Bishop's Falls, on the banks of the mighty

Exploits River, where he honed his hockey prowess.

I ask all Members to join with me in extending our warm wishes and birthday greetings to our very own Alex Faulkner, whose milestone of 80 years was celebrated just recently on May 21, 2016.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Labrador West.

MR. LETTO: Thank you, Mr. Speaker.

This past weekend I attended the 56th Anniversary of the Royal Canadian Legion Branch 47 in Labrador City.

Legion Branch 47 has played a tremendous role in Labrador West over the past 56 years and continues to boast a membership of 130 members today. They have been diligent in honouring the veterans for decades, especially on July 1 and November 11. Four veterans remain in Branch 47, one of which is a veteran of WW II, Mrs. Joan Robertson.

Earlier in the day, I attended the 52nd Annual Ceremonial Review of the Royal Canadian Sea Cadet Corps 191 Labrador and the 35th Annual Ceremonial Review for the Royal Canadian Army Cadet Corps 2977, both sponsored by the Legions in Labrador City and Wabush.

I want to also recognize Mr. Dave Flannigan, a member of Branch 47, who will be assuming the two-year role of President of Dominion Command on June 14. Mr. Flannigan, a 40-year member of the Legion, has been a loyal and active comrade.

Mr. Speaker, I ask all hon. Members to join me in congratulating the Royal Canadian Legion, Branch 47, on 56 years of service, and wish Mr. Flannigan success in his term as President of Dominion Command.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. FINN: Thank you, Mr. Speaker.

I rise today to acknowledge Doug Fowlow of Stephenville on his recent induction into the Newfoundland and Labrador Cross Country Skiing Hall of Fame. Doug was inducted into the builder category for his involvement as one of the founding members of the Stephenville Whaleback Nordic Ski Club.

Officially incorporated in 1968, the Whaleback Ski Club has played host to several provincial competitions, and more recently a national masters' competition in 2005. Doug was instrumental in establishing the club over 48 years ago and has been involved ever since, having just finished serving a term for eight years as president.

Always a manager yet always a participant, Doug's efforts with the club involved everything from managing the finances, to the upgrading of trails and recruiting of volunteers. Whaleback Nordic Ski Club has produced some of the province's top cross-country skiing athletes and without exception this would not have been possible without the vision of Doug as a founding member in creating a training ground.

In addition to Doug, Ron and Anne Chambers of Plum Point were recently inducted into the Hall of Fame.

Please join me in congratulating Doug, Ron and Anne on their significant achievement.

Thank you.

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 Member for the District of St. Barbe – L'Anse aux Meadows.

MR. MITCHELMORE: Thank you, Mr. Speaker.

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

Lest we forget: Henry Sheppard, Nelson Sherren, Samuel Sherwin, John Shiwak, James Short, Joshua Short, Richard M. Short, Leo M. Shortall, Richard A. Shortall, Stephen Shute, William Thomas Simmonds, F. Eugene Simmons, Ernest Simms, Frank F. H. Simms, George Simms, George Percival Simms, Henry Simms, John Henry Simms, Leaten Simms, Robert Ronald Simms, Ronald Gordon Simpson, Sylvester Sinnott, William Skeans, William A. Skinner, Patrick J. Slattery, George Stewart Small, Edward Smart, Frank Smart, Donald Smith, Edgar Smith, Edward Smith, Howard Smith, Josiah Smith, Luke Smith, Noah Smith, Samuel R. Smith, Stephen Smith, William H. Smith, Zechariah Smith, Isaac John Snelgrove.

(Moment of silence.)

MR. SPEAKER: Please be seated.

Statements by Ministers.

Statements by Ministers

MR. SPEAKER: The hon. the Minister Responsible for Francophone Affairs.

MR. TRIMPER: Thank you.

Merci, Monsieur.

Mr. Speaker, I rise in this hon. House to recognize today as Provincial Francophonie Day.

The Government of Newfoundland and Labrador has celebrated this occasion since 1999.

This morning, I was pleased to participate in an event organized by the Francophone Federation of Newfoundland and Labrador here at Confederation Building. I was honoured to join students from École des Grand-Vents in this celebration and similar events are taking place

today on the Port au Port Peninsula and in Labrador.

Ce matin, j'ai été très heureux de participer à un événement organisé par la Fédération des francophones de Terre-Neuve et du Labrador ici à l'édifice de la Confédération. J'ai eu l'honneur de me joindre aux élèves de l'École des Grands-Vents dans cette célébration. Des activités connexes se déroulent aujourd'hui sur la péninsule de Port-au-Port et au Labrador.

Monsieur le Président, je travaille étroitement avec le Bureau des services en français, des ministères clés et la Fédération des francophones afin de déterminer les meilleures façons de mettre en œuvre la Politique sur les services en français en faveur de notre communauté francophone et acadienne.

Mr. Speaker, I've been working closely with the Office of French Services, key departments and the Francophone Federation to identify the best ways to implement the policy on French language services for the benefit of our Francophone and Acadian communities. This policy is helping us build stronger partnerships across the provincial government and identify tangible services that can be offered in both English and in French.

Mr. Speaker, I would like to take this opportunity to advise this hon. House that on June 22 and 23, I will co-host the Ministerial Conference on the Canadian Francophonie here in St. John's. This will be along with the hon. Mélanie Joly, Minister of Canadian Heritage. We look forward to addressing the priority issues of the Francophone community during this conference.

Aujourd'hui, j'invite tous les honorables députés à se joindre à moi pour féliciter la communauté francophone et acadienne de Terre-Neuve-et-Labrador en cette Journée de la francophonie provinciale.

Today, I ask all hon. Members to join me in congratulating the Francophone and Acadian community of Newfoundland and Labrador on this, Provincial Francophonie Day.

Thank you. Merci, beaucoup.

SOME HON. MEMBERS: Hear, hear!

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

MS. PERRY: Thank you, Mr. Speaker.

I would like to thank the minister for the advance copy of his statement. On behalf of the Official Opposition I, too, would like to recognize today as Provincial Francophonie Day, a day which we have celebrated in this province for more than 17 years.

I would also like to extend my appreciation to the Francophone community of our province for their efforts in organizing today's celebrations, both here at the Confederation Building and all across the province. Their dedication to the historical, cultural and linguistic culture of this province is evident.

However, Mr. Speaker, I would also like to take this opportunity to ask the Education Minister to reconsider cuts to Intensive Core French in this province. Many students in our province want the opportunity to gain a greater understanding of the French language. Government should be supporting these youth and not removing their opportunities.

(French spoken.)

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.

Je dis merci au ministre pour le copie de sa déclaration.

I'm very pleased to stand today and join in congratulating with him and my colleague from the Official Opposition, the Francophone and Acadian communities of Newfoundland and Labrador.

It is always such a pleasure to be part of the Francophonie Day celebrations and it is so important that we make sure that both the history and the culture of all the people who

make up this country is kept alive, but especially those who are part of the formation of the confederation of this country.

Félicitations à tous.

Merci Monsieur le ministre.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Further statements by ministers?

The hon. the Minister of Education and Early Childhood Development.

MR. KIRBY: Mr. Speaker, I rise in this hon. House today to proclaim May 29-June 4 as Early Childhood Educators Week in Newfoundland and Labrador.

Children are born ready to learn. Their early childhood learning experiences shape their future growth and early childhood educators play an important role in their development.

Early childhood educators influence a child's critical early learning years. Each day, ECEs wear many different hats, providing quality care, and supporting the needs of our children through play-based learning.

Our government supports the vital role of early childhood educators in our communities, by assisting with retention, recruitment and training of early childhood educators through the province's 10-year child care strategy.

Newfoundland and Labrador has a strong and effective system of regulated child care, with approximately 2,200 certified early childhood educators working throughout the province. These professionals work in diverse settings including child care centres, family child care homes, family resource centres, educational institutions, businesses and not-for-profit organizations.

Throughout the week, ECEs will have an opportunity to participate in a series of activities taking place around the province, such as workshops, public awareness and other special events that will provide ECEs with professional development and networking opportunities.

I ask all hon. Members to join me in thanking early childhood educators for their valuable work and for their continued commitment to the children of Newfoundland and Labrador.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. BRAZIL: Thank you, Mr. Speaker.

I thank the minister for an advance copy of his statement. We join with the government in recognizing Early Childhood Educators Week. We all understand and appreciate the influence and impact that early childhood educators have during the critical early-learning years.

Mr. Speaker, we are so pleased to see the government following through with the initiatives and plans that our administration set in motion through our 10-year child care strategy. The minister now appreciates and touts a strategy he constantly criticized just a few short months ago while in Opposition. It seems to be a trend with the minister and with this entire government.

In closing, I wish to thank the over 2,000 certified early childhood educators in this province and recognize the important role they play in helping develop our greatest resource – our children.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

I, too, thank the minister for the advance copy of his statement. I'm pleased to stand and recognize the importance of the early childhood educators in this province who play such an important role in the development of our children.

It was disappointing to see government eliminating the workplace training program that had been planned to meet the training needs of that sector. I just hope the government won't renege on its commitment to improve the financial situation of early childhood educators as well.

Thank you, Mr. Speaker.

MR. SPEAKER: Further statements by ministers?

The hon. the Minister of Service NL.

MR. JOYCE: Mr. Speaker, I rise in this hon. House today to recognize the 60th anniversary of the Atlantic Branch of the Canadian Institute of Public Health Inspectors.

The institute is the professional organization that represents Public Health Inspectors working in every province and territory throughout Canada. The institute advances the profession and the field of Environmental Public Health through certification, advocacy, education and professional competencies.

Mr. Speaker, the Environmental Health Officers employed by Service NL play a key role in protecting the health and well-being of Newfoundlanders and Labradorians. They have a wide range of responsibilities including food safety inspections, monitoring the bacteriological quality of drinking water, and carrying out health-related inspections of daycares, schools, personal care homes and long-term care facilities, as well as recreational facilities.

The public enjoys a high standard of health and safety thanks to the work of these valued professionals. On the 60th anniversary of the Atlantic Branch that represents them and helps them develop their skills, I think it's appropriate to recognize their contributions and the value of the Canadian Institute of Public Health Inspectors.

I ask hon. Members to join me in congratulating the Members of the Atlantic Branch for reaching its 60th anniversary. Mr. Speaker, their work is greatly appreciated.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

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

I thank the minister for an advance copy of his statement. Mr. Speaker, we, too, congratulate the Atlantic Branch of the Canadian Institute of Public Health Inspectors on their 60th anniversary. We'd like to extend our appreciation of the hard work the environmental officers and inspectors do for our provincial government.

These individuals work hard on the health and safety of the general public, from food inspections to monitoring our drinking water, daycares, long-term care facilities – undertake a range of services to help and protect the population. On behalf of the Official Opposition, I'd like to thank them for keeping Newfoundland and Labrador a safe place to live.

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.

I, too, thank the minister for the advance copy of his statement. I'm happy to join with him and my colleague from the Official Opposition in congratulating the Atlantic Branch of the Canadian Institute of Public Health Inspectors. Their work is vital to the continued well-being of all of us.

I remind the minister that publishing food establishment inspections online did a great deal to improve the public confidence. So I urge him, in the spirit of openness and transparency, to have all inspections conducted by our environmental health officers published online where the public can access them.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Question Period.

Oral Questions

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

SOME HON. MEMBERS: Hear, hear!

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

Mr. Speaker, Justice officials have been working on an opinion on this whole severance affair for over three weeks.

I ask the Premier: What observations were made by the Department of Justice which led you to decide to call in the Auditor General?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

First of all, I'd like to say this is the last day for Fatimah. We just lost another Page here just a few weeks ago. So it really speaks to what's happening in the House of Assembly as this is a great succession plan as they move on to the next career of their lives. So before I begin to answer the Members question, I'd like to express our thank you on behalf of government for the work they've done.

SOME HON. MEMBERS: Hear, hear!

PREMIER BALL: To the question at hand about the work of the Department of Justice, Mr. Speaker, they completed their work on the weekend. As a result of that, they came back with a suggestion that, indeed, in order to finish and do the wholesome determination of the events around the appropriateness of the severance package that was paid to the outgoing CEO of Nalcor, that in their opinion what was required here was someone from the outside who could actually do an independent review, and their suggestion would be that the AG is well positioned to be able to do that review.

SOME HON. MEMBERS: Hear, hear!

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

MR. P. DAVIS: What caused them to reach that conclusion, Premier?

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

MR. P. DAVIS: Thank you.

I'll try it again: What caused them to reach that conclusion?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

The Department of Justice, which is not unusual for anyone in the Premier's office to actually seek out and go looking for advice within the Department of Justice as a normal course of business. So in their opinion, in order to complete the exhaustive – and a determination of what was required in terms of the severance package for Mr. Martin, it would have required someone to actually go and interview people who would have been involved in that process.

As you know, the Department of Justice – that would not be in their realm of authority to do that. Although someone from the outside, they have – someone like the AG could actually do that. So the process would be determined by the AG then. We've outlined and we've passed over all the documentation that we have available to the AG. We've reached out to the AG. He and his office are willing to do this work. So in order to complete the kind of comprehensive review that's required here, it's the AG's office that is best positioned to be able to do that.

SOME HON. MEMBERS: Hear, hear!

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

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

I ask the Premier if he can confirm – we understand he received the report on Saturday from the Department of Justice. Was that a written report?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: The report was received on Saturday. After a review of the report, and when you look at the suggestions that were in the report from the Department of Justice, they came to the conclusion that in order to get to do the level of report that was required on this particular issue, in order to get to the fulsome determination that was mentioned in the report, in order to do that we needed someone to be able to go out with some more authority, to be able to interview people that were involved in this particular decision, and in order to do that we needed someone like the Auditor General, someone that was independent. We have supplied the AG's office – we have reached out to that, supplied them with all the information that is required, and now the AG is prepared to start that work.

SOME HON. MEMBERS: Hear, hear!

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

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

Well, the Premier stated here in the House of Assembly on numerous occasions now that he would make this report public.

Will you table that report here in the House of Assembly today, Premier?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

When you look at the documentation that will be forwarded to the AG, and this is – bringing the AG's office in, I would think the former premier and maybe the Leader of the Third Party would be up complimenting what we had done on the weekend, because this is something they've been asking us to do as a government for quite some time now.

So what we decided to do was let the Department of Justice complete their work, which they did on Saturday. We acted swiftly, I would say, Mr. Speaker, because we asked the AG to come in once the report was back. Right

now, the report from the Department of Justice, we'll turn that over to the AG.

A couple of things we want is to make sure we have a fair and full process, and we also want to make sure that information that's out there would not influence in any way the work of the AG. All the information is now with the AG to use in his determination of the events.

SOME HON. MEMBERS: Hear, hear!

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

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

Well, Premier, last week you repeated several times here in the House you would release the information. As a matter of fact, you stood here one day and you talked about how important it was for you to get the information out as quickly as possible. You said: I can't wait to get that information out as soon as Justice finishes their work. You said: Once the Department of Justice finished their work, then we'll be sharing it with the people of the province.

You went on to say: I look forward to getting the information out as quickly as possible. As a matter of fact, Premier, nine times on Thursday you said you were going to release it as soon the Department of Justice finished their work.

So, Premier, I'll ask you again: Will you table the documents from the Department of Justice, all the information they had, and their opinion here in the House of Assembly?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, part of all of that too was allowing the Department of Justice to complete their work. By then we would be into a situation where we'd be determining what options we had available to us, which direction we would go.

In this particular case, we turned over all the information to the Auditor General. So it's not if we're going to do this, it's going to be when

we're going to do this. The former premier, he may think it's the better exercise to put information out there that could maybe have a negative impact on the independence of the work of the AG.

What's important for me today is to let the AG be in the position to put in place a very full, fair analysis on this documentation. Also to have information available, not to influence the interviews or the work of the AG, it's to make sure the information is out there at the appropriate time. It is not if; it is just necessarily when, I say, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

Well, that is contrary to what you said last week, Premier, with all due respect. You said here in the House last week: I'm anticipating this to be just in a few days, referring to the report from the Department of Justice, that they'll have the work reviewed and as soon you get it and as quickly as possible, you're going to table it.

Now, Mr. Speaker, I can't think of any reason why all of the information available to the Premier can no longer be tabled or made available.

I will ask the Premier again: Are you going to flip-flop one more time, or are you going to stick to what you committed to last week and table the information here in the House?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I'm not surprised at all with some of the language coming from the former premier. It seems to be what he'd like to do. He is really not too concerned at all about due diligence. We've never seen that. Any history at all when he spent his time in government planning and making sure that information was done correct was never anything that he was concerned about

before, so I don't know why he would be concerned about it today.

We are not interested at all in prejudicing any of the work of the AG. We will get the information out there when it's the right time to do it. What's more important now – people are concerned about this – we want to have a very fair and full process for the AG. The documentation is gone to the AG. It's the Department of Justice themselves that said they should bring in someone like the AG, not have information out there that could influence the work of the AG.

Mr. Speaker, it is not if; it is just a matter of when we can get that legal information out there.

SOME HON. MEMBERS: Hear, hear!

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

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

Mr. Speaker, this is not about me or what anyone else has done. This is about what the Premier said. Nine times he said on Thursday that as soon as possible, he wanted to do it. He was going to get it out right away. Have it in a few days, is what the Premier said.

Premier, explain to the House how this will be prejudicial to the investigation being done by the Auditor General.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, I can assure you too it seems to be not only prejudicial on behalf of the former premier, but it is obviously becoming very political, I would suggest too, Mr. Speaker. Let's not forget that those contracts that were put in place were put in place by the very party that he leads. So let's not forget that.

Right now, Mr. Speaker, what I'm mostly concerned about is to have a very fair and very full process. This information just became available over the weekend. We've asked the AG to get involved. The AG has committed to

get involved, his office; they will deal with this. What's also important here is not to have information that could actually influence the work of the AG.

Mr. Speaker, as I said, this information will get out there, but let's let the AG – which the very Member opposite has asked us to do – in there so that office can get the work done in the most efficient way.

SOME HON. MEMBERS: Hear, hear!

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

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

We're delighted you brought the Auditor General in, no two ways about it, but the Premier made a commitment last week that he would table information. Now he's saying it could prejudice the Auditor General.

I'll ask him again, because he hasn't answered the question: How could this prejudice the work the Auditor General is going to do?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, we've given the information to the Auditor General. He will determine and outline the process that he sees fit. That is the best way to answer the questions that we've asked him to do.

What's important here is to get that fulsome determination and examine the decision on the severance package for the former CEO. I think it's very fair that we give the AG the opportunity, number one, to outline the process that his office would like to use. Number two, maintain the integrity of that process. That will allow then a very fair – a very full and fair process to occur.

Mr. Speaker, this is the AG. It's an important piece of work that he's doing right now. The documentation is in the office now. They will outline the process that is best for them. This information will get out there when the AG determines his process.

SOME HON. MEMBERS: Hear, hear!

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

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

Well, the Premier knew right well that this could very well end up in an investigation by the Auditor General. He talked about it last week. The province talked about it; yet, he went on to say numerous times – just at our last sitting day on Thursday, the last time this House sat, that he would release the information as soon as possible. He's saying one thing on Thursday but he's doing something else, is what he's doing. We've seen this pattern before, Mr. Speaker.

The Premier has not explained why or how this is going to prejudice the Auditor General. You made a commitment to release the information as soon as possible. Why won't you live up to that commitment you made the last day we sat here?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, I'm glad the former premier actually mentioned as soon as possible because that's exactly what we intend to do. First of all, I think it's very fair, unless we want to get into a situation where the information that's out there in the public could actually influence the work of the AG.

Mr. Speaker, the AG here is a very credible office in this House of Assembly. We've asked him – we brought the AG in to do this piece of work right now. What's important here is to maintain the integrity of the process, making sure nothing is out there that would influence in a negative way the work of the AG. So having this information now, the documentation in the office of the AG is extremely important to me and to this government. It will enable a very fair and full process.

SOME HON. MEMBERS: Hear, hear!

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

MR. P. DAVIS: Thank you.

Are you saying the Auditor General could be influenced by the information that you table here in the House of Assembly, or we're asking you to table? Is that what you just said?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Premier.

PREMIER BALL: Mr. Speaker, I tell you, I can't even believe that question. The question was: Are you saying the Auditor General could be influenced? I just told the Member opposite that we're giving him all the information. So we want the information to influence the work and the process that he does.

What I'm saying is – what the Member opposite is asking is that we lay it out there today in advance of the Auditor General having a chance, the opportunity to review the documentation. That is too foolish to even think about what he just said, that that would influence the Auditor General.

We're going to give the information to the Auditor General, I say, Mr. Speaker. When he gets a chance to review the documentation, he will then outline his process that he will establish. It's then that the determination could be made when this information gets out there. It's not a matter of when or if we're going to do this. We will do this at the earliest possible date.

SOME HON. MEMBERS: Hear, hear!

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

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

Those were the Premier's words, not mine. It came out of his mouth moments before he got up on his last answer. It's very simple. If it's not going to in any way influence what the Auditor General does – and I'm glad you've confirmed that, because you sounded like you had a

different position a few minutes ago – then there's no reason not to release the information, Premier. You committed to it over and over and over again, and now you've changed your decision over the weekend.

Have you received any advice from anybody suggesting that you change that position, that you now not release the details that you promised to release just the last day we sat in this House?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

The advice to make sure we have a very open and a very fair and full process, a process that would not be influenced by information that we would prematurely put out there? Not at all, Mr. Speaker. We trust the Auditor General to do the work that they will do. That is the reason why we're asking the Auditor General, at the recommendation of the Department of Justice.

The Department of Justice on Saturday said that in order to do the fulsome determination of what's required here, you need someone from the outside, someone independent to come in. The Auditor General is in the best position, Mr. Speaker, to be able to do that. We've provided them the information that his office will need. They will do the investigation – which will mean from time to time, I would guess, that they are going to interview certain people that were involved in this.

So, Mr. Speaker, once that information has been dealt with, the Auditor General will give his report.

SOME HON. MEMBERS: Hear, hear!

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

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

I ask the Premier: Who will the Auditor General report to?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Well, Mr. Speaker, if the former premier has to ask this House who the Auditor General reports to – he’s an independent officer of this House of Assembly. Who does he think he’s going to report to? He’s going to report to this House, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

I ask all Members one last time today, that the person standing to be recognized is the only person that should be speaking.

The hon. the Leader of the Opposition.

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

Well, maybe the Premier should have a look at the *Auditor General Act* because it gives him three options: he can report to the House of Assembly, to the Public Accounts Committee or to Cabinet. So now I’m glad we have the Premier on record that the Auditor General will report to the House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. P. DAVIS: Will that report be made public as soon as that report is completed, Premier?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, it’s our intention to get all this information out in the public realm as quickly as possible, but we have to allow the process to unfold. I just said to the Members opposite that the Auditor General will report to the House of Assembly. That will obviously mean that would be then public, of course. This is where we want to get this.

What’s important here, Mr. Speaker, is to make sure that we have the process in place that has integrity, that is very full, very fair and one that is not influenced by anything that we would do. Once the Auditor General gets the opportunity to establish whatever the process he would like for his office to follow, then he will do his work that he does as he’s done in the past.

He will do the interview. Once the report is completed, it will be here in this House of Assembly.

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.

I’ll ask the Premier: Does he expect the House of Assembly to be open at the time? If it’s not open at the time, will he reconvene the House of Assembly so we can debate the report from the Auditor General?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, one thing that we do, as we sit here in this House of Assembly – my job today was number one, to get the Auditor General at the start line so he can get started on this piece of work. We’ve done that rather swiftly, I would say. So we’ve been able to do that.

The amount of work that’s required for the Auditor General, I cannot determine what the timeline will be. I’m hoping that he’ll get through this as fast as possible. If this House will be open at that particular time – as I stand here today just getting this piece of work started, I do not know if this House will be open then or not.

Mr. Speaker, we’ve seen Auditor General reports that’s been given to this House of Assembly and there’s usually lots of opportunity at some particular point. We do not want to prejudge where this will go, but we look forward to getting the report.

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.

I saw the letter written to the Auditor General on the weekend.

I ask the Premier: Will the Auditor General be also investigating and looking into the potential involvement of the Premier, his staff, his Cabinet and his colleagues on the other side of the House?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, as I said, the Auditor General will determine the process that his office would want. I'm fully expecting for our office to be involved in that. I can tell you right now as Premier of this province I will fully co-operate with the AG, if asked. I anticipate that will probably happen.

Mr. Speaker, I just look forward for the AG getting his work done in a way that's not influenced by anything that would be prematurely put out there. I can tell you from what I know of the AG, it will be a very fair and full process.

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.

When I read the letter from the Premier to Mr. Terry Paddon, who is the Auditor General, it looks to me the parameters of the instructions are fairly narrow: Inquire into a report on the appropriateness of severance benefits received by Mr. Martin.

So I ask the Premier: Will the review include any and all information that is available, any and all activities that have taken place; and, for example, will the activities of the Minister of Natural Resources and her attendance at meetings, will this be a part of the Auditor General's review?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

We've put in place a great IAC committee, and I anticipate by the sound of questioning here that we might have a future Auditor General in our presence.

Mr. Speaker, listen, in all fairness here, the Auditor General will outline the process that is required. He can expect full co-operation from any Members on this side of the House, once that process is determined. And I can tell you, from what I know of Members over here, there will be full co-operation for the Auditor General and, like most people in this province, we look forward to the finalization of that report.

SOME HON. MEMBERS: Hear, hear!

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

MR. P. DAVIS: Thank you.

Maybe the Premier can tell me this: Will the Auditor General also have a look at maybe any involvement, advice, direction, or assistance that the Minister of Finance has provided, given the fact that she's a former chair of Nalcor and she was actually a board member when the contract was entered into with Mr. Martin?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I just want to finish up on the last question too because when the Clerk had reached out to the AG in this particular case, the AG was very comfortable and felt that this was a very broad range, and this will allow him and his office to complete the work that they have been asked to do.

Mr. Speaker, you can anticipate, expect and will have full co-operation from all our Members, all our ministers on this side of the House, as the Auditor General goes about completing the work that we've asked him to do.

SOME HON. MEMBERS: Hear, hear!

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

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

Maybe the Premier can tell us this, because his answers are very vague as usual, but he referred to the media this morning about some type of telephone log. So the work that the Auditor General does, will he have access to any of these supposed telephone logs, your emails in and out of your office, your own personally or other emails – would that all be part of the Auditor General's review as well?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, as I said, what is important to me is that we have a very full, a very fair and a very open process. I will tell you that I will be co-operating. I will give whatever level of co-operation is required to the Auditor General as he completes his work, as I'm sure all our Members and ministers will. If there's information that I have that I could bring to the AG, absolutely, that information will be made available to the AG.

Mr. Speaker, this is important because of the public concern that we have in our province. Mr. Speaker, I will do whatever it takes to get to the bottom of this so that the AG, the Auditor General, can do the type of work to the extent that we've asked him to do.

SOME HON. MEMBERS: Hear, hear!

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

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

Well, maybe the Premier can tell us: Will the Auditor General also look at the minutes of meetings that were taken? Will he look at the fact that you had a meeting with Stan Marshall prior to Mr. Martin even resigning? Will the Auditor General look at the fact that you provided conflicting information here regarding when you actually became aware that would be receiving severance?

The Auditor General, will he also look at the fact that board members, current board

members, when did they know about the severance being paid, what knowledge did they have and who approved the cheque? Will all of those matters be looked at, Premier, by the Auditor General?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, the only thing I think the former premier didn't ask is to do the review of the Muskrat Falls Project.

Mr. Speaker, I can assure you right now, whatever the AG needs in terms of questioning and information that he would require to have or seems necessary to have from Members on this side of the House, including myself and my office, we'll be more than happy to supply whatever information we have.

All the questions that were just outlined, they seemed to be very relevant, but I'm not here today, Mr. Speaker, to outline the process that the Auditor General would do. I would then be influencing his work. I respect and maintain the independency of the Auditor General. He is well positioned to do the work that he's been asked to do, and he agrees with that.

SOME HON. MEMBERS: Hear, hear!

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

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

Well, I appreciate that from the Premier and I'm glad he's going to be open on this. Hopefully, he will hold to his word, this time.

Mr. Speaker, I'll ask the Premier this: Will you also ask the Auditor General to consider the fact that when asked here in the House of Assembly, you and your government refused to state confidence or lack of confidence in the board of directors or Mr. Marshall and the executive team. Will the Auditor General also consider all of this to decide if actually there was a circumstance here created by you and your government whereby constructive dismissal of Mr. Martin was created and created by your government?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, what we've asked the Auditor General to do is to look into the appropriateness of the severance package that was given to Mr. Martin by the board of Nalcor, the outgoing board of Nalcor.

Mr. Speaker, when you consider the appropriateness of the severance contract, the severance package that was put in place, a number of those questions that the Member just asked, I would think, would form the questioning and part of the investigation, part of the reviewing of what occurred back in April until eventually the severance contract or agreement was put in place.

Mr. Speaker, all of these questions are very relevant to this. All I can tell you is that we will make ourselves available and we will be co-operating with whatever the AG asks.

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.

In his letter to the Auditor General, the Premier issued a narrow instruction to investigate the appropriateness of the severance payments paid to the former Nalcor CEO.

I ask the Premier: Will the Auditor General's investigation also include looking into the involvement of the Premier's office directly with the former Nalcor board of directors, or with any individual members of that board concerning the severance issue?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I think, number one, is that when the Clerk spoke to the Auditor General on this particular issue, he felt that what was given in the letter,

what he was asked to do, would give him a very broad range to answer the questions around the severance package that was given to the outgoing CEO of Nalcor. The AG, his office, they feel that this is a very broad mandate actually.

I can assure you that we will co-operate when asked to do so by the AG on any of the matters that are related to the severance contract or the severance package that was given to the former and outgoing CEO of Nalcor, Mr. Speaker. We will co-operate to make sure that we have a very full and a very fair process, one that I'm sure all Newfoundlanders and Labradorians look forward to and make sure that they want to see this occur.

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 former CEO of Nalcor said he and the Premier came to a way forward and that if they were aligned, then he would be ready to move on from Nalcor.

I ask the Premier: Did the way forward include agreement that Mr. Martin would be paid severance even though he said publicly he was resigning?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

All the information that's available outlining the events of the discussions that we've had, Mr. Speaker – all of this information, including the legal opinion, will be given to the AG to complete his work. So right now, what we do not want to do is put anything out there publicly that will influence the work of the AG.

As soon as the AG determines to the extent of what that process, those interviews would look like, Mr. Speaker, we look forward to getting all the information. As I've said so many times

today, this is not a matter of if; this is just a matter of when. We want to make sure that the AG is in a position to have whatever legally accepted information is available to the public in our province. I look forward to getting this information out there as quickly as possible.

SOME HON. MEMBERS: Hear, hear!

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

MS. ROGERS: Thank you, Mr. Speaker.

I ask the Minister of Natural Resources: Did she meet with the former chair or any other representatives of the former Nalcor board regarding severance pay or other financial compensation that would be paid to the former CEO of Nalcor?

MR. SPEAKER: The hon. the Minister of Natural Resources.

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

The Premier has sent this to the Auditor General to review, in particular the appropriateness of the payment of severance. But I do want to take the opportunity, as well, to talk a little bit about some of the other things that we've done with Nalcor. We've done a full study with EY on the cost benefit and associated risks, which I think is very important. We have a new CEO that's making some very important work with Nalcor.

So I think that we have to look at the fulsomeness of what we've done with Nalcor, and in particular, to answer her question, it's all been referred to the Auditor General and will be reviewed as such.

SOME HON. MEMBERS: Hear, hear!

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

MS. ROGERS: Odd answer, if that's what an answer is, Mr. Speaker.

I ask the Minister of Finance: Did she meet with the former chair or any other representatives of the former Nalcor board regarding severance

pay or other compensation that would be paid to the former CEO of Nalcor?

SOME HON. MEMBERS: Hear, hear!

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

MS. C. BENNETT: No.

SOME HON. MEMBERS: Hear, hear!

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

MS. ROGERS: Mr. Speaker, I ask the Minister of Finance, who is the former chair of Nalcor: Did she inform the Premier of the terms of the former CEO's contract, which, among things, made it clear that severance was not payable in the event of voluntary resignation by the CEO?

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

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

As the Member opposite may be aware, as a director for a corporation you breach your fiduciary responsibility should you discuss anything that you know about the corporation during your time as a director. I can certainly assure this House that I have maintained my fiduciary responsibility in my former role as a director at Nalcor.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

Notices of Motion

MR. SPEAKER: The hon. the Minister of Environment and Conservation.

MR. TRIMPER: Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Regulate Greenhouse Gas Emissions From Industrial Facilities In The Province, Bill 34.

MR. SPEAKER: Further notices of motion?

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

MR. BRAZIL: Thank you, Mr. Speaker.

I will move the following private Member's resolution:

BE IT RESOLVED that this hon. House urge the government to postpone the commencement of full-day kindergarten to avoid other decisions that will negatively impact students.

Thank you, Mr. Speaker.

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

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, pursuant to Standing Order 63(3), the private Member's resolution just entered by my colleague will be the one that will be debated on Wednesday, Private Members' Day.

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

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

Pursuant to Standing Order 11, I give notice that this House do not adjourn at 5:30 p.m. tomorrow, May 31.

Also pursuant to Standing Order 11, I give notice that this House do not adjourn at 10 p.m. tomorrow, Tuesday, May 31.

MR. SPEAKER: Further notices of motion?

Answers to Questions for which Notice has been Given.

Petitions.

Petitions

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

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

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

WHEREAS 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.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, I'd like to point once again to the online petition that over 20,000 – not 200, not 2,000, but 20,000 people across the province signed. It was an electronic petition. Our House at this point is not able to receive electronic petitions, which is unfortunate. I would hope that in the future we would see modifications to our House, modernization of the process in which we do our business here in the House where electronic petitions will be accepted.

Some might say, well, it's nothing to add your name to an electronic petition. The interesting thing is, Mr. Speaker, actually what people did here required, in some ways, even more work than just signing a hard-copy paper because many, thousands of people actually wrote comments, and some of them quite extensive comments as to why they believed the levy was unfair and regressive taxation. Within those comments we have people who are talking about the need for a complete overview of our taxation system to ensure that we have a progressive taxation system. Government has promised that but it seems that it's going to be pushed down the road a little bit.

Mr. Speaker, I've offered this to the Premier a few times and I'm willing to offer it to him again. I have hard copies of all the electronic petitions and also a number of the comments that people wrote. Again, what people are calling for is an overview of our complete taxation system. That's what this petition in my hand calls for and I believe it is time the people of the province know that it is time to do that.

Thank you very much, Mr. Speaker.

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 high quality of education is vital to a strong and successful society and should be a priority of the provincial government; and

WHEREAS the provincial government has announced funding reductions to the Department of Education which will result in an increase in class size cap for students in grades four to Level III, as delivered on April 15, 2016; and

WHEREAS these funding reductions will result in a reduction of teacher allocation units at École Mary Queen of Peace School, the introduction of combined classes and a reduction in the

provision Intensive Core French instruction at our children's school; and

WHEREAS the provincial government has decided to proceed with the costly implementation of full-day kindergarten in the Province of Newfoundland and Labrador;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to instruct the school boards to delay the implementation of full-day kindergarten until such time as the province's financial circumstances improve and restore programs, teacher allocations and class size caps to 2014 levels.

And as in duty bound, your petitioners forever pray.

Mr. Speaker, I attended a silent protest, one of the ones that were organized by the school. I spoke to many of the parents at Mary Queen of Peace and all of them are in the same thing. This is a school that has 700 students. It's a K to 12 school. There has been crowding in this school for the past 10 years. Last year it was announced, the first extension to the school.

As you know, in the Northeast Avalon there have been many renovations, upgrades and new schools are getting built, but this is the first time in 10 years that anything has been done. Other than pavement and a few lockers, a bit of capital expenditure on the school. This is devastating to the community. The cuts to education, combined classes, layoffs, and increased, like I said, cap size.

At Mary Queen of Peace they're going to lose three units – that's three teachers – resulting in combined classes for grades three and four, and grades five and six. Early French immersion also, 14 children won't get to take intensive core French. This school doesn't have a cafeteria. The gym is used half the time so people can have a place to go eat. There is no functioning library. There is no computer lab for the kids, and this is really another kick to that school.

This is a school that's not represented by my district, but represented by Members opposite me. Parents really are concerned. Actually, Mr.

Speaker, as of – there are still petitions out there, but right now there are almost 500 names from the parents of this school; 500 parents who are really concerned. They're asking the government to listen to their concerns. They're asking the Minister of Education to listen to their concerns.

MR. SPEAKER: Order, please!

MR. K. PARSONS: I ask government, please listen to the concerns of the parents of this school.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

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

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

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

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

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

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

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

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

Today, Mr. Speaker, I'm presenting the signatures of people from – actually, from my district here in St. John's – people who are concerned about the fact that 54 of the libraries in rural Newfoundland and Labrador are being shut down by this government. It seems that the ordinary people in our constituencies understand the issue that is arising because of these closures, people in all parts of the province understand it, people outside the province understand it but this government doesn't understand what they're doing.

One of the letters that I've received that's very outspoken about the libraries says that it's impossible to understand how cutting communities' access to physical books will improve our low literacy levels, the worst in the country. Then adding to that, the increased taxes, including a new tax on books, will make it even more difficult to obtain print material in other ways. In tough economic times, libraries are needed more than ever.

Even somebody who loses a job and needs to go to a computer to even find out what job opportunities there are, that's being taken away from them in rural Newfoundland and Labrador.

The writer of one letter that was in *The Telegram* points out that we are just falling so far behind the rest of Atlantic Canada, just look at Atlantic Canada itself, and talks about the Province of New Brunswick where they've just announced a new \$900,000 investment to extend library hours as part of the provincial plan to boost literacy. Here we are with a worse literacy rate than New Brunswick and we're shutting them down. I mean it's absolutely disgraceful, shutting down the libraries that are on islands; islands that have to use ferries to get to the mainland; islands that have, some of them, no other services left on their islands, and the libraries are being shut.

Thank you very much, Mr. Speaker.

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

MR. PETTEN: 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 *Budget 2016* introduced over 50 new fees and increased over 300 fees; and

WHEREAS *Budget 2016* asks the people of this province to pay more for a decrease in government services; and

WHEREAS these fee increases negatively impact the financial well-being of seniors, youth, families, students and individuals;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to immediately reverse fee increases as introduced through *Budget 2016*.

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

Mr. Speaker, we get up in the House and the levy has always been the lightning rod, and we talked about a lot of other factors in the budget, the gas tax, the insurance tax, other programs but we never really speak a lot about the fees. As time goes on, when they all come into full impact – I know if you go, for instance, to a provincial park, you're still paying last year's fees. A lot of this stuff hasn't hit home yet.

We get sometimes sidetracked and it's the bigger items that people are sometimes focused on, which is fair game. We all do that, but it's the little fees – and I've probably said it here in this House before, it's death by a thousand cuts. It's no one big thing, it's all these – and they're all hitting people very hard. We've talked about schools and other parts of the – a bunch of items, but fees themselves we don't zero in on them a lot. There are people, as we're presenting this petition actually, who have great concerns over a lot of these fees.

You go right down; there are pages of them here. You can list them off. A lot of these fee increases have doubled. I'll say it again, I'll be on record as saying you add all these fees and everything else, the other impacts of this budget – you put fees on top of everything else, people are already crying out that they're going to find

a struggle. These fee increases are not going to help, like I say.

The budget already impacts most every person in the province in a negative way. Then you're just adding the fees, it's equivalent, Mr. Speaker, of putting salt in the wound. I present this petition and I ask government to give it some serious consideration because it is an important issue that sometimes gets lost in the mix.

Thank you.

MR. SPEAKER (Warr): The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, I rise to present this petition in the House:

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 an extension was announced to the Robert E. Howlett Highway on March 25, 2014; and

WHEREAS the environmental assessment, design and engineering of this project is completed; and

WHEREAS continued residential growth and commercial growth has increased traffic on the Southern Avalon;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the government to continue with this significant piece of infrastructure to enhance and improve traffic to the Southern Avalon.

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

Mr. Speaker, this highway – for a number of years we've looked at increasing the infrastructure requirement. The extension to the Robert E. Howlett would do that. It's about 9.6 kilometres that were approved in 2014, and I had

it moved on through the environmental assessment piece. I think that was released in maybe March 2015. Further on in that year it was accepted by the then minister of Environment.

Unfortunately, in this year's budget of 2016, this government decided not even to defer this project, but basically to cancel it, take it off the books, which is very difficult news and upsetting news for the people of the Southern Avalon, the whole Southern Avalon. So while this is to enhance traffic, commerce from and to the Southern Shore, it enhances the whole Southern Avalon.

What it does, we have significant, as I said, commerce back and forth through the region, significant residential growth we've seen in the past number of years. We see a lot of people commuting back and forth to the city, as well from the manufacturing, fabrication point of view. We've seen significant work over the past number of years that, as a government, we've invested in as well. You're looking at Bay Bulls harbour and infrastructure as well to the offshore. So a lot is happening.

It's very disappointing to the people that this was shelved. There are some concerns with respect to watershed, but that's not something we can't mitigate and move forward on. It shouldn't be a showstopper. Obviously, there is a watershed at Bay Bulls Big Pond.

This project would take traffic further away from that watershed which would seem to support everything in regard to the protection of that watershed. If we need to take some other measures to protect it, we should do that. We call on Transportation and Works and Environment now as well to work collectively to get this back on the radar, to move forward.

There is supposedly federal infrastructure money there that can now be accessed. So let's get to work, get this done for the people of the Southern Avalon which require it. It should be done. It was announced. Let's get this back on and get it done.

Thank you, Mr. Speaker.

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

MR. REID: Thank you, Mr. Speaker.

I have a petition today related to the public library in St. George's. I will read the prayer of the petition, Mr. Speaker.

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

WHEREAS the public library in St. George's could possibly close in 2017-2018; and

WHEREAS the library provides many services, in addition to the access of books, which are an important part of the social and cultural life of the community; and

WHEREAS the library has many important partnerships with community groups; and

WHEREAS the limited expenditures on this library is very good value for taxpayers;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge the Government of Newfoundland and Labrador to take actions which will result in the continued operation of St. George's public library.

Mr. Speaker, this petition is signed by over 500 people from the communities of St. George's and Flat Bay which use this library. I think the fact that many people have signed the petition demonstrates the feeling in the community that the library should continue to stay open.

This library is one of four in my district which are on the list of possible closures. There's one in Stephenville Crossing, there's one in St. George's that this petition relates to, another one in McKay's and another in the Codroy Valley.

So when I heard the possibility that these libraries might close, I met with the local volunteer boards related to each of these libraries to get a better sense of the work that these libraries do in the community. It was very interesting to find out the range of activities that

happen at these libraries. They are not just places where people go to take out books, although that's an important function that they provide as well.

Another thing that they do is provide Internet access to people who can't get Internet access or can't afford to get Internet access in their communities. In a couple of cases, it's the only place in the community where you can go and get free Wi-Fi and use that service as well, Mr. Speaker.

As well, libraries have developed many partnerships with community groups and they have many activities such as literacy programs for young children, homework programs, students can go there and do their homework, also cultural activities. The library in St. George's has in the past offered music lessons and activities like that for people in the community who might not have had that opportunity if the library weren't in place.

There are many sorts of things that libraries do and I think rather than looking at closing libraries, maybe we should be looking at how we can reinvigorate libraries in this province. What does excellence in small libraries look like?

MR. SPEAKER: Order, please!

MR. REID: Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member's time has expired.

The hon. the Government House Leader.

MR. A. PARSONS: I call Orders of the Day, Mr. Speaker.

Orders of the Day

MR. A. PARSONS: Mr. Speaker, I would move, seconded by the Minister of Natural Resources, for leave to introduce a bill entitled, An Act To Amend The Highway Traffic Act No. 2, Bill 33, and I further move that the said bill be now read a first time.

MR. SPEAKER: It is moved and seconded that the hon. the Minister of Service NL shall have leave to introduce a bill entitled, An Act To

Amend The Highway Traffic Act No. 2, Bill 33, and that the said bill be now read a first time.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Carried.

Motion, the hon. the Minister of Service Newfoundland and Labrador to introduce a bill, "An Act To Amend The Highway Traffic Act No. 2," carried. (Bill 33)

CLERK (Barnes): A bill, An Act To Amend The Highway Traffic Act No. 2. (Bill 33)

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

When shall the bill be read a second time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, Bill 33 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 Order 6, second reading of Bill 31.

MR. SPEAKER: The hon. the Minister of Environment and Conservation.

MR. TRIMPER: Mr. Speaker, I move, seconded by the Member for Labrador West, that Bill 31, An Act To Amend The Labour Standards Act, now be given a second reading.

MR. SPEAKER: It is moved and seconded that Bill 31 entitled, An Act To Amend The Labour Standards Act, be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Labour Standards Act." (Bill 31)

MR. SPEAKER: The hon. the Minister of Environment and Conservation.

MR. TRIMPER: Thank you, Mr. Speaker.

I rise today in this hon. House to introduce a bill to amend the *Labour Standards Act*, which confirms legislative authority for issuing labour standards clearance certificates and increases the fee to \$75 from \$50. The issuance of clearance certificates has been ongoing for some time.

Mr. Speaker, a clearance certificate is a certificate provided by the Labour Standards Division of the Labour Relations Agency on my behalf as minister, which indicates that an individual or company is in good standing under the legislation. The Labour Standards Division administers and enforces the *Labour Standards Act* which establishes the minimum terms and conditions of employment.

The staff of the division receives approximately 12,000 requests for services annually. They are involved in the resolution of approximately 450 workplace disputes through the provision of mediation and/or conciliation services. It is one very busy group of government. They conduct investigations and issue orders of compliance.

Mr. Speaker, the provision of a clearance certificate is an incentive to business or parties to abide by the *Labour Standards Act*. They can be used as a tool to ensure compliance with the *Labour Standards Act* as they are not issued if the party has a claim against them or is subject to an investigation. The web-based clearance certificate service is fast and efficient and very easy to use.

I thank you for the opportunity to speak to the bill. I invite other hon. Members to share their perspectives.

Thank you.

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

MR. PETTEN: Thank you, Mr. Speaker.

I won't take a lot of time speaking on Bill 31, but I have a few comments. I'd like to thank the

minister for the briefing received Friday past to our staff. Thank you for that.

As the minister just stated, this legislation – it's the fees increasing up to \$75. At one time I believe it was \$25 and it increased to \$50. Now we're increasing it from \$50 to \$75 as of *Budget 2016*. From my notes, it's part of a legislative change. It was a policy that's now being put into legislation. I guess that is a good thing.

I'm reading they have 2,800 certificates they issue per year and that's probably two days to complete. As the minister stated, that's a busy division. I'm well aware of the work they do.

You look at 2,800 of these, on top of everything else they do, and it does create a lot of extra work. For that, I do recognize. It's a fee increase. No one likes a fee increase, but it's an important service and a lot of time goes into preparing these, Mr. Speaker.

Like I say, you're enshrined in the legislation – going from policy to legislation which makes it more complete. As we know, policies sometimes are what they are. At least with legislation, it's more solid footing.

I also point out we're one of three provinces that charge for this service. There are eight other provinces actually that don't charge for it. It's an interesting note that kind of jumped out at me. In any event, it's been an ongoing practice. It has just been an increase over the last number of years and putting something like this in the legislation from policy, I have no problem with that either. It's a very busy division.

Basically, that's all I really have to add to it, Mr. Speaker. It's a pretty routine housekeeping item.

Thank you very much.

MR. SPEAKER: The hon. the Member for Labrador West.

MR. LETTO: Thank you, Mr. Speaker.

It's a pleasure for me to rise today and speak on behalf of Bill 39 and support my colleague, the Minister of Environment and Conservation.

AN HON. MEMBER: Bill 31.

MR. LETTO: What did I say?

AN HON. MEMBER: Thirty-nine.

MR. LETTO: Oh, 39 – 31, sorry; I'm just getting a head of myself. I thought we missed a few. We all make mistakes. Some of us are able to admit it.

Anyway, Mr. Speaker, I rise today to speak on this bill. As the minister already noted, this bill proposes to amend the *Labour Standards Act* to establish legislative authority for issuing labour standards clearance certificates and increase the related fee from \$50 to \$75.

Now, it's interesting to note, Mr. Speaker, that it was raised to \$50 and the Member for CBS alluded to it that one time it was \$25. He is right. It was his administration that raised it from \$25 to \$50 in April 2013 and it's been that way ever since. The fact of the matter is they didn't bring in legislation to make it official. So as we've been doing since we took office, we are just cleaning up more of the mess that they left behind.

As part of the budget and as part of the GRI that fee is now going to \$75. Raising this fee for clearance certificates will increase the revenue by an estimated \$70,000 per year based on an average of 2,800 certificates issued annually over each of the last five years. The estimated revenue from clearance certificates this year is \$175,000, which factors in a partial year increase for 2016.

Clearance certificates are provided by the Labour Relations Agency to confirm that a person or company is in good standing under the *Labour Standards Act*. Upon receipt of their request, the LRA reviews case files and advises the client on whether the person or company remains a subject of an unresolved investigation or claim.

As you know, Mr. Speaker, these certificates are usually requested by law firms in the course of ensuring due diligence in real estate transactions. Again, we're bringing in legislation to make sure that everything is above board and everything is legally in place.

But before I sit down, Mr. Speaker, I want to just mention a couple of words about the Labour Relations Agency and the work that they do. Since we took office in December, since I was elected in November, I've had the privilege of working with the Labour Relations Agency on a number of issues, especially around the labour relations at the Iron Ore Company of Canada and I have found them to be very, very co-operative. They have some good staff over there who really know their stuff. So it's been a pleasure and I want to thank them for their work over the past four months since I've started working with them.

I won't go on any longer, Mr. Speaker, but just to say that this bill is going before the House today and I look to the Opposition and Third Party to support this very important bill.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

I'm pleased to stand and speak to Bill 31, which is making an amendment to the *Labour Standards Act*. I know the other speakers have explained what's going on, so I won't go into huge detail, but probably point out first of all that what it is dealing with, which is a fee for clearance certificates, is something that happens when there is a transaction of property and a lawyer for a company wants to ensure that the company selling the property to his or her company doesn't have a lien placed on it on behalf of an employee who is owed money. These clearance certificates are certificates that make it clear that the company that's selling is not going to be causing them any legal problems if they buy that property.

Now, it's interesting that what we have happening here is that a fee that was only \$35 is now going up to \$75 without any explanation of why it is necessary to do that. So I think what we have is something that is, again, part of the budget this government has brought down, and what we see here is a real cash grab, because

what we have in that budget is any possible fee that can be raised has been raised by the government. This is another fee which has been substantially raised by the government. It may not sound like a lot, but enough of these could cause a company a real problem.

It's another sign of this government raising fees without any analysis, without any explanation of why they're doing it, except, I guess, for saying we are getting money wherever we can get it. So this is their way of getting revenues off the backs of individuals and of small businesses, and that's how they're getting the revenue that's needed instead of coming up with some real, intelligent plans for real revenue growth in this province.

Now, this comes under labour standards, and I think it's important to point out that we do know that the act, we're being told, is always being reviewed to make sure it meets minimum standards, but what is really needed for the *Labour Standards Act* is a whole legislative review. It's long overdue, and it's something that needs to happen. The only reason we're standing here today looking at a change to it is not a change that's necessarily really concerned with workers and the standards for workers, it's a change that has to do with government doing another cash grab off the backs of people, as I've just said.

There are things in this *Labour Standards Act*, for example the section that stipulates that overtime, which is paid at time and a half, will be paid at minimum wage. So lots of people are not getting overtime. They're not getting their breaks. They're not getting, really, the full reimbursement that they should be getting for overtime.

Another piece of the labour standards that needs to be reviewed is the complaints section. Labour standards are complaint driven, whereas the Occupational Health and Safety Division in enforcing its legislation does its own inspections and went from 11 to 32 inspectors in recent years. We need to bring the labour standards up so that people can really have their needs met, that complaints that they do have are dealt with quickly and that people who are working in our province are being taken care of.

The department knows there should be a review of the *Labour Standards Act*. We keep getting piecemeal changes, but there isn't an overall review. We've had a lot of changes in our labour force in Newfoundland and Labrador, changes in work that's being done, changes in the face of our workers in terms of age, et cetera. So we really do need an overhaul.

We also have questions about the work-alone provisions. This is something that needs to be looked at. But what we don't want is piecemeal, and this is what we're getting here is piecemeal. We also have the whole issue of temporary foreign workers and whether or not they are adequately protected under our labour standards legislation.

I'm encouraging the minister to look at the fact that our *Labour Standards Act* is well overdue for an overhaul. It's outmoded and it's very sad that the only reason we're standing here today is not to try to really improve our *Labour Standards Act* and the protection of our workers, it's only to give the government the opportunity, as I said before, to do a cash grab off the backs of people in the province, to help them with a budget that is showing no creativity, no vision.

Obviously I'm going to vote for this –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. MICHAEL: – but the thing is that this government will just continue doing this kind of thing, Mr. Speaker, and it's very disturbing.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

MR. LANE: Thank you, Mr. Speaker.

I'm not going to take too long to speak to this, but I will take a moment just to have my say on Bill 31. As indicated, I intend to, at the very least, stand on each and every bill to at least give my position whether I'm in favour or I'm against.

I will be supporting the bill. As has been said, it is really a housekeeping bill, to some degree. It's put in place obviously, as has been said, for real estate transactions and so on between businesses that – and it's a protection for a business. If they were going to purchase another company or take over a new company, they would have assurances. They would know what they're getting into basically.

I see it as a protection mechanism that is being formalized. I think it should be there. I agree with it. I also agree that if that is going to be provided and if it's going to involve employees of the provincial government that we're all paying for to process these certificates and so on, then obviously, at the very least, we should recover the cost.

Obviously, there's an attempt here to raise additional funds because of the budgetary situation that we're in. Unlike what my colleague just said, from my perspective if we're going to have to raise money, then I would much rather see some fees on things like this, than I would see fees on drivers licences and registration and so on that are going to hurt a lot of people and a lot of – even like low-income people. If I had to choose, I'd prefer to support something like this to be honest with you.

I really have no big problem with it. I would say the Member for St. John's East – Quidi Vidi does raise a good point, as it relates to the *Labour Standards Act*. While it's fine to put this in place and it makes sense – and like I said, I have no real big issue with the fee – there certainly are a number of things in the *Labour Standards Act* that do need to be addressed.

I'm not going to get into them all, but one that she did mention – and I've actually had a couple of people call me on this. I can remember speaking to one gentleman. He was working at – I believe it was security, if I'm not mistaken. He was making like \$15 an hour. He had worked a whole bunch of overtime because it had been available. When his cheque came he was really surprised by the amount he received. He was expecting to receive time and a half, which would have brought him up to basically \$22.50 an hour. Under the Labour Standards, he was told by his employer they only had to pay him

time and a half minimum wage, not time and a half of his actual wages.

That was something there that I thought was a real injustice to that worker in that case. That's one thing, and there are other things that definitely need to be addressed in the *Labour Standards Act* for sure. I would agree with the Member who was just up, that there are much more pressing things in the *Labour Standards Act* that certainly do need to be addressed for sure. Obviously, that hasn't been done today, but what is being done I agree with in principle.

While I would agree that this is being done, the real motivation here is to generate additional money, given the fact where we are financially with the budget and so on. If we had to go down certain roads with the fees and so on, I'd certainly think this is much more palatable than some of the other ones which have been proposed. So I will be supporting it.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MR. FINN: Thank you, Mr. Speaker.

It's always great to rise and speak to any piece of legislation. In particular today we're discussing Bill 31, An Act To Amend the Labour Standards Act. I'd like to thank the Minister Responsible for the Labour Relations Agency and the Member for Lake Melville for introducing this piece of legislation, and to those Members who've already taken the opportunity to speak to it as well.

Mr. Speaker, the Labour Relations Agency does a great deal of work here in the province. I believe the minister had alluded to receiving some-12,000 applications annually with respect to the clearance certificates. The clearance certificates, essentially, in addition to providing individuals with the proper information regarding individuals, businesses and their compliance, it's certainly a great incentive for businesses to abide by the Labour Standards Act

as well, and use as a tool to ensure compliance with the act.

In having a conversation earlier with the minister and discussing some of the issues around the Labour Standards Act and the Labour Relations Agency, essentially with respect to the number of requests they get annually, the increase in fee here is in part due to a cost recovery measure. In addition to that, and just to make reference I guess to the Member for St. John's East – Quidi Vidi who just spoke with respect to this being a cash grab, I don't really believe that's a very accurate reflection of what we're looking to do here.

In doing a provincial and territorial scan, it looks that we've been a bit behind with respect to this fee. So this is a nominal fee increase, I would suggest to the Member opposite, and to the Members who referenced this as essentially a cash grab, a \$25 increase.

As the Member for Labrador West alluded to as well, this fee was increased in 2013 by the former administration. At which time there was no legislation around enforcing that, if you will. So in addition to making the nominal fee increase here, we're just looking to make sure it's introduced into the legislation.

The estimated revenue we'd be generating from this right now, an increase of \$70,000 per year, and with the partial year of 2016, that's \$175,000 per year for this fee increase. So I'd suggest to the Member for St. John's East – Quidi Vidi, as well as the Member for Conception Bay South, when you're talking about fee increases and those impacting and all these fee increases, well this is one that's not going to have any grave impact on very many citizens of our province. In fact, I would suggest it would be mostly law firms and those other companies that are looking to issue certificates of clearance.

I won't say too much more than that. It seems to be a pretty straightforward bill; a pretty straightforward request as well. The Member also raised, as did the independent Member, some issues around other issues in the Labour Relations Agency. I'll leave that to the minister.

Always to give credit where credit is due, it's always great to bring up other ideas and suggestions and it certainly sounds like you brought up a specific issue. I didn't hear any suggestions for that matter on that note, but again today a very nominal fee increase to the *Labour Standards Act* and Labour Relations Agency. I certainly won't have any trouble supporting this bill.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: If the hon. Minister of Environment and Conservation speaks now he shall close debate.

Seeing no further speakers, the hon. the Minister of Environment and Conservation.

MR. TRIMPER: Thank you, Mr. Speaker.

I do thank the hon. Members of the House from Conception Bay South, Labrador West, St. John's East – Quidi Vidi, Stephenville – Port au Port and Mount Pearl – Southlands.

I'd just like to make a couple of comments that I heard. First of all, I'm very encouraged about the support that I anticipate has been expressed by all hon. Members and colleagues of the House, working for the people of this province.

I did want to talk a little bit about, a couple of things they mentioned. First of all, I'd like to thank the Member for Labrador West and his acknowledgement of the important role of the Labour Relations Agency. I can tell you, of the five departments I'm responsible for, this is the one that I needed to go and do my homework on. I didn't have a good, strong technical background, but I must say I'm extremely impressed with the calibre of people there.

It is interesting to note that they are – I'm curious as to how long this is going to last, but for the last about 16 months now we have not had a legal strike or lockout in this province. I'm hoping that's going to continue, but these are challenging times so we'll see how we do. I must say our conciliators or mediators in this agency and the role of the Labour Relations

Board is a very busy group. We cross our fingers and see how they'll do.

I also wanted to – the Member for St. John's East – Quidi Vidi brings up an important point. I wanted to assure her and other Members, that yes, this is a very straightforward bill. It is very much administrative in its actions. It is capturing some text that we wanted to revise as per motions that were made in the previous administration. So it is a catch up.

The fee increase from \$50 to \$75 is also a catch-up to other jurisdictions. I can assure you also, though, that there are a lot of services government provides, including in the Labour Relations Agency which, as now that I'm in this side after having a career in private sector and private life, I can assure you we don't even come close to recovering the services that government provides.

In terms of looking at other aspects of the bill and so on such as labour standards or the Temporary Foreign Worker Program, if I could ask the patience of the House, I would like to introduce a very important situation in that probably the leader of the Temporary Foreign Worker Program in Labrador was a gentleman – his name is Edgar Kippenhuk.

Unfortunately, his funeral was yesterday. I was at his funeral and I can tell you that it was very moving to see the dozens of members, particularly from the Filipino community who were there. I can tell you this minister understands full well the importance of that legislation and getting it right. I'm looking forward to working with other departments, but particularly the federal counterparts, on improving standards for foreign workers in this province and in this country.

This bill supports working Newfoundlanders and Labradorians by ensuring they get the employment benefits they have earned. I look forward to the passage of this bill, Mr. Speaker.

Thank you.

MR. SPEAKER: Is it the pleasure of the House that Bill 31, An Act To Amend The Labour Standards Act, be now read a second time?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

CLERK: A bill, An Act To Amend The Labour Standards Act. (Bill 31)

MR. SPEAKER: This bill has now been read a second time. When shall the bill be referred to a Committee of the Whole House?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

On motion, a bill, "An Act To Amend The Labour Standards Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 31)

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Environment and Conservation, that the House resolve into a Committee of the Whole to consider Bill 31.

MR. SPEAKER: It's been moved and seconded that the House resolve itself into a Committee of the Whole and that I do now leave the Chair so that they can debate Bill 31, An Act To Amend The Labour Standards Act.

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

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

Committee of the Whole

CHAIR (Warr): Order, please!

We are now considering Bill 31, An Act To Amend The Labour Standards Act.

A bill, "An Act To Amend The Labour Standards Act." (Bill 31)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 1 carried.

CLERK: Clause 2.

CHAIR: Shall clause 2 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 2 carried.

CLERK: Be it enacted by the Lieutenant Governor and House of Assembly in Legislative Session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, enacting clause carried.

CLERK: A bill, An Act To Amend The Labour Standards Act.

CHAIR: Shall the title carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, title carried.

CHAIR: Shall I report the bill without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

Motion, that the Committee report having passed the bill without amendment, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Mr. Chair, I would move the Committee rise and report Bill 31.

CHAIR: The motion is that the Committee rise and report Bill 31 carried without amendment.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

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

MR. SPEAKER (Osborne): The hon. the Deputy Chair of Committees.

MR. WARR: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill 31 without amendment.

MR. SPEAKER: The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed him to report Bill 31, An Act To Amend The Labour Standards Act, without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the said bill be read a third time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, report received and adopted. Bill ordered read a third time on tomorrow.

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

MR. A. PARSONS: Mr. Speaker, I would call from the Order Paper, Order 5, second reading of Bill 30.

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

MR. JOYCE: Mr. Speaker, I move, seconded by the Minister of Natural Resources, that I now introduce the bill for the second time.

MR. SPEAKER: It is moved and seconded that Bill 30, An Act To Amend The Co-operatives Act, be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Co-operatives Act." (Bill 30)

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

SOME HON. MEMBERS: Hear, hear!

MR. JOYCE: Thank you, Mr. Speaker.

I rise for debate on the amendments to the *Co-operatives Act*. The *Co-operatives Act* currently requires that any co-operative that is incorporated in our province is to have the word

co-operative as part of their legal name. The act does not currently permit usage of a French language version of the word "coopérative." This proposed legislative amendment will permit a co-operative to use the French or English version of the word co-operative as the legal name or both.

The *Co-operatives Act* has existed in its current form for decades, but the requirement to use the English version of the word co-operative became an issue for the Francophone organization last year. They were attempting to establish a co-operative for business and took issue with the requirement of two file papers using the English language version of the word in the legal name of the business.

While the proposed legislative amendment is minor in nature, it is an important amendment to the members of the Francophone community. Our government values the Francophone community in our province and is currently pursuing this amendment to respond to their concerns.

This issue was significant enough to the Francophone community that people filed a complaint with the Office of the Citizens' Representative last month. We want to resolve this issue for members of the Francophone community as quickly as possible and we hope to have the support of all parties in this hon. House in moving the proposed amendment forward. Making this amendment will bring provincial law in line with other provinces in Canada and other jurisdictions to permit the French version of the word co-operative in a co-operative name.

I look forward to progressing with this important amendment quickly and to addressing the needs of the Francophone community.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

We, too, along with the minister, agree that this had to be done. Again, it's only bringing us in line with the rest of Canada, and to all co-operatives in the province that do have need of the French name.

This is really something to just put us in line with the rest of Canada and make sure we have proper legislation in for all co-operatives right across the province. So we will be supporting this also.

Thank you very much, Mr. Speaker.

MR. SPEAKER: The hon. the Member for Labrador West.

MR. LETTO: Thank you, Mr. Speaker.

It is a pleasure for me to rise today and support this bill, Bill 30, An Act to Amend the Co-operatives Act.

Mr. Speaker, Labrador West – I guess since its incorporation in 1960 – has had many ethnic backgrounds of people in its community. One of the most prominent ones, I guess, is the Francophone Association, the Francophone population that exists there. I guess it's twofold why we have such a large population. One is because when the town was formed in 1960 and the Iron Ore company was formed, people came from all over the world, actually, to work there. Being in close proximity, next to the border of the Province of Quebec, we do have a large Francophone influence.

This bill was brought forward because of a request from the Francophone Association in Labrador West to be able to form a coopérative. When they went to get it done, the legislation didn't allow the French version of coopérative to be used. That's why we brought this bill forward.

We certainly would like to thank the Francophone Association for bringing this forward. We're very pleased as a government to support them in this initiative. As the minister has said, it is bringing legislation current with the rest of Canada and recognizing the value of our Francophone population in this province.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

I'm very happy to stand and to speak to this Bill 30, An Act to Amend the Co-operatives Act. C'est vraiment une bonne chose, especially parce que c'est le jour de Francophonie.

We cannot go wrong on this bill. It's interesting that it has taken us this long to get to this point. As we know, Mr. Speaker, the amendment allows a co-operative incorporated in this province to use a French name if it wishes, and pourquoi pas? Why not? Why wouldn't we do this?

Officials have said that the act has been in place for a while, since 1998, and it only allows the English version of the word, "co-operative." So this is really a good thing to do. A new co-operative wanted to form in this province and wanted to use the French word, "coopérative," but couldn't because the act doesn't allow it.

The act will now permit English, French or a combination of the two in the name of any co-operative. I'm sure there are other languages, particularly in Labrador, who may want to use as well the appropriate name in their own language. I would hope that we would be able to move into that direction as well.

Pourquoi pas? Again, why not? It would be a good thing. It doesn't diminish anything. As a matter of fact, it reflects and respects the diversity of our province. It also respects the diversity of the people who are coming together in the work that they do. It would be a co-operative thing to do, as a matter of fact, Mr. Speaker, to be able to expand to include the diversity of our province. It's something that we can celebrate and something that we can be proud of.

When we look at the co-operatives that still exist in our province – and we've seen, there was a heyday of co-operatives, especially around the 1960s, the 1970s and the 1980s. Then we see a little bit of a dip, but I believe, Mr. Speaker,

once again when we look in the area of green technology, when we look in the area of very progressive types of agriculture, we may in fact see the growth in the area of co-operatives in our province as well. That would be a great thing.

We know we have credit unions. Many of our public service sectors employees belong to the credit union. I happily am a member of the Credit Union of Newfoundland and Labrador, and I'm so glad to be able to be a member of the credit union. It's very interesting because the credit union is one of the few banks in Newfoundland and Labrador where local decisions can be made. I was also a client of another bank here in the province as a member of the credit union –

MR. SPEAKER: Order, please!

I ask the Member to try to keep her comments relevant to the bill we're debating.

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

The issue is that co-operatives can make local decisions, decisions that are in the best interest of the province.

We know we still have co-operative stores. All of those are, at this point, in English. That may change. We know the credit union does a lot of their work en français also, and a lot of their print material is in French. We have fishing co-operatives all over the province. Perhaps not as many as we did have, but again when we look at what's happening in the area of fishery, the innovative projects that are happening, that's a good thing too. We will see an expansion in those areas. Also, as I mentioned, in the agricultural area.

We're seeing a growth in child care co-operatives. Wouldn't it be interesting, Mr. Speaker, if we see a growth in child care co-operatives that are also in French?

MR. SPEAKER: Order, please!

Again, I ask the Member to try to keep her comments relevant to the bill we're debating.

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

I will attempt to do that.

Again, when we see the potential growth of co-operatives in the province we would hopefully see a growth of child care programs in French; that we can see a growth of child care programs in a number of languages, different languages in co-operatives in Labrador.

Mr. Speaker, again, this is something we can really support. It's fitting that it's happening on la journée de Francophonie. We also look forward to a complete review of our *Co-operatives Act*.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. LANE: Thank you, Mr. Speaker.

Mr. Speaker, just for the record, I wanted to say that I will be supporting Bill 30. Obviously, we're a bilingual country. We have a strong French influence in some parts of our province. This just makes a whole lot of sense.

I congratulate the government on doing it and I will be supporting Bill 30.

Thank you.

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

MR. REID: Thank you, Mr. Speaker.

I just wanted to take a few minutes to also voice my support of this bill here. I think it's especially applicable to areas such as the West Coast, the Port au Port Peninsula and the Stephenville area where we have a large rejuvenation of the French heritage in that area.

I've attended meetings on the Port au Port Peninsula where people have been thinking about setting up co-operatives and some of them around their French heritage. So I think this is a

very good move. It originated in Labrador, but it's also applicable to other areas in the province, so it's very good, and I'd like to compliment the minister on moving forward with this change. It's very important to recognize, especially on today, which is Francophone Day, I believe.

So thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: If the hon. the Minister of Service NL speaks now, he will close debate.

Seeing no further speakers, I recognize the hon. the Minister of Service NL.

MR. JOYCE: Thank you, Mr. Speaker.

I just want to thank all speakers: the Member for Cape St. Francis, for speaking; the Member for Lab West, the Member for St. John's Centre and the Member for Mount Pearl – Southlands for speaking on this; and the Member for St. George's – Humber for speaking on this.

Mr. Speaker, as I said before, this is an important bill for the francophone community, and of course the Member for St. John's Centre had to get in the co-operatives and other things, trying to make it political, but this is a great day for the francophone community.

I also have to recognize the Minister of Environment and Conservation, the Member for Lake Melville, who helped to bring this through. I just want to thank you for your support for that also.

Mr. Speaker, the francophone community in Lab West mentioned how quick they got this through. This is part of people on this side, but it's also part of the Opposition for helping us push this through, a very important issue. So I just want to make sure I thank the Opposition for supporting this.

I spoke to the Member for Cape St. Francis earlier in the last couple of weeks, and he said he'll definitely support it and do what they can to get it through this Legislature as fast as possible. I just want to thank the Member for continuing his support and honouring his commitment to get this through.

It's a great day for the francophone community, and this is a great day on why Parliament works when we come up with something that will help the francophone community. It's something that they're very proud of, and we in the Legislature are very proud of that on the Francophone Day, with the flag raising earlier today, we just show our support as all legislators in this province behind the request that was made by the francophone community in Lab West.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Is it the pleasure of the House that Bill 30, An Act To Amend The Co-operatives Act, be now read a second time?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

CLERK (Murphy): A bill, An Act To Amend The Co-operatives Act. (Bill 30)

MR. SPEAKER: This bill has now been read a second time. When shall the bill be referred to a Committee of the Whole House?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

On motion, a bill, "An Act To Amend The Co-operatives Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 30)

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister for Service Newfoundland and Labrador, that the House resolve itself into a Committee of the Whole to consider Bill 30.

MR. SPEAKER: It has been moved and seconded that the House resolve itself into a

Committee of the Whole to debate Bill 30, An Act To Amend The Co-operatives Act and that I do now leave the Chair.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

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

Committee of the Whole

CHAIR (Warr): Order, please!

We are now considering Bill 30, An Act To Amend The Co-operatives Act.

A bill, "An Act To Amend The Co-operatives Act." (Bill 30)

CLERK (Barnes): Clause 1.

CHAIR: Shall clause 1 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 1 carried.

CLERK: Be it enacted by the Lieutenant Governor and House of Assembly in Legislative Session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, enacting clause carried.

CLERK: An Act To Amend The Co-operatives Act. (Bill 30)

CHAIR: Shall the title carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, title carried.

CHAIR: Shall I report the bill without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

Motion, that the Committee report having passed the bill without amendment, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: I move, Mr. Chair, that the Committee rise and report Bill 30.

CHAIR: The motion is that the Committee rise and report Bill 30 without amendment.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

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

MR. SPEAKER (Osborne): The hon. the Deputy Chair of Committees.

MR. WARR: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill 30 carried without amendment.

MR. SPEAKER: The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed him to report Bill 30, An Act To Amend The Co-operatives Act, carried without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the bill be read a third time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, report received and adopted. Bill ordered read a third time on tomorrow.

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

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

I call from the Order Paper, Order 4, second reading of Bill 28.

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

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

It's a privilege as it always is to stand in the House today to speak to the bill. I move, seconded by the Minister of Justice and Public Safety, that Bill 28, An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act, be now read a second time.

MR. SPEAKER: It has been moved and seconded that Bill 28, An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act, be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act." (Bill 28)

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

SOME HON. MEMBERS: Hear, hear!

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

I'm happy to stand today and speak to this bill, Bill 28. It's a very important piece of legislation which will amend the *Pensions Funding Act* and the *Teachers' Pensions Act*.

As this House is well aware, the unfunded pension liability of the Public Sector Pension Plan was one of the most serious financial issues facing the province. It has been highlighted as an area of concern by both the Auditor General as well as bond rating agencies. The provincial government and the Newfoundland and Labrador Teachers' Association reached a pension reform agreement on June 15, 2015 that ensured the long-term sustainability of the Teachers' Pension Plan. Based on that agreement, the former administration amended the *Teachers' Pensions Act* to implement benefit changes and contribution rate increases.

You will recall that all Members in this hon. House at the time supported those amendments and these new amendments, Mr. Speaker, are the second part of that reform agreement actually establishing the teachers' pension fund and the teachers' pension corporation.

Through these amendments, we are helping to ensure that once our teachers retire they have access to a secure pension in retirement. These amendments result from the joint sponsorship agreement that was negotiated between government and the NLTA as the joint sponsors of the pension plan that provides joint trusteeship for the future, with the government and the plan members sharing equal responsibility for the plan and the fund.

Under the terms of the joint sponsorship agreement, the sponsor body will be established with equal representation from government and the NLTA and will be responsible for planned amendments and the funding policy. The

Teachers' Pension Plan Corporation, with an eight-member board of directors, four appointed by government and four appointed by the NLTA, will be the trustee of the plan and the fund.

Their main responsibility will be the administration of the plan, as well as the investment of the plan's assets. It is anticipated, Mr. Speaker, that the board of directors will be appointed shortly; however, until the corporation is operational I, as the Minister of Finance and the current trustee of the pension fund, will remain the trustee until the new board takes over.

The agreement reached with the NLTA was developed from the TPP reform, along with the same principles that have established the Public Service Pension Plan reform. Under these principles, government agreed to take responsibility for 100 per cent of the retiree unfunded liability and 50 per cent of the active member unfunded liability to the date of the pension reform. TPP members were responsible for the remaining 50 per cent, which they achieved through benefit reductions.

This bill addresses one final change to TPP benefits. Teachers who were terminated after August 31, 2016, with less than 24½ years of service and take a deferred pension, will have to wait until age 62 to access that pension. Currently they can access that at the age of 60.

The provincial government will contribute \$1.862 billion to the plan over the next 30 years starting August 31, 2016. In addition, pursuant to the pension reform agreement signed last June, both employee and employer contribution rates increased by 2 per cent effective September 1, 2015. Government will continue to work with the public sector unions to ensure the sustainability of their pension plans.

In addition to the amendments resulting from the pension reform, there are two additional amendments that will make the TPP more consistent with the *Pension Benefits Act*. The first amendment provides for an actuarial reduction pension for a teacher who is aged 55, has at least five years of service and who currently would not qualify for a pension before age 62. This amendment will provide the

teacher, upon retirement, with access to an immediate reduced pension from as early as age 55.

The actuarial reduction is necessary to ensure that the early payment of pension is cost neutral to the plan, thus resulting in little impact on the plan's liability. While the pension is reduced, it does give the teacher additional flexibility with respect to accessing the pension.

The second amendment will amend the formula for determining the entitlement of a survivor of a teacher who is under the age of 65 at the time of death. Until recently, such survivors, Mr. Speaker, were receiving benefits equal to 60 per cent of the spouse's pension, as if the spouse had been at the age of 65 at the date of death.

With this amendment, Mr. Speaker, the survivor of the retired teacher who dies before age 65 will receive 60 per cent of the teacher's pension at the time of death. The survivor benefit will then be reduced on the date the deceased pensioner would have reached age 65. This will provide the survivor with a higher annual pension until their deceased spouse's 65th birthday. As this was a PBA compliance issue, this provision has already been applied to existing survivors with the result that approximately 100 survivors of retired teachers received an increase in their survivor benefit.

Mr. Speaker, this bill also includes amendments to the *Pensions Funding Act* that are necessary to facilitate the joint sponsorship, and effectively the teachers' pension fund will be separate from the Province of Newfoundland and Labrador's Pooled Pension Fund and managed by the board of directors of the TPP Corporation.

As well, government and taxpayers will no longer bear sole responsibility, should the fund run out of money to pay benefits. The joint sponsors, which are government and the plan members, will be equally responsible for the future of the plan.

Mr. Speaker, one additional amendment that may create questions during debate is also listed and that is an amendment that will reduce the amount that government must pay to cover its share of the unfunded liabilities from \$195 million per year to \$188 million per year.

Because the payments are to be made quarterly, instead of what was initially planned which was annually, there has been a reduction in interest costs and this was determined then that \$195 million per year was more than required to close the fund gap over the 30 years.

The initial agreement which was based on the Eckler model was premised on, as I said earlier, annual payments of \$195 million at the end of the year. It has been subsequently agreed that from a cash flow perspective it would be more advantageous to the Public Service Pension Plan fund if the payments were made on a quarterly basis commencing March 31, 2015. By changing to a quarterly payment schedule, the actual quarterly payments made would be \$47 million per quarter, not \$195 million divided by four or \$48.75 million.

Paying the \$48.75 million quarterly would result in accelerating the repayment schedule such that \$2.685 billion would be fully paid by June of 2042, which would be 26.2 years instead of the 30 years that the original agreement outlined.

With that, Mr. Speaker, I will look forward to the discussion today in the House. I'm sure Members, particularly those of us that were here last year and supported the bill as it was presented last year, will have a great bit of knowledge when it comes to this change in the pension plan. I look forward to hearing what the Members in the House who chose to debate this today have to say.

Thank you, Mr. Speaker.

MR. SPEAKER (Warr): The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I'm certainly glad to rise and speak to Bill 28, An Act to Amend the Pensions Funding Act and the Teachers' Pensions Act.

As the Minister of Finance has indicated, this arose from discussion the previous Progressive Conservative administration had in regard to the unions and the unfunded situation of the pension funds. Obviously, as the minister has identified as well, it was recognized from a financial point of view, certainly from a bond-rating point of

view, a significant issue that had to be dealt with.

Fortunately, through the work of the prior administration and working with the various unions, we were able to reach agreement on how we would deal with that unfunded liability on a go-forward basis, and hats off to all involved on both sides for being able to reach an agreement on that. That lays out a plan for sustainability for those to pay into the plan, or have paid into the plan and will pay in the future, that they can guarantee that will be there for them. What we faced prior to this, that ability wasn't really identified or wasn't really secured. What it also allows is for joint partnership and joint management as we go forward as well, which is important for all concerned.

This is the second piece of legislation needed to implement the Teachers' Pension reform measures, as I said, was announced in June of 2015. Last spring, if I remember correctly, we passed the first piece of legislation which changed the pension contribution rates and included the promissory note provision.

This piece of legislation, Bill 28, established a jointly-sponsored pension corporation. I think the minister referenced as well, will have representation from government, from the NLTA, and will administer the Teachers' Pension Fund on a going forward basis. You'll have a partnership with all the party concerns, in terms of the overall management and decisions on future management of that fund.

The legislation also provides other provisions. It looks at implementing the pension reform agreement. That would be things like clarifying the value of a promissory note. It removes the assets from the Pooled Pension Fund into the Teachers' Pension Fund, and other similar initiatives like that too. This operationalizes it under the new provisions of the legislation and under the pension corporation as well.

Some of the overview of Bill 28. The bill amends both the *Pensions Funding Act* and the *Teachers' Pensions Act* to reflect the pension reform agreement which was signed between the Government of Newfoundland and Labrador and the Newfoundland and Labrador Teachers' Association, as we've indicated in June of 2015.

The measures here on what was reached through much discussion and negotiation was basically just simply to ensure the future of the pension plan for all concerned and to reduce and eliminate the unfunded pension liability within 30 years. Certainly along that way as well as we've moved forward with the partnership and with the pension corporation, with the representation from the parties concerned, the decisions made by those groups in regard to the management of the fund as it moves forward over that 30-year period.

The legislation also includes some technical provisions in regard to the sponsor corporation and how that would move forward, changes references from the minister to the corporation within the text of the legislation. These changes are needed because previously the minister was the trustee of the pension plan, but the plan will now be administered by – as I referenced – the new corporation.

Transfer of assets to the fund out of the Pooled Pension Fund, which I referenced, and into the Teachers' Pension Fund – I think that's section 2 of the bill. As well, removal of the pension guarantee which was previously in place by the Government of Newfoundland and Labrador.

Previously, if there was a shortfall in the fund, the Government of Newfoundland and Labrador would pay this money out of the Consolidated Revenue Fund. Now deficiencies will be dealt with by the corporation and by both sponsors, the Government of Newfoundland and Labrador and the NLTA, and will be responsible for taking action regarding deficits.

That's a huge difference in terms of – before if there was a shortfall or excess in terms of investments, that would be a decision made by government through the minister. Now with the joint partnership of the corporation, that will be dealt with through the parties concerned, the Government of Newfoundland and Labrador and the Newfoundland and Labrador Teachers' Association who have representation on a corporation. So that's a huge difference.

They are basically collectively managing those funds and that pension fund, currently, and as we move through that period of 30 years, to make it fully funded. So decisions made in

regard to returns on investments, whether it's loss or greater returns on investments, that corporation with the representation on it, will make decisions on that fund as they move forward. As I said, excess funds will also be the responsibility of the corporation as outlined in section 3 of the bill.

There are other technical requirements to ensure that the Teachers' Pension Plan is in line with the *Pension Benefits Act, 1997*. As well, the *Pensions Funding Act* sections 1, 2 and 3 of the bill make the necessary changes to the *Pensions Funding Act*.

Section 2 removes the Teachers' Pension Plan from the Pooled Pension Fund. That value is transferred to the Teachers' Pension Plan Fund.

Section 3 of Bill 28, removes the pension guarantee which was previously in place by the Government of Newfoundland and Labrador. As I said previously, if there was a shortfall, this would be paid out of the Consolidated Revenue Fund. Now, any deficiencies or shortfalls would be dealt with collectively by the corporation and those who are represented within the corporation.

There are a various number of adjustments in regard to the *Teachers' Pensions Act*. Section 4 through section 35 of Bill 28 proposes amendments to the *Teachers' Pension Act*.

Section 4 would look at things like definitions. Overall, the majority of definitions would stay the same. Some have been added or clarified to be consistent with funding or other sponsorship agreements. That would be standard going from where we were to the corporation and the administration of that. That would be technical terms, in terms of making sure they are consistent with the administration of it.

Section 6, sets up the Teachers' Pension Plan fund and ensures that it's in order with the *Pension Benefits Act, 1997*. That would allow for existing assets to be transferred to the fund. So what we are doing, we're setting up a corporation, a different fund so the current balance in the current fund will need to be transferred out to the new entity.

Section 7 clarifies the minister cannot change the pension contribution rates of members. This power resides with the sponsored body. That's another very important element of what we are able to reach, the previous administration in June 2015 on a way forward. That now it's in the hands of the owners of the fund, shared jointly with the Government of Newfoundland and Labrador. Decisions are made collectively in regard to the administration of the fund, which is extremely important.

Section 9 deals with the contributions, Government of Newfoundland and Labrador to the Teacher's Pension Plan fund. The sponsor body prescribed the amounts which are to be paid into the fund.

As you see as you go through Bill 28, various sections, significant changes made but reflective to the corporation. How it was set up, why it was set up and the joint partner provisions over the next 30 years to administer any excess or shortfalls but also the overall intent to get the fund to where it needs to be, to make sure we protect the past and future recipients to the fund.

There are many sections, as I said, others that have gone through in Bill 28, but as Cabinet minister in the prior administration, this was an initiative of the prior government to get us to where we needed to be. The minister recognized when she got up about the significant issue this was to try to deal with it in terms of the fiscal situation and the liability that existed and to ensure that these funds would be sustainable. We were able to, working with the various groups and teachers' association here, to make sure that we could sustain the Teachers' Pension fund and others in the public service as well through the initiative.

Obviously, we initiated this process when in power. We brought in some legislation. This is now complementary legislation to build on that with the NLTA. We supported it, driving that initiative while in government and reaching that conclusion. Certainly with this legislation we'd support it again and know that it's very important to today, and certainly to future years and the financial issues with our province, this lays out collectively a means to deal with this unfunded liability over 30 years with a jointly sponsored pension corporation. So we'll

certainly be supporting this bill and this legislation, and look forward to further discussion and debate on it as we move through the afternoon.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

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

I'm pleased to stand and speak to Bill 28, changes to the *Teachers' Pensions Act*. I won't have much new to say, but I think it's important to put on the record how much I agree with this bill. I think the move that was made in the province, first of all, for the public pensioners to have a separate pension corporation – the Public Service Pension Fund it is called. And that move, at the same time, I remember when that happened here in the House it was indicated that the same thing would be happening with the teachers' pension fund. Negotiations were still going on between the government and the NLTA at that time. So what we have now, as it has been pointed out, are two pension funds that were once under government that now are individually incorporated.

It's really the correct model to be using, and it's a model that has happened in other parts of the country. I don't know so much about public service sector, although I'm pretty sure there had to be, but I do know teachers, in particular, around the country have had separately incorporated teachers' pension funds. Certainly some of them have done extremely well. I think it's the secondary teachers in Ontario – I may have the union wrong, but I think it is the Toronto secondary teachers who have quite a successful pension fund that has been separate from government, as this fund will be.

It is the way to go. It certainly changes the whole situation of government liability because the liability now will be with the fund itself. I'm sure that the government and the NLTA together will come up with a group of people, the trustees, who will be people who are well chosen, and will have the expertise that will be

needed to make sure that this pension fund moves very successfully.

Please goodness, the section that was put into the bill, a section that is not in the old act, but now will be in the revised act, a section dealing with termination will hopefully never, ever have to be dealt with. The section that now will be going into the act with regard to termination and windup wasn't something that was needed in the old act because the teachers' fund was funded by the Consolidated Revenue Fund of the government. Now that will not be the situation and the fund will be standing on its own as a separate corporation, if, for some reason – I said I hope that will never happen, but if for some reason it had to be terminated and wound down, then there's a whole section in the bill dealing with that. Hopefully that will never happen.

So I'm very pleased that we are making this move. I think it shows a whole new level of maturity of how we operate here in the province with regard to pensions covering the public service sector and other dimensions of the public service sector – teachers are public servants as well, doing a very, very particular job.

I think the willingness of the members of the unions, both the public service sector and also the teachers, their willingness to co-operate and work to make this happen should really be applauded. For example, they had to agree to increased premiums, and they had to reduce future pension benefits to ensure the long-term sustainability of the plan. The fact that they were willing to do that shows how committed they are to making this plan work. It's in their benefit for this new corporation, this new way of dealing with their pensions to work. They made sure that they showed that commitment through negotiations by being willing to pay increased premiums and to take a reduction in some benefits in the future.

Also, this agreement and the willingness of both sides to make this happen hopefully will take care of any future problems with regard to the teachers' pensions – that this will no longer be something that will have to be dealt with here in this House of Assembly. You will have a separate corporation with its own trustees running the show, as it were, and with a high expectation of making it work, because it will

have to work. The members will be breathing down their necks to make sure it does work because it has to work.

It has taken time to get to where we are, but from what I can see as I've read the bill and read the notes that came from the briefing that was held with our researchers, I do know that great care has been taken on both sides. I'm very pleased to stand and support this bill today. I'm glad that it's reached this point.

Thank you very much, Mr. Speaker.

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

MR. BRAZIL: Thank you, Mr. Speaker.

It's an honour to stand in this hon. House and speak to An Act to Amend the Pensions Funding Act and the Teachers' Pensions Act. Mr. Speaker, as has been mentioned before, this is an important piece of legislation to move forward, as we endeavoured over the last number of years and we're continuing to endeavour, to ensure that our pension funds are secure and that there's a proper mechanism in place so that the taxpayers are protected. Particularly, those pensioners who have paid into it over the course of the last number of decades have some security.

It's principally about administration. It's about funding. It's about having a co-operative approach to changes in the future. It's also about – particularly I liked the sponsorship concept here that all the key players involved are the ones who will have, not only a stake in what happens on the outcome, but also have a direct input into how you move the pension fund's security forward.

We know, we've talked about – and I've heard my colleagues on both sides of the House talk about what the changes mean. I had the privilege of being part of the whole legislative discussion. As the minister of Service NL at the time where the pension fund falls under, even though it's Finance, the registration – I had a fair bit of collaboration back with the minister of Finance and her staff and my staff particularly to get a better understanding. We were looking at a pension process that needed to be brought up to

speed, but particularly needed to be secured. So there were a number of components.

There were a lot of late nights. There was a lot of engaging. There was a lot of looking at other jurisdictions. There was a lot of having conversations with different levels of the key stakeholders, particularly the unions and having their input, and coming to something that was equitable so that the taxpayers didn't have to take the full brunt of the burden, and that we didn't in some way jeopardize existing pensioners or future pensioners.

I think we came to a happy place at the end of the day. It's still a costly investment every year for the next 30 years to ensure that there's some solvency and some security around the pension plans. We've gotten to a point where the unions realize their members had to contribute more so that the taxpayers themselves didn't have to take the whole brunt of the burden. At the same time, we as an administration and, no doubt, former administrations and the present administration realized we as the employer have a responsibility to ensure that the pension plan is secure and taken care of.

This piece of legislation here, some of it is housekeeping to do, but some of it is very intense. It's very important to making sure that the legislation itself protects all those involved. Also, it puts in place a mechanism to ensure when it gets to a point where it's fully funded and gets to a point where it's probably generating additional revenues, how that can be better used to offset costs to the taxpayers, offset costs to the members who are paying their premiums for the pension plan, or invest it in some other way that it's additional security for either helping past pensioners or future pensioners.

There is a fair bit of legislation here, a number of changes, but going through them all, they all make total sense and they all move us to the key point. The key point is about having a piece of legislation that protects all pensioners. This particular one is around the teachers' pensions. While we remove the teachers' pension from the bigger picture of being under the one umbrella, the principles are fairly similar on how the unions themselves are engaged and how we have a full third party entity made up of all the key

stakeholders who oversee the administration, and particularly any changes to an act such as this and the fund itself.

There are a number of things here that are very important. The various sections you go through here that will have an impact on the existing pensioners, and basically protects them. From things around disability retirements and what that means, and cleaning up the wording, but particularly making it clear so everybody understands exactly what they're entitled to and what the costing to that would be. We can project, as one of the stakeholders, what the cost would be to all those involved, be it the taxpayers themselves or the pensioners who are contributing to it.

It goes a long way in ensuring that this piece of legislation is taken care of. It outlines exactly – we now know from a financial point of view what it is we have to contribute on an ongoing basis to make this a secure fund. It wasn't that long ago that the Teachers' Pension fund – all the pension funds, obviously, were in peril to a certain degree and there was a risk of what impact it would have on past pensioners and future pensioners.

Our previous administration made a major investment, particularly in the teachers' fund because we realized the fact that it had to be solved. It also, in the bottom line then, keeps our whole financial situation in a better place. We were committed to it and we made those commitments, but they were temporary ones because we realized we couldn't continue on the path we were.

We engaged all the key players here to say how do we come up with something that's equitable and make it work. We went through the existing act. We went through the financial burden. We met with the key players. They met with their membership.

I'm happy to say this time last year there were a lot of heavy discussions going on, but everybody who came to the table came with the right intent. The right intent was to get to an agreement that made this pension fund secure and that it didn't become a major burden to the rest of the people in this province. Unfortunately in this province, we have hundreds of thousands of people who

don't have access to pension funds. So to be fair to them we had to ensure that this wasn't on their backs.

I think we did it. I think finding a way to do it with everybody being very co-operative, with us finding the proper legislation so that we have something in play that people can take back and know for the next number of years, as they move this forward, there's some security in exactly what the act says.

These changes here make total sense. They protect everybody involved in different categories. Yet, they still leave it open for the full management to go back to government at a given point and say we're in a good place now, how do we do some changes or make some changes that we ensure everybody benefits from this? Particularly, the taxpayers who, over the last number of years, have been fully supportive of what's going on here financially and 'morely,' by encouraging people to go into the civil service to work towards a pension plan to have some security when they finish, but at the same time, for the members who invest in it to know there might be additional supports at the end of it. It could be some way of indexing. It could be a way of reducing premiums. It could be a way of encouraging other supports into the pension plan.

As my former colleague has mentioned, and the colleague from the Third Party, we will be supporting this piece of legislation. We look forward to moving not only the Teachers' Pension but all of our pension plans forward.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

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

MR. LANE: Thank you, Mr. Speaker.

Mr. Speaker, it's a pleasure to say a few words now about Bill 28, An Act to Amend the Pensions Funding Act and the Teachers' Pensions Act. I'm not going to repeat a lot of the stuff that's been said, only to say that I do support this.

I think it's a good thing that was done. It was started by the former administration. It's now being carried on by the present administration to get the pension plans on track. It certainly was something that needed to be done, especially when you look at the fact that over the years – we've all heard the stories over the years where there were pension plans which were, I guess you could say, raided and used for purposes for which they were not intended. Money was taken out of the pension plans for roads and all kinds of other expenditures. Some people would argue for political purposes. People put into the plan who never paid into the plans and so on. As a result of that, of course, we see this large unfunded pension liability which really fell upon the shoulders of the people, ultimately, to try to correct.

Obviously, this is just a further step and I guess a final step in terms of the Teachers' Pension Plan to do just that. I'm very pleased to see with the plan now it will be managed jointly by government and the teachers. So the stakeholders who are actually – it's their pension, so having their representatives as part of managing this plan makes a whole lot of sense. It's a positive thing for the teachers themselves, but it's also a positive thing for the taxpayers as well so that they're not on the hook for this in the future. I think that's an important thing.

Mr. Speaker, through this whole process – I think I heard the Minister of Finance say there's actually going to be an increase in the survivor benefit, which is a positive thing. Then conversely there are some situations, I think she alluded to, where there may be some teachers in certain circumstances who will have to wait an additional two years to collect the pension that prior to this they could have collected.

Obviously, as part of this whole overall scheme there had to be negotiations. Government contributed, as they should have, given the fact that it was governments over the years that had taken this money out of the plan, but also there had to be concession on behalf of the unions, in this case, on behalf of the NLTA. Unfortunately, that's resulted in, I guess, higher premiums and perhaps changes in certain benefits and so on.

So it was a give and take. The fact that it was negotiated, in this case, with the NLTA, which is the representative of the teachers, I think that's a good thing. The fact that we've been able to save all these plans for people who have paid into it, it's a good thing. As I said, obviously, there had to be concessions on both sides.

This does conclude this piece of business. It gets the plan now in a – to make sure we have a stable plan. That it's managed properly. That we have an independent board, if you will, to manage it, will ensure that nobody again can start dipping into these funds for any purposes other than the purposes for which they were put in place, which is a positive thing. So while there are many aspects to the bill here and a number of amendments, a lot of them which have been already spoken to, I'm not going to get into each and every one of them other than to say that certainly from a general perspective as well as based on the amendments that are here, I will support this bill once it comes to the vote.

Thank you, Mr. Speaker.

MR. SPEAKER: If the hon. the Minister of Finance and President of Treasury Board speaks now, she will close the debate.

Seeing there are no further speakers, the hon. the Minister Finance and President of Treasury Board.

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

I wanted to say a thank you to the Members in the House today who spoke to Bill 28, An Act to Amend the Pensions Funding Act and the Teachers' Pensions Act, the Member for Ferryland, the Member for St. John's East – Quidi Vidi, the Member for Conception Bay East – Bell Island, as well as the Member for Mount Pearl – Southlands.

Mr. Speaker, as has been discussed, and as many of the Members have referenced today, the agreement that was reached on June 15, 2015, with the Newfoundland and Labrador Teachers' Association and the provincial government will ensure the long-term sustainability of the Teachers' Pension Plan. Through the amendments we are making today, we are continuing the path to ensure that once our

teachers retire they have access to a secure pension in retirement.

These amendments we are making today result from the joint sponsorship agreement, and I want to say again a thank you to the Members who participated in the debate, and my sense is and I look forward to the vote on the matter, but certainly Members from all sides of this House indicated their support for this bill, and I look forward to the vote when it's called, Mr. Speaker.

Thank you.

MR. SPEAKER (Osborne): Is it the pleasure of the House that the said bill be now read a second time?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

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

Carried.

CLERK: A bill, An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act. (Bill 28)

MR. SPEAKER: This bill has now been read a second time, when shall the bill be referred to a Committee of the Whole House?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

On motion, a bill, "An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act," read a second time, ordered referred to a Committee of the Whole presently, by leave. (Bill 28)

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

MR. A. PARSONS: Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board, that the House resolve itself into a Committee of the Whole to consider Bill 28.

MR. SPEAKER: It's been moved and seconded by the hon. the Government House Leader that the House resolve itself into a Committee of the Whole to debate Bill 28, An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act.

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those against?

Carried.

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

Committee of the Whole

CHAIR (Warr): Order, please!

We are now considering Bill 28, An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act.

A bill, "An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act." (Bill 28)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, clause 1 carried.

CLERK: Clauses 2 through 35 inclusive.

CHAIR: Shall clauses 2 through 35 inclusive carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, clauses 2 through 35 carried.

CLERK: Be it enacted by the Lieutenant Governor and House of Assembly in Legislative Session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, enacting clause carried.

CLERK: An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act.

CHAIR: Shall the title carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, title carried.

CHAIR: Shall I report the bill without amendment?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

Motion, that the Committee report having passed the bill without amendment, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Yes, I move, Mr. Chair, that the Committee rise and report Bill 28.

CHAIR: The motion is that the Committee rise and report Bill 28.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

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

MR. SPEAKER (Osborne): The hon. the Deputy Chair of Committees.

MR. WARR: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill 28 carried without amendment.

MR. SPEAKER: The Chair of the Committee of the Whole has reported that the Committee have considered the matters to them referred and have directed him to report Bill 28, An Act To Amend The Pensions Funding Act And The Teachers' Pensions Act carried without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the bill be read a third time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, report received and adopted. Bill ordered read a third time on tomorrow.

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

MR. A. PARSONS: Mr. Speaker, I would move at this point Motion 10, pursuant to Standing

Order 11 that the House not adjourn at 5:30 p.m. today, Monday, May 30; and I would also move, pursuant to Standing Order 11, Motion 11, that this House not adjourn at 10 p.m. on Monday, May 30, 2016.

Mr. Speaker, I move, seconded by the Minister of Finance and President of Treasury Board that the House resolve itself into a Committee of the Whole to consider Motion 6, a resolution respecting the imposition of taxes on tobacco, Bill 22 and Motion 7, a resolution relating to the raising of loans by the province, Bill 32.

MR. SPEAKER: The motion is that the House resolve itself into a Committee of the Whole to debate certain bills and that I do now leave Chair.

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

SOME HON. MEMBERS: Aye.

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

Carried.

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

Committee of the Whole

CHAIR (Warr): Order, please!

We are now debating the related resolution and Bill 22.

Resolution

"That it is expedient to bring in a measure respecting the imposition of taxes on tobacco."

CHAIR: Shall the resolution carry?

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

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

I'm certainly honoured again to stand in this hon. House today to speak to this important piece of legislation, which is Bill 22, An Act to

Amend the Revenue Administration Act, No. 5, particularly as it relates to tobacco taxes.

Mr. Chair, as part of the difficult decisions made in *Budget 2016*, an increase on the tobacco tax is being introduced. Government is facing some very serious fiscal situations and given that it is concerned about smoking prevalence, particularly among youth, tobacco tax was identified as one of the areas for a tax increase. High tobacco prices discourage smoking and are especially effective in preventing youth from taking up the habit. Enforcement is ongoing in accordance with the priorities of the various law enforcement agencies, and continues, certainly, to be a very active file.

This increase is only one measure in a package of revenue measures developed to address a difficult fiscal situation and represents a balance between the often competing objectives of public health policy and driving the demand for contraband product.

To increase taxes significantly would fuel the demand for black market tobacco products. Mr. Chair, several jurisdictions have implemented modest increases to tobacco tax of late and this approach is believed to mitigate the shift from legitimate sales to contraband market in the wake of significant tobacco tax or price increases. The contraband market fuels illegal activities and is detrimental to the society as a whole.

The amount of increase on fine-cut is comparable with the amount of increase per cigarette and remains the highest rate in Canada. And to clarify how that compares, one gram of fine-cut tobacco is equivalent to two cigarettes. The provincial taxes on cigarettes are the fifth lowest provincial rate in Canada and the province has the highest tax on fine-cut tobacco in the country. As I've said, the need to manage the demand for contraband products needs to be considered when we are reviewing these kinds of tax measures.

As is the case for gas, there is a Labrador border zone tobacco tax rebate and this applies to Labrador West, which includes Labrador City, Wabush and Southern Labrador, which includes the area from the Quebec border to and including the community of Red Bay. The

Labrador border one tobacco tax rebate amounts will remain unchanged at 10.75 cents per cigarette, and 23.36 cents per gram of fine-cut tobacco.

As a result of the offsetting impact of the rebate, the effective tobacco tax rates for the Labrador border zones are 13.75 cents per cigarette and 16.65 cents per gram of fine-cut tobacco.

The purpose of the Labrador border zone rebate is to make the prices in Labrador competitive with the prices of Quebec. So by partially alleviating tobacco and sales taxes in the border zones, the prices of cigarettes and tobacco would be comparable in both jurisdictions, thus achieving the goal of reducing the image of cross-border shopping on local retailers.

Mr. Chair, I look forward to the discussion here in the House this afternoon as we continue to discuss Bill 22, An Act to Amend the Revenue Administration Act, as it relates to tobacco tax.

Thank you, Mr. Chair.

CHAIR: The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Chair.

It's a pleasure to get up and speak on Bill 22, as the minister stated is an increase on tobacco tax. Of all the things we get up and – of all the tax increases that we've objected to, this is one that we don't. I guess based on the dangers of tobacco to our youth and all residents for that matter.

It's funny when I was reading the bill when the minister was up speaking about it, there was time when the budgets would come out that – when I was younger – the big thing was how much was liquor and tobacco going up. That seemed to be the main attraction to the budget, if that all stayed fine, everyone seemed to be relatively happy.

As for the tobacco tax, that is one we feel we have no problem with. It makes a lot of sense. It's one of those sin taxes, we said before, a sin tax on certain foods. Even though it's one item, it's a good example of a sin tax but it is zeroed in on one item.

We asked in the House several times about the sin tax on junk foods and what have you. It's definitely something worth considering because we all know the effect that has on a lot of individuals and I suppose a lot of our youth really because there are a lot of things they do and a lot of foods they eat that are not conducive to their health and has a chain reaction to our health care costs and hospitals with the medical conditions that are becoming more evident. You see now a lot more of our youth come up with problems that the parents probably were 20 years later in life before they experienced it. I think a lot of that has to do with their lifestyle and the intake of food.

Mr. Chair, where this is a money bill, I'd like to have some commentary as well on the budget. Last week, I spoke and I got up in the House – many times when you get up and speak you tend to try to zero in on where you really feel. I want to go back to a part that pretty well summed up my full assessment. Every commentary I've had on the budget, it brings it back to the root of what – you don't always relay that when you stand up or probably when you speak to people. I used the term last week, and it probably sums up best my feelings in general, the sense of hope and the bounce in your step.

I guess in the last month – the budget came in April 14, the last month and a half, six weeks. Every time you pick up the newspaper, you turn on the radio, you run into people; it no longer seems to be a happy conversation. You run into some of them, but it's really been taken over with people's concerns. Everyone's concerns are legitimate.

A lot of those concerns are turning to fear. It's kind of a sad statement because it wasn't that long ago when a lot of the same people you ran into, they were talking about the new home they were building or their plans for their future or their holiday. It was always upbeat or they just got this job here or they were looking for another job or this place was hiring or looking for – it was a sense of hope and optimism.

Now when I go around – and I mean I don't think there's a Member in this House can argue with me – those conversations are becoming less and less. There are still some people, no doubt. There's still some, I suppose, optimism there. I

wouldn't say there's none. The best explanation I can give is a lot of the bounce has gone out of our step.

Back in 2003 when this government took over – the former government, Premier Williams's government took over – I was involved back in the background of the party and that. You watch it evolve over the years. I remember I ran into and I can't remember what – it was someone. Ontario, I believe, they were from. They visited here back in the '90s and early 2000s, and then they spent a lot more time in the late 2000s, probably 2008-2009.

I remember them stating – and certain things stick with you. They said, what a difference 10 years made. When they were here in the late '90s, they said people were desperate. They were wondering where they were going to pay their bills. There was a lot of despair; there was a lot of uncertainty.

When they came back 10 years later they were amazed. The place was alive. The economy was on bust. People were happy. They said, I don't know, whatever – he was still our premier of the day. No one knew how much longer he was going to serve, but I remember them saying if nothing else he does, he's after putting the bounce back in people's steps. I guess there's a lot to be said for that.

We hear a lot of times, it comes in to people. Members opposite want to criticize about the finances of the province and that's their prerogative. I respect that, but when you look at the outcome of years of – when you had those years and everything was good, it's a job to argue they weren't good years and it's a job to argue they weren't some of our best times.

It's sad today that I'm finding – and unfortunately it just attributes back to the budget. Again today when I got up, I spoke on a petition on the fees and increases. Whoever crafted the budget, because I know every Member opposite never crafted the budget. It was probably done by a select group, I don't know. I know a few years back I was part of a few conversations but then the former government were there. I remember there used to be a conversation that would pop up all the time, you can't do death by a thousand cuts.

You read about that. I've read articles and stuff. No matter who is doing them – no matter how big or small a budget is you have to be more concise. You have to be more – if you're going to affect a certain group you need to kind of spread it a bit but not spread it everywhere. This budget does that. I believe that's a big part of the reason why when I say that people have lost the bounce in their step, I guess that sums it up in my mind.

That is why people don't have that bounce in their step because – I don't know if there is a man, woman or child in this province who has not been affected in some way negatively. I know some people have the financial means and they realize it will impact them but they say, well, I'll be all right. Those people are few and far between.

Most people – even if it's not them, it's their children. If not their children, it's their parents. It has that far-reaching effect. So you have someone who is doing well financially – somewhere along the line there's a brother, there's a sister, there's a mother, there's a father, there's a child who is being affected. That does create this level of anxiety and anger in people. Who are any of us in here to argue or to tell those people they're wrong to feel that way? I don't really think it's personal. A lot of it is just outright stress. It turns into anger, but a lot of it is frustration.

You look at this bill on tobacco tax, some of these increases like that – I know you're limited in how much of that you can do, but stuff like that, as you can see, there's no opposing certain things like that. People understand that. I think people fully expect those sorts of increases. I know a lot of people said, do you expect an HST increase? Even though when the previous government last year announced it in their budget it was cries from afar that it was going to be a job killer, it was going to be the ruination. You just don't do that.

Most people have said, I don't know why they – we accepted that, because we used to pay 15 per cent. It's a new thing when the federal government under the former prime minister reduced the GST by 2 per cent in successive years, 1 per cent each year and brought it back. Other than that, we were paying 15 per cent. So

people are willing to accept that. That's the price you pay and other things.

With this budget and the effects it's having on individuals – like I just said, tobacco tax is a no-brainer. It's an easy one to get through. A lot of them would be if they were thought out probably – I know that's one that always is tinkered with, but there are other ways.

I know some of my colleagues, and I've heard the term used a lot, they say it was a lazy budget. Well, whether that's right or not or fair or not, it does make you sit back and wonder how much thought really and truly went into when the budget was crafted. Again, I'll go back to that comment, when it was crafted.

I remember the day – I go back to April 14 when we were getting a briefing on the budget. You're looking at the documents and you're reading some of the information there and you're a bit floored yourself. You're reading it and you're going, this is not going to work. My God, there's going to be an outcry over this. As time went on you were floored with the amount of stuff. Then as every day went on there was new stuff came out, more stuff that you didn't see on that first day. There's no doubt that, we all know, okay, the financial situation needed some tinkering, but you look out in Alberta, they decided to increase spending. Whether that's the way out, I'm not an economist. You can't flatten your economy either.

I'll loop back as my time is running down, but that's my point to the bounce in your step. If you don't have that bounce in your step on that nice, sunny day, you're not going out to buy that new vehicle. You're not going out to look at that new purchase you've been looking at, or to landscape your yard, I don't know, to renovate your home. With the bounce in your step there's a lot of decisions you make, believe or not, when the sun shines.

I talked to a contractor in CBS recently. He said you would not believe with a week of sunshine his sales are off the charts. Three days of bad weather, it takes four days to get back to where he would have been on the week of good weather. I laughed when he said it. He said it's true. It takes them a couple of days after a string of bad weather to come out and start looking

around again. People have a different – it was news to me when he said it. I did laugh but I mean it's true.

When you don't have confidence – the guy said the bounce in your step is consumer confidence – it affects everything. Do you feel the same way? Do you feel like going out to a meal? Do you feel like going out shopping? Do you feel like going and making a purchase? Most of your life is governed by your mood. Whether people realize that or not, we all live it. If you're not in the mood, as the saying goes with everything we do, you're not going to do it. If your mood is – you're the one to tighten the purse strings it will have a drastic impact. That starts from that extra tank of gas, that extra trip to the restaurant, extra. It's all about purchases.

That's economics 101. If you're not spending, the economy is stalling. Most of these tax increases and affects will not take effect. I know insurance will kick in July 1. If you don't see it, you don't really feel it. July 1, with 15 per cent on your insurance, that will be a huge kick. When people get their renewals come in and they realize their insurance is up by \$400 to \$500 to \$600 to where it was last year that will have an impact.

Gas is going up on Thursday, the second, 16½ cents. That will have a huge impact. Ironically, it don't really hit – they'll complain, and we're all like it. It's human nature. We'll all complain until all of a sudden you're going – reality hits when you see the bill and the invoice in front of you or you look at the pump price and you realize this is costing you \$10 or \$15 more to fill up your vehicle.

About this budget, we've talked about it and we'll continue to talk about it until this session closes, and maybe we'll pick it up in the fall. This is the problem I've seen with the budget, people's confidence is gone. As I use the term bounce in their step, they no longer have it. As much as people may want to think otherwise – personally, I would like to see it not have that affect, because it affects everybody.

One thing with the economy, the economy affects everybody. No matter where you are on the income scale or whatever class you're in, it does affect every single person in this province.

A poor economy has a trickle effect. That will affect each and every one of us, as this budget does.

Mr. Chair, it's all tied together. I believe there could have been some good increases, when we look at some tax that could have went pretty quietly. Unfortunately, a lot of these tax increases that we see in this budget are just – you know, we've seen the protests and we've seen the emails. The reason that there's so much outcry is a lot of these tax increases are just not where people want to be. It's not where we should be as a province.

We went from having a thriving, booming economy – I know this is a bump in the road, but there had to be a better way out of this than this. Right now, where we stand as a province and as a people, we need to turn the corner and we need to turn a corner quick because our economy – again, it's like buddy buying the house, once the economy crashes it's going to take two or three times, in years, as long to get the economy back.

That's all I'll add on this. We do support the bill, but obviously we don't support the budget as it stands.

Thank you.

CHAIR: Order, please!

The hon. the Member for Cape St. Francis.

MR. K. PARSONS: Thank you very much, Mr. Chair.

It's indeed a pleasure to get up again here today. As most of you know, this is what we call a money bill, so it gives us the option to be able to speak on the budget and give our views on how we perceive things to be happening in the budget.

Today, this amendment is basically about the extra tax they're putting on tobacco. I'm one of those fellows that never smoked. I'm so glad that I didn't smoke, but I was around lots of people that did. I can remember my mom, she used to smoke but she gave it up in her latter years. My dad, the same thing and he gave it up.

A lot of people today are really aware of the costs and the effects that tobacco has on us all. No matter, whether you're driving in a car and you see someone smoking in a car and there are people in the car, it always just really hits home to me that it's something we shouldn't be at, and there are laws so that you can't do that. It's important that people follow the laws when it comes to tobacco.

I'll go back to as a parent and I'll look at things you try to encourage and do when people are smoking. I know I was very fortunate to have a babysitter that lived next door. I know that when my kids went down – and they had some young kids there. I respected the man that was there. He used to always go out on the deck and have his cigarette and whatnot. I wouldn't accept smoking in front of my children. I think we all should be like that no matter what it is today.

You look today; I know that when I first moved in my house I probably had ashtrays downstairs, ashtrays in the kitchen and everything else but as you go to homes today, people are more aware. The courtesy would be if you're going to have a smoke, you'd go outside and smoke. That's really good because people are really getting educated on the effects.

It is not only the health effects that it's caused to individuals – and we know that lung cancer and different cancers that tobacco has a direct effect on that. I'm sure the Minister of Health could speak on this and the cost that tobacco has on our health care system, cost that it has to people going to the hospital with results of smoking.

This is a very important bill, it is important that we speak to this bill today and it's important that people realize that – I know I have friends and colleagues that do smoke and I'm not against that; that's their right, like anyone else's right to smoke. But I really believe today is – I can remember going in a hockey dressing room years ago and we'd be all out sat down in a hockey dressing room and a scattered fellow would have a smoke between periods in the dressing room. Mr. Chair, you probably know what I'm talking about. People got a little bit smarter after a while and said b'y you can't be at that.

We're trying to be athletes, we're trying to exercise and stuff like that and here you are smoking in front of everyone. The day has gone so far to make people aware. I really believe that – I'm not sure; I'd like to know the stats that are there for young people smoking today. I don't see it as much as what I used to when I grew up. I know most of my friends smoked and still do today – some do. I have a son who is 25, a daughter who is 28 and I don't see a lot of their friends smoking like we did when we were growing up.

I'm hoping that any time we drive up the cost it has an effect, but I'm also thinking that more or less it is probably due to the awareness that people have today on the impacts of what smoking does to your health and what it does to other people's health because we can all look at the effect of – I'm sure for years everyone used to say, well, you're doing it yourself, you're killing yourself by smoking and stuff like this; but people didn't realize until a couple of years ago what effects second-hand smoke had on people, which was huge.

People in their homes – we all know, we all lived in it, that you'd go in and there'd be somebody smoking, two or three people and the smell of smoke in the house used to kill me. I used to have to get outside. The effect that that was having on individuals, children in homes and stuff like that, but we're after coming a long ways is my point today, Mr. Chair. We're after coming a long ways when it comes to smoking.

I will definitely be supporting this bill and saying that any time we can do anything that can eliminate people from taking up the habit or hopefully making people quit when they realize it costs way too much for me to be smoking – I'm not even sure what a pack of cigarettes cost now. I think it over \$10 or \$12 for a pack of cigarettes or something like that. That seems very high to me.

AN HON. MEMBER: (Inaudible.)

MR. K. PARSONS: I don't know. We all have bad habits, we'll say, but I really believe this is an important piece of legislation. It's important because I really believe the more we can do to have young people not take up the habit and encourage them not to smoke and really make

sure they know, not only is the cost a factor of having to go pay \$10 or \$12 whatever it is for a pack of cigarettes, but how important it is to your health, how important it is down the road.

We look at many different types of cancer that can be related to people who smoke. We can look at the effect it has on people who are pregnant, people who have different disabilities. Smoking is definitely not healthy for any of us.

This is a part of the budget that came down that we will support. To me, I'm not against anyone that does smoke. We all have our choices to make. I just hope that people do it very, very responsibly. I have friends and colleagues that it is really difficult to break the habit. There are all kinds of different solutions out there from patches to hypnosis to all different things that people do try. People really do try it and it's pretty difficult.

Some people smoke because it may calm their nerves. It may make them sleep better, I don't know, but there are whole different reasons for smoking, I would imagine. It's like anything. It's a habit. People enjoy it, but we all realize – and I'm sure most people who do smoke realize that it's not good for them anyway. That's just part of it.

There are other things we've done over the years. One time you'd always go to a club. You would come out of the club that night and come home. The next day you would smell your jacket and the stink of tobacco off your jacket or off your clothes would be unbelievable. There were rules and regulations that came in that people are not allowed to smoke in clubs and stuff like that. Those are really good regulations.

I just noticed the other day – I think it was in Quebec – for the first time last week, the law was passed in Quebec that you're not allowed to smoke in restaurants and on the decks and in different lounges outside. We're way ahead of what they've been doing. That's a good thing.

I know a couple of times I went to Montreal and that is one thing you really notice: a lot of them do smoke. I'd say they probably have a higher population of smokers than anywhere else in Canada. I don't know now, that's just what I've seen it there.

Everybody is catching up to where they should be when it comes to regulations for tobacco. So they should, because it's not only their own health that it affects. Tobacco affects everybody's health. It affects the young people who are around. It could be somebody who is walking outside on the street or whatever.

Second-hand smoke, apparently – the Department of Health can tell you a little bit more about it, but the effects of second-hand smoke is huge also. It can have an effect on so many people.

The big thing, if you look at what we are looking at here today, and we're in a financial situation in the province where we find ourselves in hard shape, really. This is part of the budget. We're discussing different options and stuff like that. If you look at the health care cost to the province. The health care cost to the province is probably – almost 40 per cent of the total amount of money that we'll spend goes to the cost of health care. When people look at anything that we can do in the health care system to encourage them not to smoke, can help the cost of our health care system.

I'd love to see smoking eliminated altogether. I think it would be a great thing for the health care system, but I don't smoke. I respect the people who do smoke. Like I said, I had parents who did smoke. I have a brother who did smoke. I have colleagues who do smoke.

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. K. PARSONS: I don't begrudge them in what they do, but I really believe if I could help them, encourage them not to smoke, I would. I'd be really good. I wouldn't take them to the store to get a pack of cigarettes.

It's important, because anything we can do in our society to discourage people from smoking is a great thing. I think we all agree to that. I would imagine most smokers would agree to that. Anything we can do to discourage people in the province from smoking would be really good.

Again, I want to go back to health care because that's where I wanted to focus my talk on today is basically the cost it does to our health care system. Anything that we can eliminate –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

MR. K. PARSONS: If we can eliminate people in our hospitals that are there because of smoking related illnesses, how much would that free up other things? It will free up our emergency departments. It will free up beds. It will bring down the cost. We look at 40 per cent of our costs today is health care. Anything that we can do in the health care system to bring down – I would imagine it's not something that's going to happen overnight.

We really have to encourage young people coming up. I would like to know the stats of how many young people actually smoke today versus, say, back in my time which was only a few years ago now, Mr. Chair. It seemed like a lot of people smoked years ago. It seems like today, I don't see – although I visit schools and I know a lot of schools now have areas outside where they do have a smoking area.

When I went to Gonzaga we had one too. I tell you, when I went to Gonzaga everybody was out there during the day having a smoke. If you wanted anywhere to go, that's where you would go. So times have changed.

This is a good piece of legislation. Any time we can get people to the cost – and I know the cost is a deterrent and the cost can go up. Again, I respect the people who do smoke. I respect that they have the right to smoke just like anybody who wants to have a drink or anything at all. There are all kinds of different bad habits that we all have.

It goes back to others that are around us. I look at buildings today, and it's nice to see. Another regulation you'll see in front of most of the buildings now is this blue area that shows people where they can go to smoke.

In the Health Sciences now you're not even allowed to smoke in the parking lot in there, I don't believe, and so it should be. To witness

people going out on – again, it's their right to and they have all the right in the world. When you're sick in hospital to see people go outside and have to have a smoke, it's heart wrenching actually. It's a habit. It's a real bad habit and it's a hard habit to break. Everybody has their reasons for doing it.

I think this bill we're bringing in today that puts extra tax on tobacco will be a deterrent. It will hopefully help young people not take it up. Other things we can do, we can always do it ourselves too. We look at recreation and stuff like that. The more our kids are involved in sports, they get the encouragement from grown-ups and adults and everybody else to say, listen, don't go smoking. You have a healthy lifestyle. If you want to live a healthy life, this is part of what you should do.

So there are all kinds of things we can do to make sure we encourage younger people because that's where it starts, at the younger age. I would assume, Mr. Chair, there are stats that can show you if a person doesn't take up smoking at a certain age, there's a good chance they probably will never smoke. It's probably a critical time in young people's lives where, I'd say from maybe 14 to 18, if a young person doesn't take up smoking – and I bet you there's a stat that will say there's a real good chance that young person won't smoke.

It's a good thing to do because we know that young people – money means a lot to them. They have lots of ways to spend their money. If taxes are on cigarettes and they're expensive, and they don't take it up at that age, that will mean we'll have a healthier society. I think that's what we're all looking for.

Health and our families, and everybody else, should be the key priority of anything. I always say if you have your health, you have everything. The longer we can encourage young people not to smoke it will be a great thing. It will be a great thing if people do not go and smoke.

I'm going to support this bill. Again, everyone out there who smokes, you have your right to smoke. I don't say anything against you, but I really want to encourage young people – if it means a few extra dollars on a pack of cigarettes

or a few extra cents on a cigarette, then so be it. Hopefully, this does discourage people from going and actually smoking.

Thank you very much, Mr. Chair.

CHAIR: The hon. the Member for Virginia Waters – Pleasantville.

SOME HON. MEMBERS: Hear, hear!

MR. B. DAVIS: Mr. Chair, I'm very pleased to rise in this hon. House to discuss Bill 22, to increase taxes on tobacco.

I know some of our colleagues in the House may not be as interested in this as I am, but I'm not going to repeat many of the messages from my previous colleagues. Any measure our government can do to mitigate the high number of smokers who are in our community is a benefit, both from the health care perspective but also from their own healthy living perspective. It gives them an opportunity to become healthier individuals in our community. Anytime we can do that, that's betterment for our health system as a whole.

The high tobacco prices discourage people from even starting smoking and especially effective in preventing youth from starting the habit. As mentioned by my previous colleagues, if you get the youth not to start smoking you're much more likely to have them not pick up smoking later in life.

This increase is only one measure in a package of revenue measures developed to address a difficult fiscal situation and represents a balance between the often competing objectives of public health policy and the driving demand for contraband products. Increasing the taxes significantly will fuel the demand for contraband products. So we have to be careful to make sure we balance that approach.

Several other jurisdictions have implemented modest increases to the tobacco tax as of late. This approach is believed to mitigate and legitimize the sale of this contraband and reduce this contraband use. So we're trying our best to balance that approach, and it's important that we do so.

The amount of increase on fine-cut tobacco is comparable with the amount of increase per cigarette and remains the highest in Canada. To clarify how this compares, one gram of fine-cut tobacco is equivalent to two cigarettes. Our provincial taxes on cigarettes are the fifth lowest provincial rate in Canada. Our province has the highest tax on fine-cut tobacco in the country, although.

Mr. Chair, I'm very pleased to support Bill 22, and I'm sure many of my colleagues on both sides of the House will be supporting this bill as well, for many reasons highlighted by our previous speakers.

Some of the comments made by the hon. Member for CBS, I agree with. The decisions made in this budget were very difficult and made mainly because of this financial situation that we've been left by the previous administration. They choose to kick the problem to the next generation, and that's something that I'm not prepared, and I know this administration on this side of the House is not prepared to do as well.

One of the things that was a little bit disappointing that the hon. Member for CBS mentioned – and I know him to be a very honourable gentleman, so I was surprised by this. I feel we have a lot of hope in this province. The potential and long-term opportunities in this province are great, and that hasn't changed. There's just a path we have to take to get there. It's tough right now.

In this budget we're spending \$8.48 billion – that's billion dollars – on programs and services for the people of our province, which includes \$226 million on priority transportation projects and another \$344.1 million over the next four years on new and existing infrastructure projects from a municipal standpoint, which will leverage \$146 million in federal funding. These investments will stimulate the economy and provide much-needed boosts to our infrastructure, which include health care initiatives, education infrastructure, housing projects and thousands and thousands of jobs.

To support new industries and build opportunities, our government has included millions in funding for research, marketing and

innovation. This is all hopeful in my opinion. We have included \$18.5 million in support for culture and heritage initiatives; another \$13 million in tourism marketing; \$2 million in advanced broadband infrastructure for rural areas, which I'm sure Members opposite will really appreciate, and improving access for economic development reasons and educational opportunities; \$18.9 million to the Research and Development Corporation for research and development opportunities; \$8.5 million to leverage federal funding for economic development diversification. The funding goes some ways to allow us to welcome the rest of the world to our borders.

Mr. Chair, I believe in our people and our province. For those reasons I think that we have a very hopeful future in this province. For that reason and many others, I'll be supporting Bill 22, the tobacco tax increase.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Mount Pearl North.

SOME HON. MEMBERS: Hear, hear!

MR. KENT: Thank you, Mr. Chair.

I just wanted to rise for a few moments to talk about Bill 22. I think previous speakers have done a good job of outlining what this bill is all about. It is related to the provincial budget. It has to do with implementation of the increase on tax to tobacco and related products. It's actually retroactive to April 15 of this year which I believe was the day after the budget.

I don't think you're going to hear a lot of opposition to this particular bill, Mr. Chair. I think most people in the province agree that when it comes to all of the choices that have to be made about how to deal with the province's fiscal circumstances, an increase on taxes on cigarettes and tobacco makes sense. I think there is considerable support not only within this House for that, but within the public as well. It's just one example of the kinds of choices that were available to be made.

On this side of the House, Mr. Chair, we continue to contend that there were other

options, there were better options, recognizing that none of them may be particularly popular or easy. The challenge we have with this budget is that it's devastating to absolutely everybody. It's bad for business. It's bad for the economy. Even more importantly, it's bad for individuals of all ages. It's bad for families. That said, I believe there is support among the public for an increase, in this instance, on taxes on cigarettes and tobacco.

One of the increases is for a tax on cigarettes. It's being increased to 24½ cents on each cigarette. That's been increased by one cent from 23½ cents. There are a lot of people out there who would argue that government perhaps could go further and increase taxation on cigarettes even further. I tend to share that sentiment, but at the same time, the increases that are proposed are increases I'm prepared to support.

The tax on tobacco, other than cigarettes and cigars, is increased to 40 cents per gram of tobacco. So that's been increased by only 2 cents per gram up from 38 cents.

Now, there are also those who would argue that taxes on cigarettes and tobacco are already very high. I would argue, given the implications for our health system, given the implications for individual health, there're perhaps not high enough.

So this bill makes changes in section 98 of the *Revenue Administration Act* that lays out taxation on cigarettes and tobacco. The bill also includes a sentence regarding the tax on cigars but there's no change to the legislation. The sentence in this bill is the same as what's in the existing legislation. As I said, these increases will be retroactive.

Some people may be wondering: How much revenue does government hope to get from making such a change? We understand that – and I think previous speakers have alluded to this – it's about \$5.5 million a year. Had you doubled the amount of increases, it would be \$11 million.

Still, given the size of our provincial budget, it's not a big, big number but every one of these implications adds up and \$11 million is a

significant amount of money; \$5.5 million is a significant amount of money. It all definitely does add up.

The only suggestion I would make to government is perhaps this is an area where you could have gone even further. Would it have generated hundreds of millions of dollars and avoided some of the other decisions that have been made? No, it would not have. I believe there was room here to perhaps go even further.

I won't say too much else regarding Bill 22. While we're into a debate on another bill related to a financial aspect of the budget, as one of my colleagues pointed out, it is considered what we call here in the House of Assembly a money bill. So that allows us to talk just about anything under the sun, which is a great opportunity to raise concerns on behalf of constituents and on behalf of people of the province, generally. In the few minutes I have left, I'll take the opportunity to raise some more concerns on behalf of my constituents.

During debate on various aspects of the budget, I've talked about all kinds of issues that affect people in my district related to health care, related to the cost of living generally, related to income tax, related to the elimination of the home heat rebate and what that does for people.

MR. MITCHELMORE: (Inaudible).

MR. KENT: I'm being heckled by the Minister of Business, Tourism, Culture and Rural Development. He's heckling me about bees, Mr. Chair.

CHAIR: Order, please!

MR. KENT: I'd be happy to have a discussion with him about bees, and it may sound like a trivial matter, or a laughing matter, but it isn't. In fact, I hope to have an opportunity to talk to the minister this week because I think he's a fairly informed, intelligent individual and I found him, honestly, in his time as minister to be quite reasonable.

And as the Minister Responsible for Agrifoods, I would encourage him to take a close look at what environmentalists are saying and what actual bee keepers in our province are saying.

The issue is that it's being contemplated to bring in bees from outside the province. The risk that creates for our ecosystem is actually fairly significant, so I hope perhaps before the night is over, Mr. Chair, I'll rise and talk about the issue in more detail.

But in response to the minister's comments, I can tell you that as an Opposition we're very concerned about what is taking place. The notion of introducing bees from outside Newfoundland and Labrador is a scary one. It could create some real concerns. We have a healthy bee population and, in fact, despite the decline in the population, I think there's more that can be done by our Agrifoods Agency to foster the growth of that population, which is really important for –

MR. MITCHELMORE: (Inaudible.)

MR. KENT: And the minister is saying they are. I look forward to hearing him talk about that. I have no doubt that there's work being done, but I think we need to do more because if the solution that government is now contemplating is bringing in bees from outside the province, I think that is a grave mistake based on the feedback I've gotten from a number of people who know more about it than I do.

Our history as a province in introducing species to Newfoundland and Labrador that are not native hasn't been widely successful, Mr. Chair, I would argue, and the instability it can create, the risk of disease to our existing bee population is real. So from an agriculture perspective, I think this really does need to be looked at. I would, in all seriousness, encourage the minister to listen to what people are saying, and not just make jokes about it here in this House of Assembly, but really look at the issue.

Like I said, I found him to be reasonable so far in my dealings with him and I hope that he will take a close look at the issue because I think there are better options. One would be, like I said, doing more to grow our bee population here in Newfoundland and Labrador, but maybe there are some other solutions as well. Introducing new bees from outside Newfoundland and Labrador is not the right way to move forward based on everything that I've

heard in recent days. It's a health and safety issue. It's an environmental issue. It's an important issue for our agrifoods sector in our province.

I thank the minister for giving me the opportunity to talk about it for a few minutes. It doesn't leave me with sufficient time to dig in to some of the issues that I had planned to talk about related to my district, but I look forward to doing so later this evening, perhaps after the supper break.

What I was saying before I was interrupted is that citizens in my district are concerned about cost of living. They are concerned about the economy. They are concerned about cuts to health care. They're particularly concerned about cuts to education and I'll talk more about that this evening. I've had an opportunity to meet with representatives from multiple schools in my own community and there is real concern about some of the choices that this government has made in this recent budget.

I remain convinced that there is a better way forward. Part of our role and part of our responsibility as an Opposition is not just to be critical, which frankly is sometimes easy to do, but also to talk about solutions and to talk about alternatives. So hopefully, as debate on various aspects of the budget continues in this House, we'll have a chance to do more of that as well.

I see my time is up, Mr. Chair, so I look forward to continuing discussion on these matters and others later this evening.

Thank you.

SOME HON. MEMBERS: Hear, hear!

CHAIR: The hon. the Member for Mount Pearl – Southlands.

MR. LANE: Thank you, Mr. Chair.

It certainly is a pleasure to stand in his hon. House once again today and speak to Bill 22, An Act to Amend the Revenue Administration Act. Mr. Chair, as has already been explained, this is about raising taxes on tobacco. I think, as other Members have said, when we look at all the tax increases, we look at all the fee increases – of

course we know people are going to be hit with the HST increase. We're going to have income tax increases. There is going to be a levy. There is going to be a gas tax.

Pretty much every fee we can imagine is going to be raised but when you look at the various taxes and fees that are going to be raised, I think everybody would agree and it has already been said that when it comes to the sin taxes, is what we call them, whether it be alcohol, tobacco and so on, I think that all Members in this hon. House and I think members of the general public in general would agree that if we're going to go down that road of taxation, that this is probably one of the better ways to go.

Now, obviously, if you're a smoker, you're not going to be too happy about this increase. Everybody understands that. We all understand that smoking is an addiction. People don't necessarily choose to smoke. I suppose they choose initially, but after a period of time you become addicted and so on. Even though you know it's doing harm to your health, sometimes it's not easy to quit.

I know going back – that would be going back, let me see, 25 years ago now since I smoked, but prior to that I had smoked. Last going off, I was up to almost three packages a day on certain days. You'd just be lighting one off the other. I know how that addiction can be. I tried different methods, like everybody did, to try to quit smoking with the patch, the menthol cigarettes and all these different things, but it didn't work. In the end, the only thing that really worked for me is one day I just said enough of this. I smoked one last cigarette, took what was left, balled them up, threw them in the garbage and –

MR. KENT: And he switched to Lamb's Rum.

MR. LANE: My colleague here for Mount Pearl North is saying that I switched to Lamb's Rum. I took them and threw them in the garbage and I never looked back, thank goodness.

We all know that cigarettes are bad for your health. Not only is it causing damage to the individual who's smoking and to people who are exposed to second-hand smoke – and thank goodness we've put laws in place now to prohibit that type of activity in restaurants, bars

and public places and so on – the additional piece to all this, and I think the real rationale for taxing the cigarettes, is the impact that it has on our health care system.

When somebody decides they're going to smoke or whatever, and if they do it for a long period of time and over a period of time, they end up coming down with various diseases. That, we all know, can cause heart disease, cancer, emphysema, COPD and all these different lung-related diseases, for sure, associated to smoking. That's all costing everybody else money in the health care system. When those people have to receive treatment, when they have to go to doctors' appointments, when they have to get medication, surgeries, time in the hospital, all of those associated things, all that bill is being footed by the taxpayer. Therefore, it's good to try to prevent it, obviously. I suppose taxation is one way to some degree to at least limit the amount of cigarettes that someone is prepared to pay.

Well, that's certainly one thing we can do, but the other thing, of course, is it's important that we have smoking cessation programs and so on as well, to try to break that habit. Because at the end of the day, the taxes that someone is paying on cigarettes, if they should come down with some sort of a critical illness they'll never pay that money back in taxes. No matter how many cigarettes they smoke and how much tax they're paying on those cigarettes, I would say that if they came down with a critical illness all the taxes they paid on those cigarettes wouldn't come close to paying back the health care system for all the costs that are going to be incurred with it.

So therefore, I think that's why most people recognize, while nobody likes being taxed, and we don't like taxing people in general, if you're going to tax people on certain things – and this would be one that would be more palatable, more acceptable to the majority of Newfoundlanders and Labradorians. Like I said, if you're a smoker perhaps you don't feel that way, but I think the rest of the people do feel that way. So from that perspective, I will be supporting Bill 22.

Mr. Chair, of course we know this is just one – well, there's another one, because we already

passed a bill earlier in the House that was going to increase some fees for businesses. Of course, this is another one we're doing now, and we know there are going to be many other measures. Like I said, we already passed the gas tax, and we know that's 16½ cents. We doubled the gas tax. Not only is it 16½ on a litre of gas, but then there's tax on that. So it's probably closer to 19, 20 cents that we taxed gas.

One question I would have for the Minister of Finance – and it's not really related to this bill, but it is a question I would have as it relates to the gas tax. Of course, we can talk about anything because this is a money bill, but if we're going to be taxing that additional 16½ on gasoline, part of that 15 per cent HST is federal. So it would seem to me the federal government are capitalizing on our austerity measures.

Now, I stand to be corrected. I would love for some clarification on that issue at some point in time, maybe not on this bill but on another bill. Maybe on the budget, I don't know. I just put it out there, that it would seem the federal government are going to capitalize on their share of the HST that's going on the 16½ cents on gas.

I don't know how many litres of fuel are consumed in Newfoundland and Labrador in the run of a year. Maybe if George Murphy was still here he could tell me for sure, because George was up on those things. It would seem to me that the federal government stand to gain money off the austerity measures being taken here in this particular case.

I would love to know what that money is. If it's something significant or whatever it is, I'd like then for our federal MPs to be lobbied to say, listen, if it wasn't for these austerity measures we never would have gotten that extra tax off that 16½ cents of gas; therefore, we're going to return it to you because the federal government is not taking austerity measures. Newfoundland and Labrador are taking austerity measures.

I would like to see that portion of the tax on gas returned back to us from the federal government, or at least go against this deferred repayment. We could do that, or they could simply return that money. Now, I have no idea what the math is on that and how much money it would be, but maybe it's enough money to keep the libraries

open. I don't know. Maybe it's enough money to help offset the levy for everybody else.

I would throw that out there to the Minister of Finance, if she hasn't already thought of this. I'm sure she has because she's a very intelligent person. She understands all this stuff. I believe she probably knows all this. Maybe this is nothing new, but I do want to get it on the record at least that on the 16½ cents, the feds are getting their fair share of that 15 per cent tax. Whatever that works out to be, it's doing nothing to help our situation. It's just putting more money in the federal coffers and I think we should get it back.

With that said, Mr. Chair, I'm going to take my seat. If somebody else wants to speak, obviously, they will.

Thank you.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Chair, given the hour of the day, and with leave of my colleagues, I would suggest now that we suspend debate for supper and then resume at 7 p.m.

CHAIR: It is recommended that we suspend debate.

We'll recess until 7 p.m.

MR. A. PARSONS: Thank you.