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Speaker: Honourable Paul Lane, MHA

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The House met at 1:30 p.m.

SPEAKER (Lane): Order, please!

Admit strangers.

Statements by Members

SPEAKER: Today we'll hear statements by the hon. Members for the Districts of Humber - Bay of Islands, Lake Melville, Lewisporte - Twillingate, Mount Pearl North and St. George's - Humber.

The hon. the Member for Humber - Bay of Islands.

SOME HON. MEMBERS: Hear, hear!

E. JOYCE: Mr. Speaker, I recently had the privilege of presenting certificates from the Lieutenant-Governor, the Premier and myself to Mrs. Agnes Penney of Irishtown, who celebrated her 95th birthday. Family and friends dropped by her home to help this remarkable lady celebrate this special day.

Remarkable lady is an understatement to honour Mrs. Penney, a tireless volunteer with well over 40 years of documented volunteer services, including vice-chair with the Irishtown council, 29 years as mayor, served on the recreation committee, a lifetime member of HIS Firettes and Irishtown Seniors Club, St. Brendan's Church, volunteered with the Heart and Stroke Foundation and Mental Health Association; a very compassionate lady who brought children with physical and cognitive challenges into her home giving them the proper care and love they deserve.

In 2012, Mrs. Penney received the Seniors of Distinction Award for her outstanding contribution to her town and to the children with special needs. If you've ever dealt with Mrs. Penney, no was never an acceptable answer. She was determined that we find answers by working together.

I ask all Members to join me in recognizing this remarkable lady on her 95th birthday, and for her outstanding contribution to her community, thank you, Agnes, very much.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Lake Melville.

SOME HON. MEMBERS: Hear, hear!

K. RUSSELL: Thank you, Mr. Speaker.

I rise today to recognize the Goose Bay Judo Club in Lake Melville.

The Goose Bay Judo Club is the largest judo club in the province and is approaching its 50th anniversary. The Goose Bay Judo Club had an excellent showing at the Newfoundland and Labrador Judo Association's provincial Judo tournament on April 25 in Paradise.

I would like to individually congratulate Jaxson Keefe on his U12 Silver, Cayden Mooney on his U12 gold, Grayson Curl on his U14 bronze, Jared Keefe for his U16 gold and U18 bronze, Logan Mesher for his U16 bronze and Clark Pastuck for his U16 gold and finally, I stand here with immense pride to mention a standout judoka at the recent tournament, my nephew, Liam Russell. Liam competed in two divisions, U16 and U18, earning a silver medal and a gold medal respectively.

I say well done for your fundraising efforts all year long to attend the tournament. Congratulations on 50 years to the Goose Bay Judo Club and cheers to an excellent tournament in Paradise.

I ask all in this hon, House to join me in Ritsu-rei, the formal judo bow, as we congratulate these judoka for their hard work and dedication to their sport.

Domo arigato, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Lewisporte - Twillingate.

SOME HON. MEMBERS: Hear, hear!

M. BUTT: Thank you, Speaker.

I stand to recognize the Comfort Cove-Newstead Shellfish Festival from August 14 to 16.

After nearly 40 years, this cherished event was proudly reintroduced last summer by the Comfort Cove-Newstead Recreation Committee, and its return has clearly struck a chord with residents and visitors alike.

Building on the success of its revival, the 2026 festival is already generating tremendous excitement. Within just two weeks of ticket sales opening, organizers surpassed last year's total sales and two major events already sold out. That enthusiasm speaks to both the quality of the festival and the pride people feel in this community.

Promoted as three days, one epic coastal party, the festival showcases everything from a signature seafood boil, featuring shellfish from Notre Dame Seafoods, to parades, outdoor concerts, family fun day, a fisherman's brewis sale, cornhole tournaments, brunch events and a spectacular fireworks display over the harbour. Local businesses, sponsors and volunteers play a central role in every aspect of the celebration.

Organized entirely by dedicated volunteers, the Shellfish Festival promotes tourism, supports the seafood sector and highlights the warmth, hospitality and resilience that defines Comfort Cove-Newstead and rural Newfoundland and Labrador.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

L. STOYLES: Speaker, brilliant is the best word to describe this young lady from my District of Mount Pearl North, Sophia Zhang.

In 2025, Sophia received the Research Inspired Student Enrichment Award and was the only student in our province granted full tuition to attend a six-week summer research science program alongside 100 of the world's top high school students. She also ranked in the top 2 per cent nationally at the University of Waterloo's mathematics competition and writing competition. Sophia earned a gold medal with Team NL at the Canada-Wide Science Fair for their wind energy harvesting project, along with multiple special awards, including the WISE Award at the Eastern NL Science Fair. As team captain of her high school's robotics team, she led her group to achieve the third-highest score in Canada at the MATE Robotics competition.

Beyond her academic and STEM achievements, Sophia volunteers as a swimming coach with the Special Olympics. She volunteers with the Frosty Festival and also volunteered at the Canada Summer Games.

Speaker, I ask all Members to join me in congratulating Sophia on her remarkable accomplishments and wish her continued success in the future.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

H. CORMIER: Thank you, Speaker.

I rise today to recognize a talented young athlete from Steady Brook, 16-year-old

Meredith Hayden, who is making our province proud in the sport of snowboarding.

Meredith's season began last summer with five weeks of training in Chile, where she had the opportunity to train alongside World Cup athletes, including several Olympians, an experience that speaks to her growing place among elite competitors.

Countless training days at our Marble Mountain and Mont-Tremblant set the tone for a remarkable season. She carried that momentum into her first NorAm competitions, earning strong 12th and 11th place finishes, followed by impressive results in Alpine Ontario and Val Saint-Come, Quebec, where she placed 10th and 9th. She also was selected as a forerunner at the World Cup in Val Saint-Come, an incredible opportunity to race on the world stage. At a provincial event in Martock, Nova Scotia, Meredith earned a second-place finish. To cap off her season, Meredith delivered an outstanding performance at the Junior Nationals, capturing one gold and three silver medals, including a first-place finish in parallel giant slalom.

Mr. Speaker, Meredith Hayden is a tremendous ambassador for our province. I ask all members to join me in congratulating her and wishing her continued success.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Statements by Ministers.

Statements by Ministers

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

SOME HON. MEMBERS: Hear, hear!

L. EVANS: Thank you, Speaker.

I rise today to recognize April 26 to May 2 as National Immunization Awareness Week.

Whether strengthening our immunity against seasonal viruses, such as influenza and COVID-19, or providing vital protection against diseases, such as measles, meningitis or whooping cough, no other public health intervention has done more to safeguard the health and well-being of a population than publicly funded immunization.

This is why, earlier this morning, I was happy to join Dr. Fitzgerald, Chief Medical Officer of Health, to announce new funding through budget 2026 to expand the publicly funded RSV vaccine, which will be available to all infants under six months of age and adults aged 75 years and older. While we've seen infectious disease outbreaks across the country in recent months, our province continues to maintain some of the highest childhood vaccination rates in Canada, and we must be proud of that. Speaker, I am proud to say that 98 per cent of our two-year-olds are up to date with immunizations in Newfoundland and Labrador.

As we celebrate National Immunization Awareness Week, we want to thank public health, our health care workers who provide immunization, and their tremendous contribution to the health of our residents. I would also like to thank Newfoundlanders and Labradorians for their outstanding support for immunization. Your commitment has not only helped protect yourself, but also our most vulnerable members in the wider community as a whole.

I encourage everyone to talk to their health care provider or public health nurse about questions they may have regarding immunization. It is important to make informed choices by consulting reliable sources. Let's keep our communities strong and resilient and our province healthy and safe.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Thank you, Speaker, and I thank the minister for the advance copy of her statement.

I join the minister in recognizing National Immunization Awareness Week and the important role vaccines play in protecting mental health. Immunization is one of the most effective tools we have to keep people safe and to reduce pressure on our health care system. That is why, as a government, we invested in expanding access to RSV and shingles vaccines, and we are delighted to see those investments continuing.

Speaker, during the COVID-19 pandemic, we also learned the importance, not only of access, but of promotion and outreach, because vaccines only work if people know about them, trust them and can easily access them. We hope the investment announced today includes strong promotion, clear communication and accessible clinics in all areas of our province because protecting public health is not just about what's promised, it's about what's delivered.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker, and I thank the minister for an advance copy of the statement.

Thank you to the dedicated public health nurses who do great work to keep us healthy, strong and safe.

On National Immunization Awareness Week, we ask this government to continue to work to reduce barriers and ask that the

HPV vaccine program be made free to all who need it. By preventing cancer, we relieve pressures on the health care system and, most importantly, we save lives.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Further statements by ministers?

The hon. the Minister of Transportation and Infrastructure.

SOME HON. MEMBERS: Hear, hear!

B. PETTEN: Thank you, Speaker.

As of today, 27 tenders for road infrastructure work have been issued, representing an estimated \$143 million in investment throughout the province. This reflects strong, early momentum under the province's roads program and demonstrates our commitment to delivering safe, reliable transportation and infrastructure for communities and businesses.

Speaker, this is the earliest point in the construction season ever that this volume of road tenders have been issued, providing contractors with a greater certainty and enabling work to begin sooner. Importantly, a number of these tenders have already been awarded, ensuring projects are moving quickly from planning to construction and creating immediate economic activity.

Early tendering supports better project scheduling, improved value for taxpayers and increased competition within the construction sector. It also helps maximize the short construction season, particularly in rural and remote areas where timely access to safe roads is essential.

This work directly aligns with our government's commitment to safer communities, including safer roads. By

investing early and strategically in road infrastructure, we are improving transportation safety, supporting economic growth and strengthening connections that residents rely on every day.

Thank you very much, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Waterford Valley.

J. KORAB: Speaker, we agree that early road tendering maximizes our short construction season and provides certainty for our local heavy civil industry. I also recognize the opportunity for more roadwork, and I thank the officials of Transportation and Infrastructure for their hard work to make this a reality.

However, an early start is only effective if the industry has capacity to finish the job. The fact remains that we are faced with a critical shortage of skilled labour. With thousands of long-time workers retiring, contractors cannot find enough qualified operators to staff their equipment.

Speaker, we must be realistic about the workforce crisis that threatens to leave work unfinished. Government must focus its efforts on helping companies in the industry address the shortage in the trades.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

S. O'LEARY: Thank you, Speaker, and I thank the minister for the advance copy of the statement.

We're pleased that this government is looking for ways to improve planning and tendering to ensure that much needed work gets done; however, as part of that planning

process, we ask that this government share the data in its road asset appraisals publicly so that the people of this province can be certain that decisions are based on greatest need rather than the political stripe of their MHA.

Thank you.

SPEAKER: Oral Questions.

Oral Questions

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

J. HOGAN: The MOU with Churchill Falls expires this week. On Friday, I spoke with Prime Minister Carney and, this morning, I spoke to the Liberal Leader of Quebec about this important deal.

Will the Premier disclose whether he will extend the MOU and continue negotiating to build on the MOU, or are we going to squander this opportunity?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Once again, Speaker, we're not going to squander anything. What we are going to do though is stand up for the people of Newfoundland and Labrador.

I'm not too worried about what the Premier of Quebec has to say about a deal. We know they need the power; we know we have the power. We're open and ready and we will do business, but we're going to do an independent review. That independent review will be finished this week.

SOME HON. MEMBERS: Hear, hear!

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

J. HOGAN: Speaker, if the MOU is not extended before April 30, can the Premier guarantee Newfoundlanders and Labradorians that the approximate \$1.4 billion we would have received this month, backdated to January 2025, will be part of a future deal, or is that money now lost forever?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Mr. Speaker, as the Member opposite talked about previously, this was a non-binding MOU.

I'm not interested in deadlines; I'm interested in making sure that the people of Newfoundland and Labrador get the best deal they can get.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Let me remind the Member opposite of his statement on September 15: We must make sure that the deal we sign, if it's the right deal

We want to make sure it is the right deal and we're going to take the time to do it and get it right.

SOME HON. MEMBERS: Hear, hear!

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

J. HOGAN: Just so the Premier understands, it's not binding in terms of locking us into an agreement, but it's binding in terms of negotiating around the parameters of the MOU. One of those parameters, as I said, was a cheque that would have come to us this month for almost \$1.5 billion, something I'm sure the Finance Minister would have enjoyed.

So I ask the Premier: Is he going to go away and risk not having that \$1.5 billion come to

the coffers of Newfoundland and Labrador because this is going to expire on April 30?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, as I just said, we're not putting anything at risk. What we're not prepared to do is risk signing Newfoundlanders and Labradorians up for another 50 years in a repeat –

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: – of what just happened. So we are going to take our time. We are doing an independent review. That analysis will be completed this week, and if the Member opposite is confident in the MOU, he should have nothing to worry about.

SOME HON. MEMBERS: Hear, hear!

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

J. HOGAN: Speaker, I think taking his time is an understatement. They haven't done one thing with regard to this MOU since they took office.

Prime Minister Carney is announcing a sovereign wealth fund in order to save money to finance major projects in our country. Meanwhile, our Premier, is cancelling our sovereign wealth fund, blaming the province's debt.

Given the federal government also has debt, why can't the Premier take a page from Prime Minister Carney's book and actually plan for our future in Newfoundland and Labrador?

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

C. PARDY: Mr. Speaker, we've said in the House many times that we value saving money. We do that. The creation of the sovereign wealth fund is to make sure that we enhance our productivity as a nation so that we can be more productive. We agree with that, too. In order to do it, we've got to make sure that we've got a reasonable debt load and have access to money.

The government before us had increased, in their reign, the debt by \$12.9 – get a load of this – billion. We've got to fix and address that. We can't keep borrowing money.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

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

J. HOGAN: I'll just give a tip to the Finance Minister. He should probably listen to Prime Minister Carney who has a pretty good background in economics. He decided to do a gas tax cut for Canadians; they decide not to do a gas tax cut for Canadians. He says the Churchill Falls MOU is a good deal; they say the Churchill Falls MOU is a bad deal. He's saying a good idea to invest in a future through a sovereign wealth fund; they say that's a bad idea.

So I ask the Finance Minister: If Canada, with the debt that it has, can invest 5 per cent of its revenue, why can't Newfoundland and Labrador invest only 1 per cent of its revenue into our future?

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

C. PARDY: Mr. Speaker, our country, thankfully, has a much better GDP versus

per capita debt – much better. Our nation, fortunately, has a AAA credit rating which is the best of what the G7 has to offer.

The increase of \$12.9 billion, in the previous government's reign, has not left us with a AAA credit rating. In fact, we have the worst and the lowest credit rating in our country.

I think if the prime minister, who's opinion I value greatly, were here, under the \$12.9 billion left us, he would say, smart move, Finance Minister.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Order, please!

The hon. the Leader of the Official Opposition.

J. HOGAN: I tell you when I spoke to the prime minister on Friday, he said no such thing. So it did not happen.

It's been almost two months since the Premier announced the benefits agreement for Bay du Nord. A recent article in *The Independent* says there are no guarantees, something we've been saying, about the quality of those jobs or whether those jobs will be unionized.

Since they won't show us the agreement, can they confirm here in the House, that there are guarantees for jobs and that those guarantees are written into the actual agreement?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, the Member opposite has spent a couple of questions telling us about his conversation with the prime minister. I had a conversation with the prime minister. As a matter of fact, I've had more than one conversation with the prime minister and let me tell you, that

prime minister is very supportive of Bay du Nord.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: And unlike the previous Liberal government and the Liberal government, federally, they actually believe in our offshore oil and gas, which is something that this former government let drag out.

SOME HON. MEMBERS: Hear, hear!

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

J. HOGAN: I bet you the prime minister would like to see the actual words in the written agreement to see exactly what he is supporting. That is what we want to see. We want to see the agreement. He is very supportive and the federal government has been supportive of our offshore.

We worked with them, very closely, to make sure Bay du Nord was going ahead, to get it through the environmental assessment.

I ask the Premier: Rather than tell people in the House of Assembly to just trust him, will he table the agreement, finally, to show that there are actually written guarantees for jobs for Newfoundlanders and Labradorians?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you, Speaker.

He was premier for 173 days and the conversations that we've had with all of these groups is that there were no conversations. So I'm really glad to hear that they're happening now. It's a good step forward.

We will release these agreements when the time is right. Ten years, the previous government never released one benefits agreement. They didn't release anything about their vote inside of Cabinet. They didn't release the Rotschild Report. They didn't release anything on Snow's Lane. They didn't release numbers on the hospital they were pretending to build. So, Mr. Speaker, they've got lots of time to introduce all of that stuff and we will introduce ours when we are ready.

SOME HON. MEMBERS: Hear, hear!

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

J. HOGAN: I have one simple question for the minister. He mentioned a lot of documents that are protected by Cabinet confidence.

So I ask the minister: Is he committing to release all Cabinet documents related to this government during the course of their mandate which he has asked us to do?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: That's a really good question coming from a former premier who said he knew nothing about the bonuses, who had the opportunity to release all of it publicly and he chose not to. No different than the Rothchild report; had the opportunity to do it and explain it publicly, decided not to. So the question he's asking, he ought to walk out behind that door, look in the mirror and ask himself: Should I have released that stuff?

SOME HON. MEMBERS: Hear, hear!

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

F. HUTTON: Thank you, Speaker.

We'll try to get some answers related to the same situation and issue. The same report in *The Independent* about Bay du Nord says that this province is expected to receive only about 15 per cent of the project's value.

Either the Premier or the Minister of Energy and Mines can answer this: Why is this government accepting such a weak return on our natural resources?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Mr. Speaker, I'm proud to say that there is actually an agreement. That's the first thing. Something that they failed to do.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: The second thing I'll do is I'll carry on by saying we just spent the last few weeks listening to both Members, both the Leader of the Official Opposition and the Member for Conception Bay East - Bell Island, talk about this is the same deal they had. They thought it was a good deal when they had it, but now, all of a sudden, it's not a good deal. So these guys really need to make their mind up.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

L. PARROTT: You knew what the deal was, you said it was a good deal and now, all of a sudden, it's not a good deal.

At the end of the day, we have a great deal here. Much better than the giveaways that they've done in the past, the \$100 million that they gave away in Argentina –

SPEAKER: Order, please!

The hon. minister's time has expired.

SOME HON. MEMBERS: Hear, hear!

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

F. HUTTON: Mr. Speaker, if it is such a good deal, show us. We still haven't seen it. The deal that they got to finalize, supposedly, was done because our government got the environmental assessment across the finish line with the government in Ottawa at the time that didn't want to do oil deals. But we got it to this point.

So comparable projects in Norway and the UK generate up to twice the public revenue. Why is Newfoundland and Labrador settling for less?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you, Mr. Speaker.

While he might think we're settling for less, the reason that we got this deal done is because this Premier is not going to settle for anything less for Newfoundlanders and Labradorians.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: In 2018, they failed. In 2022, they failed. In 2025, less than 100 days in, we made it happen. The previous administration had a new premier for 173 days and we were told by those companies that they had zero conversations with them. There weren't even ongoing negotiations. Now they stand up in here on their pedestal and they want to put stuff back on us.

We will absolutely deliver a floating dry dock. We will deliver this project and it will be changing (inaudible).

SOME HON. MEMBERS: Hear, hear!

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

F. HUTTON: Speaker, I recall during the campaign, the minister and the Premier saying they were going to guarantee 70 per cent of topside work be done here, and what they actually got was the opportunity for local companies to bid.

Speaker, there is no pedestal here. I'm standing at my desk; everybody in this Chamber has one. We are simply asking some questions. We're looking for answers. It's very difficult to get them, though.

There is a deal because Equinor says there is going to be a deal. Equinor has already delayed the project due to cost inflation and market uncertainty, what is the government's backup plan if, in a year from now, they say in their final investment decision that this deal is not going forward?

We hope it does. If it does, we'll support it, but what's the backup plan if it doesn't happen?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you, Mr. Speaker.

I could use the line from their history and say stay tuned, but I won't.

What I will say is that the promises we made revolved around employment in this province. They revolved around a future in this province. They revolved around a new industry in this province.

The building trades have expressed how happy they are with this. All of the players in industry have expressed how happy they are with this. Energy NL is happy with this. The federal Liberals are happy with this. The only people that aren't happy with this

are sitting across the way because they couldn't drag it across the line.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Mount Scio.

S. STOODLEY: Thank you, Speaker.

I ask the Minister of Finance: In terms of the upcoming budget, are the revenue and jobs from Bay du Nord in the fiscal forecast?

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

SOME HON. MEMBERS: Hear, hear!

C. PARDY: I say to the Member that we have forecasted in the out-years when we expect, in advance of 2030, for this production to begin. So only in the out-years would the Bay du Nord project be factored into the fiscal forecast going forward.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Mount Scio.

S. STOODLEY: Thank you, Speaker.

I'm glad to note that the Minister of Finance is saying that the Bay du Nord project is in the fiscal forecast in the out-years. That's very interesting considering Equinor have not yet made a sanctioning decision.

So I ask the minister: How can you put it in the fiscal forecast when there's no sanctioning decision?

SOME HON. MEMBERS: Oh, oh!

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

SOME HON. MEMBERS: Hear, hear!

C. PARDY: I think the genesis of the MHA's question would be the fact that comparable to the tobacco settlement, where they put all the money into one year and received it all to make the deficit look a little less and, I think, the Auditor General was correct. I think and, in my understanding, the Auditor General will have no problem with us having the fiscal forecast in the out-years beyond 2030 for the oil revenue that we would fully expect Bay du Nord to develop to the residents of Newfoundland and Labrador.

We think it's good accounting, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Mount Scio.

S. STOODLEY: Thank you, Speaker.

I'm going to write the Auditor General today and ask the Auditor General how they feel about the future Bay du Nord jobs and revenue being included in the out-years fiscal forecast when the project hasn't even been sanctioned yet, Speaker.

I ask the minister: Is the government prepared for the financial and economic consequences if Bay du Nord does not sanction this project?

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

SOME HON. MEMBERS: Hear, hear!

C. PARDY: Yes, we are.

The deputy Opposition House Leader had mentioned earlier in a question, she said, it's not about what's promised but it's about what is delivered. I would say to the MHA with the question, tune in to Wednesday to find out if we are going to deliver on what we stated.

SOME HON. MEMBERS: Hear, hear!

C. PARDY: We said in the fall fiscal update that any good governance has to be nimble and be able to adapt to whatever we faced because that's our responsibility for good governance. Watch us do that.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Placentia - St. Mary's.

S. GAMBIN-WALSH: Speaker, the Minister of Government Services stated last week in this House that he would make sure there was no homelessness, specifically here in St. John's.

Can he confirm that under this watch, no one in St. John's will be homeless?

SPEAKER: The hon. the Minister of Social Supports and Well-Being.

SOME HON. MEMBERS: Hear, hear!

J. WALL: Speaker, I thank the Member opposite for the question. As the minister responsible for Housing and homelessness, happy to stand on my feet and answer that question.

We, as a government, have a plan. We have a plan to move forward with housing. We have a plan to move forward to address homelessness. My colleague spoke last week very passionately and since then we have met with the Department of Municipal and Community Affairs, the minister and myself, to discuss this going forward.

We will have a plan, Mr. Speaker, and we will address housing and homelessness. Everyone deserves a place to live.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Placentia - St. Mary's.

S. GAMBIN-WALSH: Speaker, the Canadian Home Builders Association has said there's just not enough people to do the work.

How will the minister reach his goal of 10,000 houses if there are not enough people to build them?

SPEAKER: The hon. the Minister of Social Supports and Well-Being.

SOME HON. MEMBERS: Hear, hear!

J. WALL: Thank you, Mr. Speaker, and I thank the Member opposite for the question.

As my colleague, the Minister of Finance, just stated, good governance and good planning; and that's what we are doing here on this side of the House, Mr. Speaker.

We will have a plan. Come Wednesday that plan will be announced, and that will be good news for the people of Newfoundland and Labrador, especially when it comes to Newfoundland and Labrador Housing.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Harbour Grace - Port de Grave.

P. PARSONS: Thank you, Speaker.

Yes, and it's unfortunate that they wouldn't let the minister get up and actually speak and respond to what he actually said here in this hon. House, but – anyway.

Reports in the media state that numerous tickets are being issued as a result of the speed camera program. Will the court closures have any effect on the processing of these tickets?

SPEAKER: The hon. the Minister of Justice and Public Safety.

SOME HON. MEMBERS: Hear, hear!

H. CONWAY OTTENHEIMER: Speaker, I can say that addressing this issue with the courts has been a priority of our government. We are committed to collaborating with all partners to develop solutions to the issues that exist with respect to accessing justice and with respect to matters related to the speed cameras. I look forward to providing an update in the coming days on our government's investments in the province's justice system.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Harbour Grace - Port de Grave.

P. PARSONS: Thank you, Minister.

Again, I'm really disappointed in the minister's response as we just get promises. We get bravado, but we don't actually have any tangible details, any tangible answers since these court closures way back prior to Christmas.

So can the minister provide a date on which the courts will be fully operational and up and running again, other than they're just going to promise to make it work?

SPEAKER: The hon. the Minister of Justice and Public Safety.

SOME HON. MEMBERS: Hear, hear!

H. CONWAY OTTENHEIMER: Speaker, let me say that the state of our justice system can be attributed to the neglect, the indifference and the inaction of the previous government.

I would ask the hon. Member, and all Opposition Members, to stay tuned for our government's investments, which you will see in the coming days as we roll out the budget.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Thank you, Speaker.

When the COO of NLHS in Labrador took early retirement, the position was in acting capacity out of Central for a period of time. That person is no longer there, and now we're being told it's being run from St. John's. I am hearing, increasingly, from people that are asking to have decision-making powers back on the ground in Labrador. It's so important, given the complexities of operating in a northern and remote region.

So I ask the Premier: Can he tell the people of Labrador when the COO position under NLHS will be filled?

Thank you.

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

SOME HON. MEMBERS: Hear, hear!

L. EVANS: Speaker, the Member is correct, we do have a new person in the COO position. In actual fact, I cannot stress how vital a role the new member is playing.

We're actually getting action about medevacs, which, under the previous government's neglect, created so many problems. We're getting much help with schedevac, where patients are actually battling trying to get out. We're dealing with logistical problems that are legacy of 10 years of Liberal neglect.

In actual fact, this particular person has done so much and has engaged the Indigenous people, Speaker. I'm getting rave reviews from the engagement and the meaningful consultation by the member –

SPEAKER: The minister's time has expired.

SOME HON. MEMBERS: Hear, hear!

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

E. LOVELESS: Speaker, the previous Liberal government, joined by NLHS staff, community mayors, hospital staff, seniors and general public, announced an expansion of the Connaigre Peninsula Health Centre in Harbour Breton to include additional long-term care beds, family care clinic and acute-care needs, which is very important and something that is desperately needed in the region. The minister is aware of that.

Can the minister confirm that that expansion is a go or a no go in this coming budget?

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

SOME HON. MEMBERS: Hear, hear!

L. EVANS: Speaker, I'm sorry, I didn't get the preamble. Would the Member just repeat his question one more time?

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

E. LOVELESS: Happy to do so.

The previous Liberal government, along with NLHS staff, community mayors, hospital staff, seniors and general public were part of an announcement of an expansion of the Connaigre Peninsula Health Centre in Harbour Breton to include additional long-term care beds, family care clinic and acute-care needs, which we know is something that is desperately needed in the region.

Can the minister confirm that expansion is a go or a no go in this budget?

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

SOME HON. MEMBERS: Hear, hear!

L. EVANS: Speaker, in actual fact, our government is committed to increasing the number of long-term care beds, also increasing the personal care beds, because we know the burden that's being put onto our elderly population. We see them in emergency, out in the hallways on gurneys.

We are committed to increasing the long-term care beds. We are committed to increasing personal care beds all across the province. So, in actual fact, he will have to wait for the budget for us to get down into those details.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Burgeo - La Poile.

M. KING: Thank you, Speaker.

Last year's budget allocated \$4.3 million to operationalize a new CT service in Port aux Basques. Can the minister provide this House and the residents of my district an update on this project?

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

SOME HON. MEMBERS: Hear, hear!

L. EVANS: Speaker, one thing we're actually doing is trying to increase the access to services out in the rural parts of Newfoundland and Labrador. Our commitment in the budget for our MRIs out in the rural regions would increase access to MRIs.

We're also looking at expanding the rules of CAT scans, echocardiograms and all those resources. We have a four-year plan. We are going to be rolling out improvements across so that people out in the rural parts

of this province can actually have equity and be able to access the services that people in urban can access.

That's our commitment. It's a four-year plan, Speaker. I'll just have to say to the Member, he needs to stay tuned.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Gander.

B. FORD: Thank you.

Speaker, in preparation for upcoming forest fire season, other than the fifth water bomber announced by the previous Liberal government, what investment is the Minister of Emergency Preparedness making in the Atlantic Wildfire Centre based in Gander?

SPEAKER: The hon. the Minister of Forestry, Agriculture and Lands; and Emergency Preparedness and Disaster Management.

SOME HON. MEMBERS: Hear, hear!

P. FORSEY: Thank you, Speaker.

I'm glad that the Opposition is finally paying attention to emergency services.

SOME HON. MEMBERS: Hear, hear!

P. FORSEY: According to the Auditor General's report, they didn't when they were on this side.

Anyway, Speaker, in the emergency services, we are getting ready for this year's fire season.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

P. FORSEY: We just introduced, again –

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

The hon. the Minister of Forestry, Agriculture and Lands; and Emergency Preparedness and Disaster Management.

P. FORSEY: Thank you, Speaker.

According to the budget – I mean to say this year we did a pre-budget announcement of \$4.16 million in the fire protection and vehicles and equipment.

SOME HON. MEMBERS: Hear, hear!

P. FORSEY: That's an increase from (inaudible) –

SPEAKER: The hon. minister's time has expired.

SOME HON. MEMBERS: Hear, hear!

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

S. O'LEARY: Speaker, there is a case currently before the courts involving a man accused of murdering his partner in 2024, with the trial now further delayed until 2027.

When asked, lawyers were told there were issues with the availability of Arabic translators. Advocates are concerned that the Jordan ruling will come into play.

So I ask the minister: What concrete steps are being taken to expedite translation services and ensure timely access to justice?

SPEAKER: The hon. the Minister of Justice and Public Safety.

SOME HON. MEMBERS: Hear, hear!

H. CONWAY OTTENHEIMER: Thank you, Speaker.

I can say that, as this matter is before the court, it would not be appropriate for me to make any comment as Minister of Justice and Public Safety and Attorney General.

By way of explanation, I think it's important for the public to know that the reason for that is, in the interests of the public, this parliamentary system that we have in our government consist of three branches: the Executive Branch, the Legislative Branch and the Judicial Branch. The separation of these three branches ensures their independence. The independence of the Judiciary is sacred and we have to protect that.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

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

S. O'LEARY: Well, Speaker, the accused above was out on bail before, allegedly, murdering his partner. Is it possible this woman might be still alive today if this province had followed the lead of provinces like PEI and Manitoba by implementing ankle monitoring in cases of intimate partner violence?

The work has been done on ankle monitoring in this province, so I ask the minister: Why are we continuing to drag our feet?

Thank you.

SPEAKER: The hon. the Minister of Minister of Justice and Public Safety.

SOME HON. MEMBERS: Hear, hear!

H. CONWAY OTTENHEIMER: Again, Speaker, I have to state what I stated before. Any comment would be

inappropriate. The Judiciary is independent of government. It has to be free from any political influence. Any comment by me would affect that impartiality and that neutrality.

So, for those reasons, I have to decline any comment.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

Speaker, I ask the Premier: Which is greater, \$6.4 billion or \$225 billion?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, if I could quote from *The Beverly Hillbillies*, naught from naught is naught.

Until we have a deal, all we have is a potential. What we have done, Speaker, is make sure that the people of Newfoundland and Labrador get the best deal possible and we're going to have that –

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

PREMIER WAKEHAM: – review carried out and completed.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: The problem is asking an either/or question.

Okay, direct revenue to the province from the Bay du Nord, if Equinor decides to proceed, over 25 years, amounts to an average per year of \$256 million. Direct revenue from the Churchill Falls 50-year agreement amounts to, on average, \$4.5 billion annually.

So I ask the Premier: Which deals brings in more direct revenue to the province?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Mr. Speaker, we have a deal for Bay du Nord that will see this province prosper. It was the best deal possible for this province, and that's why we agreed to it.

When we sign a deal for the expansion of Churchill Falls and the construction of Gull Island, it will be the best deal possible for this province. It will be for Newfoundlanders and Labradorians. That is why there hasn't been a deal signed, but we will make sure that, when that deal does get signed, it's in the best interest of everyone in this province; it's not another giveaway for the sake of a giveaway.

So what this Premier has done is secured the future of this province.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

CBC NL reported a key member of Newfoundland and Labrador Hydro's Churchill Falls MOU negotiating team is leaving and taking a new job with a Calgary-based energy company.

Will the Premier admit that his government's lack of commitment to negotiating a deal is undermining our chances of ever achieving one?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, Mr. Parsons has decided to pursue career opportunities elsewhere. That's his choice to make, and I wish him well in his future endeavours.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The time for Question Period has expired.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Notices of Motion.

Notices of Motion

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

SOME HON. MEMBERS: Hear, hear!

C. PARDY: Speaker, I give notice that I will on tomorrow move that this House approve in general the budgetary policy of this government.

SPEAKER: Further notices of motion.

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

SOME HON. MEMBERS: Hear, hear!

C. PARDY: Speaker, I give notice that I will on tomorrow move that the House resolve itself into a Committee of the Whole on Supply to consider certain resolutions for

the granting of Supply to His Majesty, Bill 14.

SPEAKER: Further notices of motion?

Answers to Questions for which Notice has been Given.

Petitions.

Petitions

SPEAKER: The hon. the Member for Placentia - St. Mary's.

S. GAMBIN-WALSH: Thank you, Speaker.

The reason for this petition is as follows:

WHEREAS despite grading being completed two to three times a year, many sections of Route 91, Old Placentia Highway, remain in very poor condition; and

WHEREAS Route 91 is a vital gravel roadway used daily by residents commuting to work and to the hospital in Placentia; and

WHEREAS Route 102-1, from Route 100 to Route 91, is used daily by the motoring public and by fire and emergency services every time the Placentia lift bridge is out of service;

THEREFORE we petition the hon. House of Assembly as follows: We, the undersigned, call upon the House of Assembly to urge the Government of Newfoundland and Labrador to direct the Department of Transportation and Infrastructure to schedule grading a minimum of four times a year. We also request that both routes be maintained with the proper classification of stone.

Speaker, the issue here is, in fact, the Placentia lift bridge is often out of service when the fishery starts, and the fishery has just started. The up and down of the bridge causes it to go out of service; it's the cold Atlantic Ocean there, and the salt. When we took government in 2015, this bridge was

well on the way, so we had no choice but to continue on with the bridge. There were tenders and contracts and all kinds of things signed, and the bridge was pretty much built when we took government.

However, Speaker, the people in Placentia area know now that this was not the right bridge for the area, because often, as I said, the fishery has started and the bridge is constantly out of service. Over the last 10 years, we've done some changes. We put in solar panels. We put in a policy. We did different things, but the road that the people have to use, and fire and emergency services, when this bridge goes out of service, is absolutely deplorable. It needs a plan, Speaker. That's the issue. TI needs to put a plan in place for this specific road.

Thank you.

SPEAKER: The hon. the Member for Harbour Grace - Port de Grave.

P. PARSONS: Thank you, Speaker.

This petition, again, calls for roadwork in the District of Harbour Grace - Port de Grave, as well as throughout the province. The background to the petition is as follows:

WHEREAS the recently announced roads plan by the government features a decrease in funding of \$66 million from last year's roads plan; and

WHEREAS there are many communities in the District of Harbour Grace - Port de Grave that are in desperate need of roadwork repair; and

WHEREAS the current roads plan does not address these needs;

THEREFORE we petition the hon. House of Assembly as follows: We, the undersigned, call upon the House of Assembly to urge the Government of Newfoundland and Labrador to address the road deficiencies throughout the Harbour Grace - Port de Grave District

to ensure safety is put first for the travelers of its roads.

Again, it is certainly very disappointing to see such a significant cut of over \$60 million in the roads plan. When I attend events in my district, even outside my district, the people of the province are very disappointed to hear this; in particular, in the community of Bishop's Cove. I mean, yes, we all advocate, of course, to get as much work done as possible, but that said, it's hard to get every corner. There is work that is much needed in the community of Bishop's Cove, the town in my district, as well as even neighbouring districts.

My neighbouring district, of course, we share a border with Harbour Main, I even hear from constituents in that area where significant roadwork needs to be done but, unfortunately, fell short to see in this roads plan. I would like to consider the Premier and his minister to go back to the drawing board and, as my colleague, the Member for St. John's East - Quidi Vidi, has called in a ministerial response, to have the minister table the assessments by the engineers, the officials in the department, to see how these decisions were made.

We can't sit down and take this for four years. Roadwork is not political. It should not be political. Every person in this province deserves to drive on safe roads, as well as pedestrians.

Thank you, Speaker.

SPEAKER: The hon. the Minister of Transportation and Infrastructure for a response.

SOME HON. MEMBERS: Hear, hear!

B. PETTEN: Thank you, Speaker.

I had no intention of getting up on the response, but my hon. colleague from Waterford Valley, who's my critic here in the House, during his response to my

Ministerial Statement, which was about roadwork, he made a very valid comment, and I give him credit for it. He said: You're at capacity.

We don't have the capacity. It's fine to announce \$250 million worth of roadwork, but we don't have the capacity to get that roadwork done. So I thank him for clarifying that, and maybe he should talk to his colleague from Harbour Grace - Port de Grave, because that's exactly why we right-sized the budget.

SOME HON. MEMBERS: Hear, hear!

B. PETTEN: We can announce \$5 billion worth of roadwork and it looks great, and you can go on out in your district and say you're getting every road paved, there are 13 beer in every dozen, but that will not work because you can only do so much, Speaker.

In my expert opinion, from staff around me that provide this advice, \$250 million is a stretch; \$248 million is the most we've ever done. So I actually right-sized the budget, but I want to give credit to the Member for Waterford Valley for getting it right. I hope he educates his colleagues, that they understand the process of the predicament we're in.

When capacity increases, maybe we'll increase it but, right now, we right-sized the budget. We will have a great year in roadwork for everyone in the province, and we'll have safer roads to drive on.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Seeing no more petitions, Orders of the Day.

Orders of the Day

SPEAKER: The hon. the Government House Leader.

L. PARROTT: Speaker, I call Motion 1, introduction and first reading of Bill 13.

SPEAKER: The hon. the Minister of Forestry, Agriculture and Lands.

P. FORSEY: Speaker, I move, seconded by the Member for Cape St. Francis, that An Act to Amend the Forestry Act, Bill 13, be now read a first time.

SPEAKER: It's been moved and seconded that Bill 13, An Act to Amend the Forestry Act, be read a first time.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

The motion is carried.

Motion, the hon. the Minister of Forestry, Agriculture and Lands to introduce a bill, "An Act to Amend the Forestry Act," carried. (Bill 13)

CLERK (Hawley George): A bill, An Act to Amend the Forestry Act. (Bill 13)

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

When shall the bill be read a second time?

L. PARROTT: Tomorrow.

SPEAKER: Tomorrow.

On motion, Bill 13 read a first time, ordered read a second time on tomorrow.

SPEAKER: The hon. the Government House Leader.

L. PARROTT: Thank you, Speaker.

I call Motion 2.

I move, seconded by the Deputy Premier, that this House concur in the report of the Striking Committee for the 51st General Assembly.

SPEAKER: The hon. the Government House Leader.

L. PARROTT: Thank you, Speaker.

I'll read this out into the record just so Members here have the opportunity to make sure they're aware of what Committees they're on. The importance of these Committees, obviously, I don't have to stress them. We all know what our role is in here, so it's important that we know what Committee we're on and, certainly with Estimates coming, that we're there for this.

The Striking Committee was composed of myself – the Member for Terra Nova – the Member for Cape St. Francis, the Member for Carbonear - Trinity - Bay de Verde, the Member for Cartwright - L'Anse au Clair and the Member for St. John's East - Quidi Vidi. That was appointed by motion on March 9, 2026.

Then in the order of reference it was moved that, under the authority of Standing Order 65, the Member for Terra Nova, the Member for Cape St. Francis, the Member for Carbonear - Trinity - Bay de Verde, the Member for Cartwright - L'Anse au Clair and the Member for St. John's East - Quidi Vidi comprise a Committee and, in accordance with the *Standing Orders*, shall report within the first 20 sitting days the appointment of the list of Members to compose the Standing Committees for the House referred to in the Standing Order.

So the recommendations are and the Committees will be:

The Government Services Committee will be comprised the Member for Carbonear - Trinity - Bay de Verde, the Member for Fogo

Island - Cape Freels, the Member for Lewisporte - Twillingate, the Member for Mount Pearl North, the Member for Placentia West - Bellevue, the Member for St. John's East - Quidi Vidi and the Member for Waterford Valley.

The Privileges and Elections Committee will be comprised of the Member for Cape St. Francis, the Member for Harbour Grace - Port de Grave, the Member for Lake Melville, the Member for St. John's Centre and the Member for Terra Nova.

The Public Accounts Committee will be comprised of the Member for Fogo Island - Cape Freels, the Member for Labrador West, the Member for Lake Melville, the Member for Mount Scio, the Member for St. George's - Humber, the Member for St. John's East - Quidi Vidi and the Member for Virginia Waters - Pleasantville.

The Resource Committee is the Member for Carbonear - Trinity - Bay de Verde, the Member for Conception Bay East - Bell Island, the Member for Fortune Bay - Cape La Hune, the Member for Lake Melville, the Member for Labrador West, the Member for Lewisporte - Twillingate and the Member for St. John's East - Quidi Vidi.

Social Services Committee is the Member for Burin - Grand Bank, Member for Fogo Island - Cape Freels, Member for Labrador West, Member for Placentia West - Bellevue, Member for Placentia - St. Mary's, Member for St. George's - Humber and the Member for St. John's Centre.

The Standing Orders Committee will be the Member for Burgeo - La Poile, Member for Cape St. Francis, Member for Lewisporte - Twillingate, Member for St. John's Centre and the Member for Terra Nova.

This is from the Striking Committee, and these are the Committees that will be comprised in the House.

Thank you, Speaker.

SPEAKER: Are there any further speakers to the motion?

Seeing no further speakers, I will call the question.

All those in favour of the motion, 'aye.'

SOME HON. MEMBERS: Aye

SPEAKER: All those against, 'nay.'

The motion has been carried.

The hon. the Government House Leader.

L. PARROTT: Thank you, Speaker.

Order 2.

SPEAKER: The hon. the Government House Leader.

L. PARROTT: 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 9.

SPEAKER: It has been moved and seconded that I do leave the Chair and that the House resolve itself into a Committee of the Whole to consider Bill 9.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

The motion has been carried.

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

Committee of the Whole

CHAIR (Dwyer): Order, please!

We are now considering Bill 9, An Act to Amend the Future Fund Act.

A bill, "An Act to Amend the Future Fund Act." (Bill 9)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you, Chair.

I've just got a few questions, again, for the Minister of Finance.

The board of trustees, if he can talk a little bit about that, is it going to stay in place as it was in the previous iteration of this legislation? If there is any change, could you describe that, because there's no change listed in the new legislation brought forward or change to the amendments? I just want to confirm that there is no change.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I would confirm to the hon. Member that there is no change.

There is no change, but the practicality of the board now would obviously change, because if we were looking at extraordinary circumstances that would be, it's only restricted now to debt management, then the qualifications on that would be much different, but we have no plan on changing the trustees.

I can understand that some might question why you may need the environmental impact there on that trustee or that

committee at this particular time; some may question that, but no change.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you, Chair.

The duties of those said trustees we talked about – so there's no change in the composition, maybe you're going to add someone from an environmental background which, based on what you've said about the cleanup of sites, that may make sense.

So that would be interesting, because I don't think the membership in the previous iteration has the Department of Environment on there. So maybe that's something to consider for the new piece.

Yes, sorry. Then I'll get to my next question.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: The ADM for Environment, responsible for climate change, is a member of that board of trustees.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Perfect. Thank you, Chair.

I was getting to the duties; the duties aren't going to change for what information they're going to provide. So they're going to report to the minister quarterly on the basis of the improvements of the fund, invest and dispose of the assets, I guess that will change slightly if there are no more new investments going in other than just the growth on the fund that's currently there.

A trustee would exercise the powers of discharging the duties of a trustee, which is standard for this; act honestly and in good faith, of course; and exercise due diligence.

I don't think any of them are going to change, correct?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: Just to state that that would be correct, Mr. Chair.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you, Chair.

You mentioned last week, which was interesting, that the Future Fund will appear, I think you said Schedule I in the budget process, whether that's Estimates or in the budget document itself, for some clarity, if you could let me know that, and it will appear there every year and show the growth and/or if things have been removed from it, am I correct in saying that, Minister?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I say to the hon. Member, I'm trying to recall which schedule it will be in, but it will be there within the Estimates for us to see on Wednesday of this week.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you.

I think last week we – uncovered is not the right word. I don't want to say it that way because it wasn't negative in any way. It was through questioning that we determined there wasn't a space where we would actually understand or know if there were any funds removed out of the Future Fund in between budget cycle? When I asked that question last week, I thought you had said that there was no mechanism currently existing – there may be something coming, but there wasn't anything other than just the

budget process, so we would wait until this time of the year every year, the first part of April, to determine if there was any money taken out of that fund in between budget cycles. Is that correct?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I say to the Member with the question that I know that, on Thursday morning, the Leader of the Official Opposition was on the VOCM morning show. I addressed that last week in Question Period on Thursday, and two things he had stated were: one, that the Future Fund will decrease or go down; and the other thing was the fact that it would be used as a piggy bank for to pull money out.

So I know that I've stated this being now – at that point on time, on Thursday, it was over 70 hours from the briefing. Two points of clarification would be the sinking fund will continue to grow, but it won't grow to degree unless we're putting more money into it. That would be accurate. The Future Fund to be used as a piggy bank is inaccurate. That's inaccurate.

For the record, we've said numerous times, that there is no appetite to draw from the Future Fund because the Future Fund is to be used exclusively for debt or for liabilities that would occur. That would be the thing.

If the Future Fund, something came that it was going to be applied to debt, how would you know? Well, I know that you would certainly know by the next Estimates within that time, but one from budget to the next budget, no, there's probably not a capacity to say that, you know, money was utilized to pay on debt. The officials would have determined that we were strategic to access that money at this point in time. I can't envision that occurring. I can't envision it with the sinking funds being a valued part of reducing debt. I really don't see that.

We've got an insatiable desire to put more money in, and we've stated to put more money in, we want to get to a cash surplus. I know we're all right if Bay du Nord materializes; if the MOU and the deal on the Upper Churchill, what we've got, materializes, we may see a cash surplus, maybe, in the not-too-distant future. At that point in time, we will eagerly put money into the Future Fund.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: You mentioned the sinking fund just now. I guess in the absence of knowing what happens in between budget cycles, I guess that's where the Leader of the Opposition went on Thursday morning; he was unsure exactly what they could be used for.

We know it can be used for paying down debt of course, like that's the only thing it can be used for. I guess it can be used to either pay off a debt in its entirety or it could be used to contribute into the sinking funds for debt as they come due. Is that a correct summation?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: The provision is that it can be used to service debt wherever it to be the most strategic and advantageous for the residents of Newfoundland and Labrador, then we would service debt. Whether that particular money would be used to service debt at what point in time, I can't begin to tell you. The only thing I know is that there was nothing ever envisioned that the money would be used for a sinking fund to contribute and pay off debt.

I'm not sure if the sinking fund could fit into the category of paying off debt. It's a fund that mirrors the debt that's levied, but it's almost a fund, in and of itself, that is paired with debt that is drawn. I don't envision that,

but could it be used to pay debt from this fiscal to the next fiscal if it proved to be advantageous for the residents of Newfoundland and Labrador? I guess, yes, it could.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: I'll just pick up on one of the words you said, Mr. Finance Minister. If Bay du Nord – we all hope on this side of the House Bay du Nord comes to fruition for the people of the province.

You've mentioned a number of times now, insatiable desire to pay debt, which is good. As I've said many times, I believe you when you say that that's what you want to use it for. The scepticism – and I guess it's not really scepticism, we're just unsure. I want to make sure that when we established a fund like this, it was established with the intention of trying to make it so future generations would benefit. I think you've highlighted the differences in our viewpoint on that, which is fine.

It's not saying that you don't want the future generations to benefit, because that's not what you said, you want to invest in paying down the debt versus putting into a Future Fund; not to say you're not going to put in, it's just you're waiting until we're into a better financial situation, using your words.

You have more knowledge about the finances now of the province, just because you're going through the budget cycle, do we envision any assets of greater than \$5 million that would be able to be put into? That's the other stipulation in the Future Fund, where any sale of those assets would be put into there. Do you see any on the horizon? I'm not asking you what they would be, but do you see any on the horizon?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I certainly wouldn't be aware of any pending sale. I'm not aware and had no discussions privy to that.

Keep in mind that we reduced our borrowings for this fiscal by \$186 million. That's what we would have had to borrow and add on to our deficit and our debt, \$186 million. So we did that and, remember, saving money is not the problem. The only thing being, that we're going to be held accountable for our bond rating agencies if our debt is increasing and our deficit is increasing. Our goal would be to get into a cash-surplus position. I think all investors value our GDP and what we've got.

We will announce that we will lead the country in GDP by a significant amount this year – a significant amount, we will lead. I guess with the pending projects that are happening, it's creating a lot of interest in investors, but I would say to you that we always have to manage our debt. That is the one that shows out in the lending money, and I would say resource rich, we have, and with the lowest borrowing classification in the country. Well, that speaks volumes. We can't keep growing the debt to the magnitude and the degree we have been.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you, Chair.

You mentioned bond rating agencies, and that's true, the current bill that exists today was viewed positively by bond rating agencies. This one is viewed somewhat positively. I'm not saying it's much of a difference, but from an economic standpoint it probably would be. If we invest – just using very basic numbers – \$100 into the Future Fund and we pay off \$100 worth of debt, we're actually better off putting \$100 in the Future Fund because the rate of return is greater than the cost of borrowing that \$100, right?

I mean, that's using your numbers that you gave us last week. You can confirm if my numbers are correct, but we've made \$64 million on the Future Fund so far since its inception over and above what we put in. That's what the staff had told us. So there is a point at which I agree with you, that paying down debt is not a bad thing, it's a good thing, but if you can make more money on investing in a Future Fund or even, as you said earlier, sinking funds, then that's not a poor investment. It's viewed very positively by the bond rating agencies.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: Mr. Chair, the figure we've earned on the Future Fund by putting the money into the Future Fund is about, since the inception, \$56 million. That's a large amount. When you look at the earning power of a Future Fund, that is a large amount, and who wouldn't look at that as a positive. There is no doubt about that, but here's the kicker to that.

From the time that our government started that fund, and any time you save is a good thing, you've added, in that time, \$755 million to the deficit and the debt. So \$56 million is a good figure of a Future Fund that we would say that we ought to be excited about, because we did save that, but to think \$755 million had to be borrowed for us to maintain our operations, that is the uncomfortable part.

If that continues to grow and grow forward, you will know that, if you're looking at the linear of what you invested in, the time you invested, the amount of money, it is the accumulation of the debt that really hits you over a period of time. Everything is cumulative. So it's the large size of the deficit and the debt that we've got to service. If we were in a cash-surplus position and we didn't have to borrow for anything and we all of a sudden had \$400

million, then I think that is a wonderful time that we can have the lion's share of that go into a savings fund, which is a fund for what we call the future.

We'll continue to add that 1 per cent on any debt that did not have a sinking fund to it. We will put that money into it so that works to pay off debt that does not have a sinking fund that will come due at some point in time in the future. I think then we're into a win-win situation.

So the value of the sinking fund, saving money is great; having to borrow with a compounding debt that gets larger and larger, that's the element and the factor that concerns us. Again, we didn't have to borrow \$186 million this year to put money into the savings account. I think, at least, that trims down us adding to the deficit, to the debt.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you.

Thank you for correcting the number. I think I was told \$64 million, maybe it was my math that is wrong there.

I think we put in \$469 million and the fund is now at \$533 million. I thought that gap was about \$64 million in return on investment that we've received over that time frame. I can stand to be corrected, but that's what I thought it was.

That's okay, I'll ask my question. If I'm wrong, I'll apologize to the Chair. I just may have made an error in addition.

There is some good opportunity here based on your numbers that you gave to us last week, which I thought was really good. The cost of borrowing was a little under \$4 billion this year – \$3.76 billion I think you said – and the amount of money that we were making on the fund previous to last year was 5.6 per cent. This past year was over 7

per cent. So just so the public is fully aware, the Future Fund is doing exactly what it was supposed to do, which is outperform what it would cost us to borrow that money.

There is a rate of diminishing return which I do agree with you on. That's why we put in sinking funds, as well, at a similar time, to plan for the paydown of that debt.

The other really interesting part that the general public will be interested to know is, when debt comes due, like the billion dollars worth of debt that's coming due in June for the province, that could be 20 years old. They don't know exact, maybe you can tell me how old that debt is, but I think it's in the 20s. When we negotiated that back 20 years ago, the rates were higher than we're paying now for that money, so we're saving on that as well. Every time we renegotiate those or it comes due – we hope that continues. I'm not saying it will, but it has for the last little bit, getting a better rate on the money that we borrow to fix.

I've only got a couple of questions left, Minister of Finance. One is what are your thoughts on the fact of – and I think you answered a little bit in Question Period – the Government of Canada establishing a Canada Strong Fund today?

Starting that fund with \$25 billion over the next three years and then allowing some opportunity for, which I thought was an interesting point, individuals to may be able to buy into that fund as well – and very early readings on it. I don't claim to know everything about it, but I just want to get your initial thoughts based on what we're doing here.

I am quite happy that you're not following through on your election platform of disbanding this entire fund. I am happy about that. I think that's a very good move, that the fund stays. I would like for more contributions to go into it, because I think that's a measured approach and it would be good. Like I said to you before, I'm fine with

putting stipulations in that it can go on debt only, and my colleagues – ask 40 people what they think about something and you may get 40 different responses, but I can live with that choice as well.

I just want to get your initial thoughts on where the Government of Canada is going, and the extensive background that he has in finance and economics. You know, he's fairly well educated in that area. I think you even said that about him earlier. So just your initial thoughts on that, because I know it probably hasn't got vetted quite heavily through the department yet because it just came out.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: It's a sovereign wealth fund, I think, to have the nation become more productive for major projects. It's different from the Future Fund, which I think the genesis was for the future – that you would save money for the future. I think you and many people have compared it to Norway. My understanding with Norway is that they were debt free when they started putting money into that. Unfortunately, in our jurisdiction, we haven't been debt free; at least not, I don't think, since Confederation, have we been debt free.

So there are two different funds, but would I agree with the sovereign wealth fund to create for advancing major projects in our country in light of the situation between us and our neighbour down south? I don't disagree with that. I think that's probably a good venture.

In ours, we want to make sure that we do leave it for the future, but to save money is one aspect and to not increase the debt for our future generations is another one, which I think all 40 Members of the House would agree, if we can reduce our debt that we leave for our future, that is planning for the future too.

So I don't think you can inextricably say that one is different than the other. One to save, and then the other one is to reduce the debt that you've got for future generations. If we achieve that to a significant degree, then that's a good thing and, in my opinion, that would be planning well for the future as well.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you, Chair.

The federal government has debt as well, as we've highlighted. Their financial position is in a good situation, which is great in the G7.

I think two things can be true at the same time, and I think what we've uncovered through conversations here is that two things can be true. I think the hon. Member for Waterford Valley had mentioned that paying down debt is never a bad thing; I don't think anyone on this side of the House will ever say that that's a bad thing. I think there's a measured opportunity that we have and that's where I'm coming from with those questions.

So saying two things can be true is not wrong in this case. It is good to invest in this and we're getting a very high rate of return. It's really good when we put money into sinking funds, if we're getting a good rate of return, I think you said somewhere over 8 per cent. These are getting 7.6 per cent, so it's pretty close. It's a little higher in the sinking funds, which is good.

I think – in your own words – behoves us all in this House of Assembly when you say words like we're going to lead the country in GDP this year, not by a little, I think by a lot is what you said, which is always good. That's part of the reason why the Future Fund is such an important piece for me and why I'm talking about it so much. We have the ability today, when we are leading the country, to put money away for those children that we have and paying down debt

will help that too. If there's only one thing I can say it's that it would be great if we could do a little bit of both. I think having a government be directed to do some measure would be a good thing, and I think the public and bond rating agencies and everyone would view that very positively.

My last question is, since we started talking about this last week, I'm sure nothing has changed with respect to the thoughts and the process that you had in mind of doing this. We're not putting any lockbox around it again or looking at – obviously, we're keeping it to debt servicing only, which is your prerogative and fine. There are no other parameters that we've talked about here over this past week that gave you pause for thought for any moment on slight changes to the legislation.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: I think in your briefing that you had they used the words "credit positive" if we were just going to focus the Future Fund on debt –

B. DAVIS: Somewhat.

C. PARDY: You know, somewhat what we would have.

Any time that we had to invest in anything, we needed to borrow money. That's the thing that we have some reservations about, is that we need to borrow money to do it. The oil industry is pretty volatile. I think we all know that the oil industry is volatile. The interest rate, and with the uncertainty in the world, is another thing that if someone is going to predict what that's going to happen in the next one to two years, well, we'd like to hear from you if you have that. Sure, there are ones that can make a prediction that we can do it.

Keep in mind that, on December 31, the Future Fund was valued at \$533 million. In

20 years, that will be \$1.4 billion, so it's going to grow. Would we like to put more money into it? Yes, we would. The thing would be, is it advantageous to borrow money to put money into it? That's probably what we have a difference of opinion on.

We agree that, on the sinking fund, to attach for debt, we'd like to increase by 1 per cent. I think I gave the example on Thursday – at least I hope I did – that if we had \$4 billion debt, then instead of putting in \$60 million, we're going to put in, right now, \$100 million. We're adding another \$40 million into that sinking fund. We've got to borrow. We've got to borrow for that. You can ask and say what's the difference between that and borrowing more and putting into the Future Fund? We're thinking that attaching the sinking fund to debt that we have to get it paid off earlier and for it to grow, we think that's right.

So while you say some combination of it, then I think we're doing that. The only thing, we're putting that 1 per cent more into the sinking fund, which will be \$40 million that we're going to put into a for-savings account to pay off debt when it comes due.

We are doing that. I know that it's not going into that Future Fund but, the only thing being, again, the money that we accrued and made off the Future Fund, and we look at the last 10 years, our debt grew by \$12.9 billion, that is the factor that we've got to look into and say, listen, we're going to be as frugal and spend as fiscally conservative as we possibly could going forward to look at it.

That's our goal, to do that, and we would hope in the very near future that we're into a surplus, that we can put some money into savings and pay off more debt. Boy, that would be an exciting day that we would have here in this Chamber. I think we'll all take great pleasure in that.

CHAIR: The Chair recognizes the Member for St. John's Centre and Leader of the Third Party.

J. DINN: Thank you, Chair.

Just a question with regard to withdrawals.

I think the minister has said that it would be identified, around the fund, I guess its progress or its status, in the Estimates, in budgetary documents. I'm just curious then, how would withdrawals from the Future Fund be communicated to the public aside from that? Is there another way that any withdrawals from the Future Fund would be communicated to the public other than waiting for the budget process?

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: I'm not sure now if my officials may send me a message as to any other way, but I know Estimates will.

The only thing I could inform the House was that there is no desire to pull money out of the Future Fund. If we pull it out because it's advantageous to pay on debt, because we think it has more value, then would the House know of that? I don't think there's any provision here for it to be informed of that.

The sinking fund is committed that you don't touch a sinking fund once you put into sinking fund. I mean, that is legislatively put in there. The only thing we're legislatively putting in there now is that we pull it out to pay debt, but how soon would you know, would you know before the next budget? I'm not sure what capacity it is for you to know that.

I know that when we look at Estimates and you sit down in Estimates and you look at the line item, which will come up in this week or next week, then that's a fair question. Will you have knowledge if we

decide, where it is advantageous, to take money out of that and pay debt in advance of the next budget year? The minister told you that I will certainly share with you if ever that occurred, but is it in legislation? No.

CHAIR: The Chair recognizes the hon. Member for St. John's Centre and Leader of the Third Party.

J. DINN: So why wouldn't the government communicate that? Why wait until the budgetary process?

Because, as we see, the process seems to have been delayed this year until the last possible moment and, other than the few Members in the minister's district and others who religiously watch and tune into the proceedings of the House of Assembly, it's unlikely that many are going to know about it, nor is it going to be reported.

So I guess the question is: Why wouldn't that be part of it? Secondly, why wouldn't that be something the government would automatically do or does this require now an amendment to this for that happen?

I guess it's about transparency, Chair.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I say to the hon. Member, there is no difference now than what it was in the Future Fund previously.

Through the budget process and the loan bill, it would have to be clearly stated as far as the movement of money and where the money is being accessed and going to. That would have to be part of the House of Assembly proceedings. I would think, in the planning process, that if we had and are going to use money this year from the Future Fund, then that would be part of this budget process that you're going to see coming up this year – coming up in the

Estimates this week. That's part of the budget process.

So if we were going to move any money for debt that would come out, the House would be aware of it through that budget process that we would embark upon.

But I think your question was can it occur somewhere between this year and the next fiscal end if something happened. My understanding is that that ought not to happen. It shouldn't happen because, legislatively, it has got to be through the budget process where that would occur. For money to be taken out, it has got to be part of the budget process, so the line item comes up in this budget item. The line item is there. If there's no mention in the loan bill that money will be paid for debt or money coming out of the Future Fund, then I would say it ought not to occur in advance of the next budgetary process next March.

CHAIR: The Chair recognizes the Member for St. John's Centre and Leader of the Third Party.

J. DINN: Two things, I guess, Chair, thank you.

I know the minister said this has not been the process so far. I would put it to the minister that this is a new administration with a promise to do things differently, to be more transparent and, I guess, as we can see, re-establishing or redefining or reimagining the Future Fund. That's the first thing. I can't see why they wouldn't.

I guess the question becomes – I think the minister said it ought not. I think the minister said any knowledge or information of the Future Fund being withdrawn ought not to be made public, and I apologize if I misheard the words. That's the first thing and, secondly then, in light of the minister's own promise and the government's promise to be that much more transparent, would he object to an amendment that would allow for that, that would allow government to make

people aware when money is being withdrawn to service the debt?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I would say to the hon. Member that if ever the usage of those funds were going to be utilized for debt, I certainly have no problem in making sure that I inform the hon. House that that would be the intention and the rationalization for that to be done.

I can give you my word on that for the official record that would be here, that if ever those funds were ever going to be accessed, then this hon. House will be aware of any, we'll say, deduction from that Future Fund.

CHAIR: The Chair recognizes the Member for Corner Brook.

J. PARSONS: Yes, thank you, Mr. Chair.

I understand that we're adding an additional 1 per cent to our sinking fund contributions. Is that correct?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: Yes, that is correct. That wouldn't be in the – but you know that's in policy.

J. PARSONS: Yes.

C. PARDY: Good. Thank you.

CHAIR: The Chair recognizes the Member for Corner Brook.

J. PARSONS: We talked about some of the purposes of these sovereign wealth funds, one of which, of course, there's the rainy-day fund aspect that some sovereign wealth funds are used for to get us through tough

times, whether it's a pandemic or collapse in the industry or something like that.

There's also, of course, intergenerational wealth, which we're talking about as well. I know funds often pay only contributor interest on the fund to operational things or to other generations, and then, of course, there is, as we talked about earlier, the option like with the new fund that was announced by the prime minister, which a big part of that seemed to be to do investment in strategic priorities.

Given the fact that we're adding, contributing more to our debt, sinking funds, to cover off debt better, in the minister's opinion, why are we deciding to limit ourselves by taking away the ability to respond to extraordinary circumstances or strategic priorities?

I guess I just want to understand the rationale for why government wants to limit itself in that regard.

CHAIR: The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

C. PARDY: I think – not I think, I know that at the briefing they mentioned about the investors and the bond rating agencies would look at that if there was some other political means of which the money was going to be used for, for some special project of which Cabinet decided, then they didn't look as favourably upon that as what they would if a withdrawal was used for debt management.

Now, that is the term that was used at the briefing – even though I didn't hear it now, but my understanding would be, that's where it would be credit positive, what they would think, and that was the deal.

When we look at extraordinary circumstances and think that some event may occur, then there's always a grey area with that too. When I say that, it still comes

down to a political involvement that you're going to have to decide.

If I said to you that we had a natural disaster in the community of Dunlop – you notice I use one that don't exist, Dunlop. So Dunlop had a natural disaster and you figure what the amount for the remediation of Dunlop would be around \$14 million. Would that be an extraordinary circumstance?

In my office we had three people, not that long ago, and I said, well, I'll give my opinion. I wouldn't class that as an extraordinary circumstance. The other two that were in my office thought it would be, so we have three people and there was a difference of opinion.

It came down to like a Cabinet decision and a Cabinet decision would be the majority are going to rule as to what is – so we have a grey area of what would be an extraordinary circumstance. There's no grey area of paying debt. You pay debt as long as the feasibility, but what it wanted to do was to eliminate the grey area where it may be used for some special projects or some other ones.

I think the Leader of the Third Party on *Issues and Answers* might have mentioned about the extraordinary circumstances at that time. Well, the previous government had a contingency fund of \$200 million. I stated in the House, we had it because of the unknown trade sensitivities with our southern neighbours. We didn't know what to expect, so we had a contingency of \$200 million that if any extraordinary circumstance arose, that was going to negatively hit us, financially, we had that fund available as a contingency fund. That would serve an extraordinary circumstance.

So we've got the ability. This year in the budget, I think you'll find out – here's another little tidbit – that it's not quite \$200 million, but we're not far off. We're going to have the contingency there if something ever happened.

One thing I would say to you is that any time you've got an extraordinary circumstance that is really a clear one, we're going to have the federal government being participants in whatever occurs too. I can't think of one that we've had where the federal government has not been a part of some natural disaster or something that affects the province negatively.

I think we've got that covered. It doesn't have to be the Future Fund, but we do have that. But know that that will affect the deficit and the debt. As we pull out of that contingency fund, it is still going to add to our deficit.

CHAIR: The Chair recognizes the Member for Corner Brook.

J. PARSONS: Thank you, Chair, and minister.

Yes, I understand there would be contingencies. Could you tell us how those contingencies are held? Are they held in cash or how are they held? What interest are we drawing on those rather than being in a fund like the Future Fund?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: Good question.

My understanding – and I'm going to be corrected – would be that they're held in cash that we've got that we can access that money in the event that we need it.

CHAIR: The Chair recognizes the Member for Corner Brook.

J. PARSONS: You can anticipate probably the next question is, why wouldn't we consider using our Future Fund as a means to maintain a certain amount of – and I know, again, a mixture of cash and other investment instruments, of course. But to have this, whether it's a rainy-day fund or a

strategic priorities fund, so that we are getting interest and investment money on that while we are anticipating using those funds in ways, other than debt, where it makes sense.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I think you mentioned at the end, other than debt. But the thing is the amount of debt that we've got, and that's the bottom line, to try to reduce what the borrowing would be.

I know that when I say the cash, we've got the ability to borrow. When we borrow, yes, it is cash, but really it's the ability to be able to borrow it, once we pull it out, then the materiality of it becomes existent. But really, it's there in case we need it. We've got the ability to access it. Then when it's pulled out, it is certainly cash.

I would think, to put money into the fund with the amount of debt we've got, and we've got to borrow it to do so and add it, that is the issue. There's nothing secretive about that.

I would say to you that, I've stated before, the Member for Conception Bay East - Bell Island had mentioned about an individual that had a mortgage on their house. Why wouldn't they continue to save? He's correct. You would suggest that they would. The only other thing would be is that you had a large amount of debt on a credit card and, all of a sudden, the interest you're paying on it and that was building, I think most investors would say address that before you save, because you're probably going to have more money going out on the other side.

When I say more money, again, it's a job to know what the value of the borrow would be to the expanding debt that we've got. That is the issue. We think that we are investing and saving for the future. We think we do by

reducing the debt with the increase in the sinking fund is going to pay us dividends – the \$1-billion debt that has come forward, that the hon. Member mentioned earlier, there is no sinking fund attached to that. That will be 2.5 per cent, now, attached to that as we recycle it out, again – future debt payment.

CHAIR: The Chair recognizes the Member for Corner Brook.

J. PARSONS: Yes, I guess the analogy with the credit card is the issue I have in terms of the interest rate we're talking about. I think we said it was 3.76 per cent was what it cost to borrow for us last go-round. In terms of the analogy with the credit card versus, as I say, a mortgage payment probably doesn't work. I think the borrowing money and paying down debt versus contributing to a Future Fund for strategic purposes and for other uses.

I think there are two issues here. One is the validity of investing in that Future Fund. Putting something away for a rainy day, the next generation, whatever. Then there's also this issue of whether or not we would actually use the funds for other purposes or restrict ourselves in this way to only – especially, when we are – and it sounds like in the budget – going to increase our contributions to our debt through the sinking funds.

We have that mechanism to do that. It seems redundant to do it with the Future Fund as well. That's my point, and I was just wondering if in terms of why the rationale, again, to limit yourselves – I know I have full faith that government will do the right thing, of course, but why would you not give yourself the ability, the flexibility?

In terms of credit agencies and whether or not it would be considered credit positive or whatever that means, I'm sure that having the funds available to either rescue ourselves because of an industry failing or a natural disaster or something like and

having that ability to do that would be seen as something that credit agencies would see as a positive factor, for sure.

I don't know if you, Minister, would think that's true or not. Is there any other reason why we would take away government's power to use this for anything other than debt?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: We had that we should take away the political power to be able to use the money for a political purpose. That's it. Whether you were in power or whether we're in power, all we're saying was take away the ability that we can utilize that money for any other purpose other than debt.

I went to a Finance meeting in Ottawa and we sat around the table, and in that Finance meeting, when I had an opportunity to speak, I talked about the Microsoft licences and what would benefit us in Newfoundland and Labrador. If we went with the federal government and piggybacked on the federal government for the Microsoft licensing, about \$890,000 is what we would save with that.

But also, talking about we want now to work together, we want to build a nation – my final comment to the minister of Finance in the federal government was – he excitedly proclaimed that they have the best credit rating that exists, the AAA. Do you know what? That was exciting. But I sat at the table with the federal government with the best one, and here we were in Newfoundland and Labrador with the lowest one of all provinces.

I would say if the debt increases, if the deficit continues to increase without a fiscal plan, then I would fear that not only being the lowest, but our greatest fear would be that we would be lower even. All that has a

cause and effect. I don't know what point – if we're looking at 33 per cent or 43.5 per cent as far as debt to GDP, per capita, what we would have, then that's a large number. That's the largest in Canada.

Our GDP for our resources is fantastic. We just got to make sure that we match the expenditures that keep it in check. We can't and don't desire to have a lower credit rating than we currently have. So I'm just saying, we've got to be accountable – not you, you'll hold us accountable going forward, but our goal is to try to say, listen, the lenders are going to say they're getting it right. We're going to pay on debt. We've got a plan to tackle the debt going forward that it doesn't continue to grow. That's on us, now, for those decisions.

All I'm saying is we're going to invest in the future with the sinking funds. We're going to maintain that Future Fund with no desire to pull anything out of it – nothing. We don't desire to pull money out; we want it to grow. We have a desire to put money in.

The credit positive from the lenders, if we take the political influence out of that, that all of a sudden is exclusively for debt, that is what they look at as being credit positive.

CHAIR: The Chair recognizes the hon. Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Mr. Chair.

I'm going to ask for a bit of leeway, because I stood here listening to this, the fund itself, Future Fund, and I seen people on this side of the House and people on the other side go 10 or 15 minutes on the MOU, how that would be a Future Fund for us.

We've seen people give a full 20-minute speech on it, so I'm going to go on the MOU a bit, about the Future Fund if we had the agreement signed with Quebec. I just give a bit of history –

CHAIR: I remind the Member that we are talking about Bill 9, An Act to Amend the Future Fund Act. If you want leave to talk about something else, you'll have to ask the House for the leave.

E. JOYCE: Leave?

AN HON. MEMBER: (Inaudible.)

E. JOYCE: I got leave, thank you.

Mr. Chair, what I'm going to say, no one shouted out no leave, so I assume I have leave. Thank you.

What I'm going to do, Mr. Chair –

CHAIR: One second, Member, as I'm just informed that leave has to be unanimous, so I'll ask the House, does the hon. Member have leave?

The Chair recognizes the hon. Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Thank you, Chair.

I am just asking for clarity as (inaudible). Is the Member asking for leave to speak to something different than what's on the floor? If we're granting leave, I would look to the Government House Leader, are we setting a precedent now for the rest of the spring, as we move forward, that that's okay?

We got called a lot of times on relevance in the last three weeks by the Government House Leader to say this is not relevant; this is not a money bill. So I would ask for that, in fairness.

CHAIR: The Chair recognizes the Government House Leader.

L. PARROTT: Chair, what I would say is there was a clear ruling from the Speaker last week about the latitude and a Member getting to that point. I haven't heard anything yet that would cause me to stand

and say point of order, relevance. So if he goes there, I'll stand, no different –

AN HON. MEMBER: He said leave.

L. PARROTT: What was the question?

CHAIR: He asked for leave to speak –

L. PARROTT: He asked –?

CHAIR: – to tie the MOU to this legislation.

L. PARROTT: I think we have to hear what he got to say.

CHAIR: The Chair recognizes the Member for Humber - Bay of Islands.

E. JOYCE: Do I have leave or not?

CHAIR: Does the Member have leave?

AN HON. MEMBER: Leave.

L. DEMPSTER: Not to speak to the MOU (inaudible) –

E. JOYCE: Okay. No problem – no problem.

CHAIR: Leave has not been granted.

E. JOYCE: I just want to put it on the table that the Member for Cartwright - L'Anse au Clair would not let me speak on the MOU in this House of Assembly, which would help give us a Future Fund. So I just want to put that on the record. The exact same minister –

L. DEMPSTER: Point of order, Mr. Chair.

CHAIR: The Chair recognizes the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Just for clarity – and I am always thankful for *Hansard* in this hon. House – my question to the Government House Leader was if we are debating the Future Fund, while we're in Committee on

the Future Fund, is it okay to talk about something else? Because up until now, it hasn't. That's all. I didn't put any words in anyone's mouth or whatever. That was just what I was seeking clarity on.

CHAIR: The Chair recognizes the Government House Leader.

L. PARROTT: Mr. Chair, I answered that question. So a Member of the House doesn't need leave prior to speaking. What I would say is that the Speaker clearly ruled here last week that individuals have latitude to get to the point, and if they don't get there, then either the Chair or the Speaker will call them on relevance, or me as the individual or anyone in this House has the right to stand on a point of order, Article 48(1) or (2) and speak about relevance.

The Member, in my opinion, has every right to get up and speak, and if he goes outside of relevance, then we have the ability to stand up. So he doesn't need leave in order to speak, and that was ruled here last week.

AN HON. MEMBER: (Inaudible.)

L. PARROTT: I know, fair – I know.

CHAIR: So leave hasn't been granted and we'll see where the conversation goes.

The Chair recognizes the Member for Humber - Bay of Islands.

E. JOYCE: I just find it's very odd that the Member for Cartwright - L'Anse au Clair let her own Member speak for 20 minutes on the same issue I'm trying to bring up. Now, all of a sudden, I've got to ask for leave to get it.

Why are you scared about the MOU that you guys went and signed? Why are you so scared? Why are you so scared about the MOU? How are you going to put that into your Future Fund?

Don't bully me; I'm speaking.

CHAIR: Order, please!

Please address the Chair.

E. JOYCE: Don't go bullying me. You're not going to bully me by speaking about me, I'll tell you that. I can tell you that right now. I'm speaking –

SOME HON. MEMBERS: Oh, oh!

CHAIR: Order, please!

E. JOYCE: I am speaking, so please respect me and my speech, please.

AN HON. MEMBER: (Inaudible.)

E. JOYCE: You're going to listen to me? That's good.

The MOU could've been great – if we had to get a good MOU, it would've been a great Future Fund.

So, Mr. Chair, what I did as an Independent when this came into the House in January, I said, well, they have majority, the Liberal government has the majority, so I want to make us strong. I worked with another Member and the Leader of the NDP to come up with an oversight committee. We set out the grounds for the oversight committee, and in it, it says: Memorandum of understanding, December 12; MOU progress towards a definitive agreement and provide advice to Cabinet.

Now, if we had to get this properly done, we would've had a Future Fund. This is my point on this MOU. We wouldn't be here today talking about this, so what happened – and this is the question about how the Future Fund got derailed. We passed that motion in this House of Assembly, we passed it, and it was part of the government law that we voted in this House and we approved.

Now, someone – someone – changed that when they wrote the chair of the

independent review committee in May, almost five months later, to change the terms of reference. If we didn't change the terms of reference, we might not be here today with that.

This is why this is important when we're talking about a Future Fund for everybody, is that we could've been done here today.

I just wanted to read it, the letter. This is the letter to the independent oversight committee: "In our view, involvement on the Panel in the Term Sheets negotiation process is an inappropriate level of integration with not only the negotiation team, but it also inserts the Panel into the pre-existing oversight role by core government and its own advisors"

So, Mr. Chair, the question I've got to ask – and I don't know if this was even brought up in the House. If this was written – and this is a big question for me, because I hear all the questions about the oversight of this and how we're going to get the Future Fund, how we're going to handle that Future Fund. I just want to make it quite clear that if this had to go properly, we might not be here, but here's the point. This was written by the clerk of the Executive Council on her last day in office.

So the question I have to ask, because this could have been part of our Future Fund, which we would have needed, who gave her the direction to write that letter to change what we agreed to in this House? Who did it? Explain to me who did it.

When the Opposition now is talking about the Future Fund, what we could have had with the MOU, who changed the terms for the independent oversight committee in this House that we voted on? Who changed it? Not only did the clerk change it on the last day, she did not do that on her own.

A clerk of the Executive Council don't write that letter on May 3, the same day the current Leader of the Opposition became

Premier, and then the same thing now, because the oversight committee, which could have taken care of all of this here for us, was the legal counsel for government who, three weeks later, became chair of the Executive Council.

And just for the record, the independent oversight committee asked for 37 – I think it was 37 or 27 – items from Newfoundland Hydro, and guess what? They got every one.

So their interpretation of what we agreed to on the oversight committee was the same that Newfoundland and Labrador Hydro had, the same that the committee had because they were given the information, until May 3, a letter was written saying: Oh, by the way, you can't get that no more; you can't get that.

So how serious was the government at the time about a Future Fund that they're always talking about if we had to get the MOU – when someone like myself, who's a lonely independent in this House, with the help of the Leader of the Third Party and the other independent who was sitting here, that we tried to get proper oversight and then it was changed four months later without our knowledge – changed.

Why doesn't someone in the Liberal caucus, the leader – the leader is sitting here now – explain to us who wrote – and do you know who was the minister of the industry and trade at the time? The campaign manager for the Premier. So here we had the department, who is giving legal council – sitting on that floor, giving legal council – getting information that you're allowed to get, then all of a sudden, he's going to go clerk of the Executive Council. Then the letter was written the day that the former clerk was going out with direction.

We all know, anybody in government knows, the clerk does what the Executive Council or the Premier's office wants. So to write that letter four months later to change

what we agreed to it – and I did it on good faith because I truly want the best for Newfoundland and Labrador, Mr. Chair. I want the best for Newfoundland and Labrador. I was hoodwinked. I'll say to the people of Newfoundland and Labrador, when we all agreed to this here, the Leader of the Third Party and the other Opposition Member, we did it in good faith.

So when you want to stand up and talk about: We could've had a Future Fund if the MOU – why did you play games with the MOU? That's the question, the Leader of the Opposition is hearing now, who gave the clerk, on May 3, the authority and direction to write the letter to the oversight committee to say: By the way, you can't get this information which you've got 27 times or 37 times prior.

So when you want to talk about the Future Fund, I'm all for a Future Fund. We had a great opportunity and I sincerely hope that the report comes back that we're going to get on track again for it – I sincerely hope. I can tell you, if anything, like I did before with the previous one, to get oversight which is already done before we even start, if there's something going to be good for Newfoundland and Labrador, just count me in because I'm not going to form any government.

I'm not here to have any beefs with anybody, but I guarantee you one thing, Mr. Chair, I am not going to be suckered in to doing what I think was right for the Province of Newfoundland and Labrador and have it changed behind my back because they wanted it done.

Thank you, Mr. Chair.

CHAIR: Order, please!

I'll remind the Member that his time is expired.

E. JOYCE: Thank you, Mr. Chair.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

No response?

C. PARDY: No.

CHAIR: Okay.

The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

It's a very important piece of legislation and we have some questions in Committee.

The minister has said that \$186 million this year – my understanding of what he said, I welcome the minister to correct me. There would have been \$186 million go into the Future Fund, but that will not go into the Future Fund. Is my understanding that it will now go on the debt? Can you confirm my understanding of that is correct? Can you discuss the \$186 million that would have gone in the Future Fund and what's going to happen with that?

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: The Member is correct; \$186 million is what I referred to. We do not have to borrow that amount now to pay in. We don't have to borrow. Our borrowings will be less than \$186 million.

CHAIR: The Chair recognizes the hon. Member for Mount Scio.

S. STOODLEY: Okay, thank you.

You've looked at how much it is going to cost the government to run your programs and policies that you want and then, instead of borrowing another \$186 million, you're using that money from what would have gone in the Future Fund otherwise.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: Instead of borrowing money to pay into the Future Fund, that is correct. We would have had to borrow \$186 million to put into the Future Fund.

CHAIR: The Chair recognizes the hon. Member for Mount Scio.

S. STOODLEY: Thank you.

Is \$186 million the amount of money the government estimated would have been otherwise put in from oil and gas revenues?

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: I would say to the Member, that is my understanding.

CHAIR: The Chair recognizes the hon. Member for Mount Scio.

S. STOODLEY: Thank you very much.

So I have some other questions, let's see – and some thoughts. I heard what the minister was saying about extraordinary circumstances and that he asked two or three people in his office and they had different ideas. I would suggest, though, that there would be legal precedent for all the wording you can put in the legislation. If the government wished to put money in for certain circumstances of the government that could be enabled – I'm sure there is wording that the government could put in such a bill which would have legal precedent and is not the subjective opinion of the minister and other people in the department.

So I got nodding here, and that's fine.

I do want to note that the Fraser Institute discussed what the government is doing

with the Future Fund. They believe that the government should be more aggressive with investing more money in the Future Fund and they suggested recently that 100 per cent of oil revenues should go into the Future Fund. I just want to put that on the record in Committee.

As well, if we look at the Centre for Policy Alternatives, I don't always agree with their policy positions, but in this case, I do certainly agree with them that additional financial discipline would significantly benefit the people of Newfoundland and Labrador in terms of adding more money to the Future Fund and not, kind of, closing it off to not add any more. So if the minister would like to rebut that or anything, I certainly welcome his feedback.

I'm glad to hear that the minister is amenable to a potential amendment in terms of disclosure in terms of what and how the government discloses to the Legislature in terms of when money is taken out of the Future Fund.

Now the minister said – and I believe him – that the government has no plans to take money out of the Future Fund, even to pay debt at the moment. But I think it would certainly be responsible and prudent to have a condition in the bill that requires the government to disclose to the House of Assembly, the Legislature, and other ways to disclose when the Legislature is closed so that it is transparent with the people of Newfoundland and Labrador when money is taken out of the Future Fund.

We actually have an amendment when we get to the clause around that. Maybe that could be a friendly amendment or maybe the minister's team will beat us to it, and that's fine too. The spirit of this is that I think it's important – we think it's important, the Liberal caucus, that the government, whatever government of the day, if money is taken out of the Future Fund, that it is disclosed to the Legislature and we don't

wait until the next year or the next Estimates to find that out.

What else do I have here? So the minister talked about the debt, and the province does have a large debt and a large deficit, and I share many of the minister's concerns about that. I did want to rebut some of the comments that the minister made that, since I've been here, we've been getting \$500 million a year from Hibernia which we've had to use, not for improving services, not for paying down debt, but we've had to use so that power rates did not increase significantly for Newfoundlanders and Labradorians. That's \$500 million a year that we've had to spend extra because of Muskrat Falls.

So I'm not trying to be sensational, but that is a fact. The extra \$500 million we've got from the federal government, they gave us their portion of Hibernia and we put that on electricity rates so that they would not significantly increase for Newfoundlanders and Labradorians. If you add up the \$500 million – I'm not sure what year we started that, it wouldn't be too hard to work it out – that would be a few billion dollars, Chair. I just want to add that to the record as well.

I'm going to dive into some questions and, obviously, I'm sure the minister may have feedback from some of the things I've mentioned. I've heard the minister mention that this bill, the Future Fund, is now a cousin of a sinking fund. I'm just wondering if, in your remarks, you would elaborate on what you mean by the fact that the Future Fund will now be a cousin of a sinking fund.

Thank you.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: Thank you to the Member.

I noticed that when the previous government had the *Future Fund Act*, there

was no disclosure requirement included in that fund. I know that if we were on the other side asking that question, why wouldn't you have a disclosure requirement in the fund, in particular if you had a variety of the special projects that it could be used for, but we didn't. because I know that that was the decision. Here, it's only debt.

To be notified as to when you're going to pull or if ever you decide that it is going to be strategically pulled out, everything, all financial statements have to be audited and they're audited and released in reports in this House of Assembly. Any movement that would come from a fund would be passed on to the floor of this House of Assembly in the financial statements that are audited.

Another thing, just for the record, is that if you ever made a quick withdrawal from the Future Fund, you put that money and you put the investment originally at risk. Whereas on the sinking fund, you are planning as to when you're going to create that sinking fund, when it's most advantageous for the debt to come due.

So pulling money out of an existing fund, that's got the longevity, would be a much greater risk than what you borrowed because you have the choice to borrow at a time that is convenient for you – borrowing at a time that would be convenient for the people.

I'm not sure if I answered the Member's question anywhere there. If I didn't, please ask again.

CHAIR: The Chair recognizes the hon. Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I'd ask the minister – I assume in the last week or two since this has been introduced, you've heard public feedback about this. I was just wondering, have you heard feedback? What's the nature of that feedback? If the minister would like to

elaborate on that, that would be appreciated.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: What we had to respond to, I say to the Member, was some incorrections that were out there in the public and even maybe from selected media. Like, if we were going to be raiding the Future Fund, I think that was a wrong title for an initiative to know that we weren't just putting it in, but we weren't raiding it.

I have stated before that it was stated in the public forum that we're going to use it as a piggy bank, and that's a little bit disingenuous as well. We're not planning on pulling money out of this Future Fund. It is just simply to know that we don't wish to increase our deficit and our debt by doing so at this time, and we will do it in a cash surplus. Do we value saving? One hundred per cent. Who doesn't? RESPs, RRSPs, I would recommend, yes, without a doubt. But I know it depends on the credit and the availability of finances from each and every household that would be in Newfoundland and Labrador.

What I've responded to were basically innuendos or falsities about what our intention was here in the House of Assembly with the Future Fund. Again, the fund is not going to drop in value. It will continue to add value. As much or to what it would have been if we were borrowing money to put into it? No. Do we wish to use it as a piggy bank to pull money out when we desire? Absolutely not.

So I say to the Member, those are the items that I probably had to address, mostly in the questions in the media and probably from the two or three emails that I may have received in relation to that. Just to restate what I just stated to the residents of Newfoundland and Labrador.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I just had two questions for the minister. I am wondering if he has spoken to credit rating agencies about this bill. As a result of this bill being public now, if there's any feedback from them, and also wondering if the minister consulted with the board – I'm not sure what the term is, if they're a board of directors or the –

C. PARDY: Trustees.

S. STOODLEY: The trustees, thank you. I was wondering if the minister consulted with the trustees of the Future Fund on this change.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: We have not spoken to the bond rating agencies in this in particular but I know that overall, with the budget, that's on schedule for Wednesday morning, we will engage at that time. Every action we've taken, we've taken on with – I shouldn't say every action. A significant portion of the decisions we've made in relation to the Future Fund had the bond rating agencies in mind.

As I stated, to control the political ability to be able to withdraw funds, we think that would be credit positive, that we know. The bond rating agencies would love to see us put more money in, as we all would (inaudible) but they are most concerned with the debt load of the province and the deficit. That is what we're hopefully addressing here and we'll continue to address in the future time.

I think you had asked a question about the bond rating agencies and when it comes to the board of trustees, a member from that board of trustees have communicated to the

other trustees to explain what we were doing with this. As far as feedback, I can't begin to tell you what the feedback would be.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you.

I have a few specific questions on the specific clauses. If we go to 1(j.1), the definition of surplus cash position – again, I know we're not in a surplus cash position now. The minister was optimistic that we could be in a surplus cash position in the future, which is excellent. So I just want to make sure we understand this clause and this definition.

Chair, "surplus cash position' means the financial position where the amount of cash on hand is in excess of the amount of cash required to fund all operational and capital expenditure requirements of the province, excluding amounts borrowed to fund such expenditures."

So in terms of the capital expenditure requirements of the province, I'm wondering if the minister can elaborate and expand on what that might mean for a layperson watching here today.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: It will be the time that we do not have to borrow. We will not have to borrow that year – again, now, with the exception of having debt come due. But as far as our operational budget where we managed revenues versus expenditures, when we have more revenues come in that are greater than the expenditures, that would be a cash surplus, then at that point in time, we will look at investing it into the Future Fund at that time.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you.

This is related to a few clauses in the bill. So let's say the government has additional cash, which is excellent, they do not need to borrow to fund the operational and capital expenditure requirements of the province – thinking about when that might happen during the calendar year, so the minister said any money taken out or added into the Future Fund will be in the Estimates, which is excellent.

But I'm just trying to think, like, right now, the budget is on Wednesday. At some point in the next few weeks or months, I'm sure the government will vote for their budget because they have a majority government, as is their prerogative. But we're still approving invoices and the public service, I imagine, is still approving invoices for the last financial year.

I would say, yes, on the whole, we understand. During the year, we will get an updated binder of the updated final numbers of each department, including the House of Assembly, during the year. So I'm just wondering realistically, from the minister, I guess that there could be a position where they might think that they're in a surplus cash position, but it is partway through the year, farther than now, after budget is voted on, when all the accounts are reconciled, that they know for sure the amount of money that could or would go into the Future Fund.

So I'm just wondering about the time between when things are published in the Estimates – I would just appreciate it, which is an estimate, and part of my question is also when is the cut-off for the final amount of cash surplus, let's say, to go into the Future Fund during the calendar year?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: When the budget is debated in the House of Assembly, the Estimates are presented and we participate in those and we vote on the budget on hand, then we've approved everything that would be into the Estimates, and that is what government has a right to be able to continue with and to do in the next fiscal.

We immediately begin working on next year, for next year's budget as well, and, at that point in time, if we're changing anything materially, then that would come out in the next budget cycle to know as to what plans we would have.

The Future Fund wasn't mentioned as far as touching or accessing any money within the loan bill or anything that we would have this time, so you won't see any action on the Future Fund. The distance between the Estimates and when it becomes in legislation and activated would be at the end of this sitting, the end of the debate.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I'm going to move on to another question. I'm just going to think about what the minister said and I might circle back to that.

I am wondering if sovereign wealth funds and this idea was on the agenda when the minister met with the other Finance ministers for the FTP meetings and, if so, what kinds of discussions they had.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: If I misunderstand the question, or I missed something there, Member, please correct me again. When it came

down, I think the question was the fact of did we discuss this fund with the Finance ministers. No, we did not.

CHAIR: The Chair recognizes the hon. Member for Mount Scio.

S. STOODLEY: Thank you.

I'm wondering when the Finance ministers met with the federal Finance minister was the topic of sovereign wealth funds or provincial wealth funds, like the Future Fund, a topic of discussion or on the agenda, and/or was there a resolution noted in a resolution about it?

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: I try to listen very, very attentively at all those meetings and not to my knowledge was it ever mentioned at the meeting.

CHAIR: The Chair recognizes the hon. Member for Mount Scio.

S. STOODLEY: Thank you.

I'm going to just circle back – and maybe the minister mentioned this and I missed it. I know that we debate this now, there's a budget and, at some point, the budget will receive Royal Assent, but there's still money being moved around between accounts – we're past the financial year now, but we're still approving and paying invoices from this past financial year.

I'm wondering when the exact – if there is a final cutoff, or maybe it is when it gets Royal Assent. What is the cutoff where the government can no longer take money from the Future Fund? I guess the cutoff – at least I got it when I was – I assume we'll still get it now in Opposition but, essentially, it was a book of all the final expenditures reconciled from the Estimates, what was estimated and then a final spent column –

when is the actual cutoff, or is that related to the budget date?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: We passed a loan bill for operational until the budget is passed, and that is the plan. So that operational money from the loan bill would have us operate on the next fiscal while we're waiting in order to have the budget approved.

That was the appropriation that we made for the loan bill was to make sure that we had to be able to carry on the business of government in the next fiscal until the budget received Royal Assent and passed. So I think the question might have been that – we're operating on the next fiscal now, what we've got.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you.

Maybe the date has already passed, but when is the, like, final, final, final last day that anything can possibly be processed in the Government of Newfoundland and Labrador on this past year's budget?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: My understanding is that we are past that date. We're on the next fiscal now. Any kind of government initiative would happen is on the loan bill that gave us the operational money in order to conduct the affairs and business of government and on behalf of the residents of Newfoundland and Labrador.

So I think the last fiscal is done. I guarantee you, there will be no changes in what we present because it's done. We're ready to present on Wednesday, so booklets that

would be done are completed. The previous fiscal is completed – done.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you.

I do hear the minister and I understand what he's saying, but I understand today, let's say, it's the last day for MHAs to approve expenses out of last year's budget, that had to be with the timeline. I know when I was a backbench government Member and a minister, part way through the year, you receive a book with the Estimates and it says, like, the estimate, the revised amount and then another revised amount.

I'm wondering when the final, final, final, final day is – and maybe it's today. If today is the last day for MHAs – I imagine it's a date later than today. When is that magic government day is what I'm asking?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I can say to the hon. Member that I'm not aware when that specific date was. All I can tell you is that my understanding, and I feel pretty well certain of it, is that that date has passed. But you're absolutely correct that it's after. There was a period of time that the Office of the Comptroller General, I think, before they wrapped up, you had ability that (inaudible) was acted on and it was passed through Treasury Board, prior to that date and everything, there was a period of time, yes, after the fiscal, where decisions could be made.

Again, if I've misspoken here, or misspeaking, I'll certainly correct this afternoon because I'm sure somebody will let me know. We're past that, but I'll let you know the date, to the hon. Member.

CHAIR: The Chair recognizes the hon. Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair.

I have just a couple of comments, because I think most of the comments or the questions that I would have asked have already been asked at this point and it may be a little bit redundant. The hon. Member spoke about changes and, of course, possible changes. Again, obviously this is an ongoing question here, but I ask with respect about why you wouldn't place a level of certainty in the legislation to enshrine expenditures that occur between those periods, the budget periods, understanding – and with all due respect, of course, honouring the commitments certainly of yourself in that role, but we live in changing times and there are all kinds of unforeseen circumstances that can happen.

So why not enshrine the expenditures in between the budgets, understanding that there can be circumstances that can arise, in the spirit of transparency, because obviously people are asking about that. They want to know if the money is going to be spent from the Future Fund and when they occur.

Understanding that you'd have to wait until the next cycle otherwise, but why not, kind of, would be my question to the minister.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: I do think the previous Member of the question was just on overall House or government expenditures. Just concluding up to make sure that they were all finalized and maybe reported on with a separate document, knowing that we transition from one year, but here's where the funds were spent, which may not have been represented in the Estimates that were there. So there is a period of time and I'll get that date, but I know it's past due.

As far as withdrawal from the Future Fund, my understanding is that the AG audits that anyhow. Every year, the AG would audit the Future Fund. She would audit the fund, but all I can say is that there is no desire – it would not be strategic for us ever to withdraw on a short-term, quick, knee-jerk reaction to pull money out of a Future Fund, which is locked in, in order to pay for some kind of debt.

My understanding is that it would be cheaper to borrow in that event than what it would be to withdraw money from the Future Fund. Much the same as we plan when our best time to borrow would be and where it would be to borrow. Not at a knee-jerk reaction to pull money out of a Future Fund that is working for us.

CHAIR: The Chair recognizes the hon. Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair, and thank you, Minister, for that response.

As a new MHA, I'm learning the processes about a Future Fund that was created before my time. One of the things that we've discussed in amongst our caucus is of a hope that the Future Fund could be used to fund a green transition. So this idea of removing the strategic priorities, of course, would eliminate that possibility.

We're not hearing any details about that and the idea of moving towards a green transition, it's inevitable. It has to happen. No matter if we sing the praises of oil from here to eternity, it doesn't matter; the green transition has to happen. We can't see ourselves stuck in the same scenario as what happened in the cod moratorium where we put all our eggs in one basket. We know the future is coming.

In preparation for that, eliminating the strategic priorities eliminates that possibility in the Future Fund. Where could we anticipate – if the Future Fund is not going offer that opportunity, if there are strategic

opportunities limiting it, where could we see that green transition funding come from?

Thank you.

CHAIR: The Chair recognizes the hon. the Minister of Finance and President of Treasury Board.

C. PARDY: I think that was one of the characteristics – I know it was one of the characteristics that the Future Fund existed for. To what shape or what initiative that was going to take towards the green transition, I have no idea. I know that was in the future that we were going to see as to what may occur for a green transition when oil – we've got to plan for a transition, there is no doubt about that. I know that when you go to Estimates and ask, that's a fair question to ask. Where is the plan that we're going to transition when we no longer have oil?

The only thing we've ever contended is that we will use the resources we've got to make sure that we make strategic decisions within government, or within the House of Assembly, as to what we would do. That's the value of the Opposition and it's the value of the House to make sure we debate what those initiatives would be, what we've got.

But that's a good question. It's a good question for Estimates. My understanding was it didn't necessarily have to come from the Future Fund because initiatives could be funded by the whole of government in any fiscal year. A good question you would have after the budget, well, where are the green initiatives that we would ask, and that's a fair question. Where in the particular budget and what part of the plan are you actualizing in this fiscal? That's a good question.

I always look at the Future Fund, when we had it, was that for the future of our province, it's always good to be saving money. Our only contention now is that we had to borrow in order to save. I think it

comes a certain point that we're better off not borrowing until we get to a cash surplus and get our debt under control.

CHAIR: The Chair recognizes the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Chair, appreciate it.

This is a great conversation obviously that's been ongoing for a week or two within the Chamber here and it's always nice to have an opportunity to speak about it. Over the weekend, I spent a fair bit of time thinking about this. It reminded me of an old proverb or expression which says the best time to plant a tree was 20 or 25 years ago and the second-best time to plant one is now.

I think this is really what comes to mind for me when I think about the Future Fund. I think about something that our leader had said, last week, about if we had started back in 1997, when the oil revenues started to come, we'd have \$3 billion in there. Then I sat and reality kicks in and it's a woulda, coulda, shoulda moment. If we had put that money aside, starting back then, regardless of who was in office at that point in time, we would be in a much better position.

It's ironic, I guess, if you will, that we're having this chat today while, in Ottawa, the Prime Minister of Canada is announcing a sovereign wealth fund, the Canada Strong Fund, putting in \$25 billion, on the same week that they're about to give a fiscal update and knowing that the deficit in Canada is going to be somewhere between – I mean, the reports coming out of Ottawa, it was initially thought to be \$75 billion, it's maybe around \$25 billion, about the same. This is going to be the initial investment. It's going to allow Canadians to invest as well.

This is a wish list for us. We wish we could do this. We wish we could continue to do this. We're in a place in time where not just your government or our previous government and governments before that,

but governments around the world, it has become accepted to have structural deficits almost. We had, I think, two surpluses in history, and I don't agree with them, by the way, for the record. I don't think it's a good thing to have, but it's the reality of the situation where we have a province that is very large and difficult to provide all the services that everybody deserves.

I've said that before, but I think it bears repeating that every Newfoundlander and Labradorian deserves to have adequate health care, transportation, education and all sorts of government services that are offered. But we're spread out over a very large area of geography and it's expensive to do it. It's expensive to clear the roads of snow. It's expensive to provide transportation on ferries. It's all very expensive, and to provide health care.

My fear is that when this money is gone, it's gone. I get where we are right now is that there is a philosophical difference between your party and ours, and we all agree that saving for the rainy day or saving for when the decommissioning of one of the oil rigs has to be done, the FPSOs or whatever, or if there is a challenge associated with one of them – God forbid that doesn't happen – that there's money somewhere. Because when you have ownership in three of the five that are there, there is a liability as well if something goes wrong and you may need money at any given point in time. If something goes wrong in the North Atlantic, you're going to need a lot of money.

But I also think about the money that Ottawa is investing today. I was reading some of the things that are online about it, not just from the government, but analysis as well and how comparing to Norway – we could never presume to compare ourselves to Norway. They started a long time ago. They've got \$2 trillion in there. It's basically a country that does have debt, but it's considered to have no debt because it's offset by the \$2 trillion they've got in their sovereign fund and the money that's put

aside. We can only dream to ever be even one-tenth of that here in Newfoundland and Labrador.

I think about something that our leader said today in Question Period when we talk about the MOU and how, if we were signing a definitive agreement this month, either our party, if we stayed in power, or yours, \$1.5 billion would be flowing to us, and if you average out the \$225 billion over 50 years, it's \$4.5 billion a year. Who knows what's going to happen in 17 years if we don't get a deal now. Will we need a power deal with Quebec or not? Who knows. There are some uncertainties involved in all of this.

But today's announcement in Ottawa, ironically taking place at a time when we're talking about it here in St. John's, the capital of Newfoundland and Labrador, their announcement is about growing wealth for future generations, and that was the idea here.

There have been many times, you know, in my own household where you try to tuck away some money for the kids for their RESP or RRSP and there are other things that you need to put your money at, and you wish you weren't doing it. But when the time comes to put one of your kids in university, if you've been privileged and lucky enough as we were – they all didn't go to post-secondary, but I was thankful that we had saved that little bit of money. They had to do some of their education on their own. But that's kind of where we're at on a larger scale with the province and wanting to make sure that we have something ready for the future.

I've heard the minister reference this before and I've heard others obviously talk about it. We pay \$1.1 billion a year in interest on our debt. That's about \$3 million a day if you do quick math. It's not quite that because of whatever formulations and calculations. But we're at that point now where the debt is there, we do have to work on it. That's why the MOU was important to try, to tackle that.

That's why Bay du Nord is important, to continue there. Obviously, with a view to, at some point transition into green energy and transition away from oil as the globe does that. But we're not there now. You see the big three automakers made all these big plans for 2030. They've all turned away from that now because they realize it's unrealistic to stop making cars that require gasoline and oil.

When I was looking at the annual report from the C-NLOER, the Canada-Newfoundland and Labrador Offshore Energy Regulator, they just released their '24-'25 numbers. To know that in that period of time the royalties were \$1.6 billion to the province from our offshore oil industry, 2 per cent of that is \$32 million.

Chair, \$1.6 billion is a lot of money, just in royalties alone. Of course, as you know, our budget is close to \$11 billion a year. You said last week, Minister, in the House that if we don't do this for 10 years, we save \$1.9 billion in borrowing; \$184 million would be for the coming year, the budget you're about to deliver, and we look forward to it.

But, again, it goes back to the best time to plant a tree, 20 or 25 years ago, but now we're here today, we need to continue to put water on that tree, it is our opinion. Yes, we have the debt; yes, we have the deficit and structural deficit that governments before ours and before the government before had fallen into the trap, like many governments around the world, of having these structural deficits.

Again, I go back to if we had only started this back in 1997, we'd have \$3 billion there now.

AN HON. MEMBER: Plus, plus, plus.

F. HUTTON: Plus, plus, plus and it would continue to grow and when you start getting into those big numbers, they grow quickly.

You say you're not going to pull the money out. You're not going to do a knee-jerk. I'm glad to hear that because that money will stay there, but, at a certain point in time, it is our fear that because of this growing debt, that you might have to look to it and just pull it out. Then, creating the sinking fund, which we did just a few years ago, when we were in government. I wasn't in office at that point in time, but I worked when we brought in the Future Fund.

We were thinking that this would be 10 years down the road, 15 years down the road. We'd all be gone on, most of us retired, perhaps or whatever, enjoying other things and that money would still be there for future generations or for future Finance ministers to use it as a liquidity in the bond markets so that they could leverage that to say, look over here, we have this big pot of money. Yeah, we have some debt but we have some good stuff going on here as well.

You know, it's just been my hope that this would continue to amass money, money that we wouldn't have to use but might have to at some point in time. There's no certainty in any of this, what we do, which is why this Legislature is a place where we can always come back and change the rules, change the laws. That's what we're hired to do and obviously advocate on behalf of our constituents but to, on any given time, talk about the laws and perhaps change them if we have to.

I think I just want to end, I didn't really have a question for the Finance Minister, just to say that we set these up with good intentions –

CHAIR: I remind the Member that his time has expired.

F. HUTTON: Thank you.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: I thank the hon. Member for engaging in the debate.

Just a couple of points. I haven't been well-read up on the sovereign wealth fund and the details today. I haven't had a chance but I certainly will.

I know that what's to be commended is that it's a national investment and I know savings is associated with it, but it wants to get our nation producing, create jobs, open for investors to invest in. I think that's a noble pursuit. That's quite different from the setup of our Future Fund.

I stated in the House before when I was at the Finance Minister, we had the Bank of Canada governor come in for lunch. How cool was that, that you get a chance to listen and engage him at that point in time. But Tiff Macklem came in, and he didn't mean that we didn't have an affordability issue, but his comment was – the title of his address during that session was: We don't have an affordability problem, we have a productivity problem.

The genesis of that was that we, as a nation, we, as provinces, ought to be producing more to make sure that we serve the populations that we serve and that made good sense. Here in Newfoundland, we would like to produce more and increase our revenues so that we can serve the residents of Newfoundland and Labrador better. We want to be able to create the revenues through production that we can make sure we save, like Norway does and like Netherlands, for the future. We want to make sure that we don't pass the debt onto the future that we've got. But we've got to increase our productivity.

The aforementioned, your wishes as to whether those projects go ahead, they're our wishes, too. We don't have philosophical differences on that. I think we want to generate more revenue for the benefit of – and we're no different from the

previous government. That was the desire, what we've got.

So when we have very large structural deficits, that's problematic. Structural deficits are problematic, and to compare our ability with the federal government is night and day. They've got a little more, I think – far more leverage, you know, as far as the borrowing and everything else in the federal government, than what we do. We do; it's just the nature of the game.

You had mentioned that if we had started back – and the Leader of the Official Opposition had mentioned a couple of times now, I don't know why he goes back to '97. I guess instead of going back to when the previous government started and said, well, I would ask the question: Why did you wait until 2023? Why didn't you start it in 2016 as a government if you see the value in it?

Chances are you didn't start it in 2016 because probably, at that point in time, it may have been that the current deficit was pretty ominous and your big thing right then was getting the deficit under control. That may have been, I don't know.

But to go back to '97, yes, if we started back in early '80s or late '70s – and I know that we did have mining and things going on, we could have done that. The only thing is we always have that deficit that we have.

The best time to plant a tree is now. You're saying water it. But if you had to plant a tree that you never had access to water, you might say well I'm better off waiting to plant that tree in extreme drought. That's conceivable, you may.

Well, there comes a point in time that you look at what your deficit and what your debt would be and say we need to curb our spending, our deficit and our debt. I'm not sure that if you're looking at it – this is something philosophically we may be different on. Your debt increased from \$9.1 billion, when you took previous government,

to \$22 billion. One would say that's not preparing for the future very well, but you are addressing needs and operations as they arise.

But if somebody said that if you increased \$12.9-billion debt and then you're going to sit, we're going to debate now the Future Fund to say, I think, in your words, when you have that, we had no foresight. In your address earlier, in the first reading of the bill, that's the words that you had used: no foresight – whether it appears to have no foresight or something, but no foresight were the words that were used that I wrote down.

Well, we are over here, we're concerned with that debt. I think Newfoundlanders and Labradorians are. I think bond rating agencies are. I think our goal is to make sure we reinstall the confidence to know that we're going to make every attempt possible to curb that debt, to curb the deficit. Yes, the revenues and the big projects that you had mentioned, and we've had discussions in the House, they're really going to help us out. Every Member in this House would like for the Upper Churchill and Muskrat to be developed, to bring in revenues for Newfoundland and Labrador, 100 per cent. We're all with that.

There are things that could happen that could change and curb that, that could conceivably put us into a cash surplus in pretty quick time. All we're saying right now is that until that time comes, that those projects are activated and are moving and, all of a sudden, we have the royalties flowing from those or from an agreement signed, then we're saying right now we need to focus on the deficit and the debt. We need to spend smarter than what we're doing. The word "balance" has been used for years and nobody knocked the word "balance." We've got to make sure we address the affordability of Newfoundlanders and Labradorians, but we've also got to make sure that we've got our house in order financially.

So yes, our GDP looks very favourable for next year. I'm not sure if the Member knows what the GDP figure would be for next year, but that will come out on Wednesday. Very impressive and you wouldn't be surprised because we have a lot of action that would be in the near future and the foreseeable future.

So no, there's no certainty in anything that we would do. We try to plan to make sure that we don't reach turbulence, and that's what we're trying to maintain to make sure that our path, that we don't have those turbulent conditions in our monetary part that we're really going to have a struggle with. Keep in mind, downgrade our rating any further, then that's problematic for any saving or is problematic for the affordability; it is problematic for us as a province. That would be something that anything we do, that is front and centre.

You mentioned about the sinking funds. The Member can correct me at some point in time – you said that we started the Future Funds. You didn't start the sinking funds. Just for a correction, you didn't start the sinking funds. So the sinking funds have been on the go for 30 years maybe, or more. The only thing that happened was that you had seven out of the eight years, from 2015-16 budget, the one year before you came into power, the previous government, seven years after that, you didn't engage in any sinking funds at all.

So over the last 30 years, there was an eight-year gap. Seven of those eight years, the previous government did not utilize sinking funds. They were reactivated in '23. They weren't born in '23; they were just reactivated in '23.

I would say when we're looking at the future on debt, then if we pushed debt out with our bonds to debentures and we have no sinking funds attached to them, that's not good for our future and that's not good foresight. But there may have been reasons along that journey that that didn't happen.

I don't know what those decisions would be, but I just want to make sure that we like the sinking fund. We think it's good for the future. We think that is foresight and that's why in the regulations now we want to add one more percent to that 1.5 per cent because we want to show our intent to make sure that we're going to try to reduce the amount of debt that we've got out there.

I think my time is just about up.

Thank you, Chair.

CHAIR: The Chair recognizes the hon. Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Chair, and thank you to the minister for those comments, following mine.

Just to follow up on a couple of things you mentioned. 1997 was picked because that is when first oil flowed from Hibernia. That's when this province started collecting revenues from offshore oil, oil royalties.

In 2015, when the government changed, there was a \$2.4-billion deficit that was handed to the incoming Liberal government, so I imagine there was some – I wasn't here. I was still working in the field of journalism and can remember covering stories related to that massive deficit – deficit not debt – of over \$2 billion back in 2015 and then there was that budget of 2016.

I can remember in 2015, just before I made the move from journalism to political life, after some difficult years, not just here but globally, and the then premier of the province writing the prime minister and stating at that point in time that we were unable to play the salaries of teachers, doctors, nurses and others and, basically, we were unable to continue functioning the way we were.

Saving at that point in time was not an option for sure. Obviously, I can't say for sure, but I'm assuming that because of that dire fiscal situation is the seven years of why the sinking funds were eliminated, I would hazard to guess. They were making some tough decisions then, but then reinstated in 2022, as you mentioned, by the previous Liberal government.

I agree with your point to increase the extra percentage, that it is a good idea to do it. When we met with your officials a week ago – I can't remember exactly when it was – and they talked about this just \$1-billion portion of debt that's coming due in June – what kind of a rate will we get? What will the bond rating agencies look at?

I look back at some of the former stats on oil and gas. This past '24-'25 report from the C-NLOER, the offshore energy regulator, we're at 22.5 per cent. That's what the oil industry is worth to our GDP, about \$9.2 billion.

If you go back to 2007, it was 35 per cent of the GDP. In 1999, it was 13 per cent. In 2004, it was 24.3 per cent. I remember, at that point in time, reporting on various stories related to how governments were trying to diversify the economy because we were becoming too reliant on offshore oil royalties, and we still are, obviously, at 22.5 per cent of our GDP, almost a quarter of it.

There's no mistaking that the oil industry has been good to Newfoundland and Labrador. Could it have been better? That's up for debate. But to know that we made \$1.6 billion in revenue in the last reported year from the offshore energy regulator – and, obviously, the Estimates that will come out, we'll see more figures on that later in the week – there is just this philosophical debate over whether or not, even though we have this debt, which we have, do we still keep putting money into it? Because, Chair, as the minister said in the media last week, he doesn't expect us to be in a surplus for

perhaps three years or more, given the situation.

The time goes so quickly in here, and I'm sure the minister can agree with me on that as well. You go from the fall sitting to the spring sitting, then summer is over and then you're back in again and before you know it, three years are gone, so quickly. The opportunity for us to save that bit of money, even if we took 2 per cent, of the \$1.6 billion, which is \$32 million, how that would improve over – and yes, we do have a large debt to service, but even a small amount, to keep it at that amount, to keep putting money into it. That's our argument on this and that it's a good idea. Because there are always going to be a 100 reasons why you don't.

Having sat very briefly for almost a couple of years in a couple of portfolios across the way, there are many, many, many, many groups and causes and initiatives and advocates who come at you looking for money to fund their projects, to fund for health care, to fund for transportation and infrastructure, to fund tourism projects, all good and worthy, but you can't do it all.

But our argument is that you can do a little bit. When you have this resource coming in that is finite, non-renewable resource, eventually the oil will be gone and, in 2050, whatever year it is, I won't be here but my kids and grandkids will be and that's what this was set up for. That's our argument on this, is that continue to do it.

I'm not saying accept structural deficits. We have rules that municipalities can't have deficits at the end of the year. They have to balance their budgets. Yet, we carry \$500-million, \$600-million, \$700-million, \$800-million deficits, and not just the past government, previous governments. Even in the heyday of offshore oil back in the early 2000s, we still had deficits when all this oil money was flowing around and everybody thought this was great. In some ways, 2007,

when oil was 35 per cent of our GDP, to me, seems like yesterday.

Here we are 19 years later, all of a sudden, 2026. Before we know it, it will be 2030 and any royalties between now and then – and I know that from 2018 until 2024, in that C-NLOER report, there was about \$7.2 billion in revenue from offshore royalties. That was a period of time that included COVID, when oil became virtually worthless. A couple of our installations were not operating at the time; revenues were down, but we still made over \$7 billion in that period of time. We still managed to scrape together a few bucks to put in \$533 million in the Future Fund.

I would never presume to compare our Future Fund to the Canadian situation or to Norway, as I said. That would be a dream to be able to have 0.1 per cent of what Norway has, if we had done it the way they've done it. They have \$2 trillion in there. Now, obviously, they're a much larger scale, as is the Canadian financial situation. But this is our situation, and you don't always want to compare yourselves to somebody else, but sometimes you can learn from others.

The Future Fund did not include the investment you spoke about that Prime Minister Carney talked about in having other people, other big industries contribute to this, to help grow the economy, grow the pie, everybody gets a bigger piece. We're all getting it from the same pie. There's only one pie and everybody wants some of it. So that's a great idea. The idea with the Future Fund here was to at least start somewhere.

As we've said, there are many opportunities for us to come back as elected officials, whether it's you or I or anybody else in the future, to change these acts and laws. We can do that. We're open to it all the time. We would just like to continue to see this happen, a guaranteed investment each year with the offshore oil royalties that we get each and every year, and we'll get this year and next year and the year after.

Hopefully, as you and I agree, we hope Bay du Nord – we will support Bay du Nord. We want to see this deal go ahead, not just for the people who will work in it, but the royalties and the services that it will provide to the people I represent in Portugal Cove-St. Philip's, Paradise and Bell Island. They need that money. They need the services.

So we agree on that. We agree on Churchill Falls, that this would create tremendous wealth beyond what we could ever possibly know without a deal that big. How we get there is, obviously, different in terms of our philosophies, but that's why we have this opportunity to debate it.

I would just say to the Member opposite, to the minister, thank you for your responses. I hope that my response to your response has been taken in the spirit it's intended and that the circumstances of when decisions are made at any given time – some of them predate you. You've been here for a lot longer than me but I was an observer, as I am sure you were, of what was going on. I was perhaps more than a casual observer. I covered these stories, but I also think that's what set me up to want to come here after a 30-year career in journalism to maybe try to help.

That was the intent of setting up the Future Fund. Again, I wasn't here when it was established, but I agreed with it and I agree with it now and the re-establishment of the sinking funds, attaching some sort of ability to pay back debt.

Thank you, Chair.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: Just for a minute or two – I do value what you had stated there. I think that's all fair. When you mentioned back in '15-'16, you mentioned the government at that day and at that time, for us to speculate, with a \$2.4-billion deficit, I think

you said that investing wasn't an option. Well, we don't have that deficit. Back then, when you had that deficit, you had \$9.1 billion debt. Today we have \$22 billion debt with a deficit.

So one would say there may be some out there who might say it shouldn't be an option now to borrow. When we look at that, everything is relative. Chair, \$9.1 million – and I know that's in a different era – we're talking about the inflation that goes on to what it means, but still that's fairly significant and I'm sure everyone would agree with that: a pause.

You had stated that even if we put some away – I think that was a comment that you had made in your last address, that we would like even if you put some away. Well, we stated, which I think you're in agreement with, that we're going to put another 1 per cent on a sinking fund. So if we had debt come due that we've got to add on to our borrowing for this year and it's going to be a total of \$4 billion – \$3.9 billion to be exact, let's just round it off to \$4 billion – well, 1.5 per cent would have been \$60 million to start off with a sinking fund attached to that debt that we're going to roll out.

What we're doing – not what we need a decision on, but what we're doing – as a government, we're going right to the 2.5 per cent, because we're going to make that decision, and we're going to attach \$100 million. So there's your \$40 million that we're putting in.

I think you might have said \$30 million, \$36 million, that you suggested –

AN HON. MEMBER: (Inaudible.)

C. PARDY: Yeah, okay. So that's \$40 million that we're putting in.

I don't think we're philosophically different enough to say that that doesn't help our future generations by making sure that we've got debt that's going to come due

that, in 22 years, we're going to have \$4 billion paid off. That's what they say will happen, it will be paid off in 22 years. If you maintain that then, the fund that will be there and continue on to pay that debt off and let that sinking fund grow, we'll attach it to another one that doesn't have sinking funds attached to it.

That's the rationale. We are investing into the future by making sure – or shouldn't say make sure. Our attempt is to reduce the amount of debt that future generations would have in the province, and we know that that's going to be expedited. If the big projects happen, we ought then to be in a position that we could invest.

I had mentioned to give me figures from the department officials on – let's say we had a cash surplus in 2030. Let's say we got a cash surplus that we have \$60 million in 2030. So in five years, the current Future Fund will be worth about \$679 million. Let's say we add \$60 million and start off with \$741 million. Now we're starting in 2030-31 and each year after that. The Future in 20 years will then have \$2.8 billion – closer to the \$3 billion, that you've been using as an example, that if you started only in 1997, we could have \$3 billion back then. The analysis that I was provided was it's not \$3 billion, it's less than that in '97.

What I would say is that in 20 years, we would have \$2.8 billion, and if we did not, which we have no plans on withdrawing from the Future Fund, we know that in 20 years, it's going to be \$1.4 billion. We will have, in fact, doubled the Future Fund with a cash surplus of \$60 million starting in 2030 and then after. So all is not lost. We're just looking at that cash surplus, and we know the exponential growth if we put it in.

This at a same time where we've got to invest in the sinking funds to knock down our debt, and I think everyone is going to look at that as being credit positive, to know that we're going to reduce the debt when it comes due because of the nature of these

sinking funds. I think Newfoundlanders and Labradorians will like that thought too, that we're anchoring the sinking fund to pay the debt when it comes due. So I don't think we're philosophically different.

If you had said: Well, let's put that \$40 million you're going to put into a sinking fund – don't do that. Let's put that into the Future Fund. That's a debate as to where best to put that \$40 million, against the debt or we're going to put it into a savings while the debt continues to increase or we're not closing the gap on paying off that debt. I would personally take the sinking fund.

I would like to do both, and I would sincerely hope that we will have a cash surplus in the near future that we can pay what money we've got in surplus into the savings, the Future Fund.

Anyway, Mr. Chair, thank you very much.

CHAIR: The Chair recognizes the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Thank you, Chair.

I just want to go on the record a couple of rounds, maybe, on the Future Fund. It's so interesting that, as we're here in Committee on Bill 9, the news is filled with Carney announcing the creation of Canada's first national sovereign wealth fund. It's all very, very, very positive.

As my colleague before me spoke, we can't really compare ourselves, the size of the province of 526,000 people, really, to the country, but there are lessons that we can learn. It's already been mentioned here this afternoon, we can look to places like Norway, however, that's the gold standard. But if you take that down into bite-size chunks, there are lessons there for us, I believe, in that anything that I have been reading and anything I have been researching, if done well, it's a smart move. It is important to note that it's not always

automatic and, from most of my research, it seems to be on how it's done.

Certainly, I think some of the main points would be around saving for the future, we know the benefits of that; stabilizing the economy, we know the benefits of that; growing wealth over time, the things you can do with that; and one of the big ones, I talked about it last week when we did some media, is around creating the intergenerational fairness. Often in this House over the years, folks will talk about: We don't want to kick the can down the road, and we don't want to leave this to our children, and we don't want our grandchildren to inherit this or that.

From my reading, Chair, at its core, Bill 9 does fundamentally reshape what the Future Fund was meant to be, and I would say not in a good way from my read. The original intent of the Future Fund – and I just always speak in very simple terms – was simple but it was important; it was saved during the good times, prepare for the future and protect Newfoundlanders and Labradorians from volatility. The fund has been doing very well, is the irony right now, a half a billion that's sitting there, and I'll get to that in a moment, but Bill 9 that's actually on the floor of the House today moves us away from that vision. It moves us toward short-term thinking.

There are all kinds of examples that we can give of where short-term thinking brings us. It is concerning that this bill weakens both the purpose and the discipline of the fund, and I'll give a couple of examples of that. It removes the requirement to contribute any resource revenue, and it's already been talked about here today. If we look back over the last year in oil royalty, we're at \$1.6 billion just in the last fiscal year. That's because we're not back in the oil, we never left.

Chair, 4,500 people earn a living from the oil business; just under 2,000 people work offshore in Newfoundland and Labrador. It

is important to note that, because many times it's been said in this House that we're back in the oil. We never left. We have almost 5,000 people who earn a real good living there.

Where we are right now with what's on the floor for Bill 9 in the House is it removes the requirement to contribute any resource money, it removes the rules that ensured money would actually go in and it removes the provisions that was there initially around extraordinary circumstances. What it does, Chair, is it replaces that with the option to contribute to the fund when the province is in a surplus cash position. It replaces that with an option.

It has already been said here today when we look back through our 76- or 77-year history, I think we've been in a surplus in about two different times. Let's be honest, they're very, very rare in this province.

So for somebody who might be listening, what does that mean? There has been a lot of things that could be said here today that could be confusing, but what does it mean in practice? What it means is no deposits, less growth. What it means is the fund could exist in name but not in strength.

There's so much I can say about this fund, but I'm going to kind of talk about the fact that my concern, and always my voice for the residents of Cartwright - L'Anse au Clair, is that this bill narrows the use of the fund dramatically. I want to speak about my district for a moment, because how do you square the two? How do you save for tomorrow when you have needs of today? That's an important conversation to have as well. Both are necessary. Anything that you research and look up, you will read both are necessary.

I would ask even folks in this hon. House if you have a mortgage that you're paying on, you're going to make that mortgage payment every month, does that mean that you never, ever put away anything other

than, okay, a mortgage could be 25 years. I can't save. I can't put anything away for an unknown, an accident, a partner who can't work. We're going to lose that second income. I have to focus on the mortgage. Everything that I have researched and looked up, both are possible and both are necessary. The direction that we're going now, limiting the withdrawals to debt servicing, oil and gas liabilities, Crown asset sale cost, I would also say, when was that done last in our province?

One of the things that I had said to me on Friday was this is not a Future Fund, and it was from somebody outside this Legislature. They said: From what I can see, this is taking the future out of the funds and the funds out of the future. I said: I'll have to try to remember that. The long-term vision of saving for future generations, what's happening here is it is being replaced with short-term financial patchwork.

As I've already said to my hon. colleague – and he's done a great job in engaging and answering the questions – the irony here is that the fund is performing well. It is earning more than borrowing costs, up to 7 per cent returns versus the 4 per cent in borrowings. As I mentioned at the beginning, about half a billion dollars sitting there right now. Yet, I think the frustration, the legit concern, as parliamentarians in this House for the people Newfoundland and Labrador, is that instead of strengthening it, government is loosening the rules that would allow it to grow.

There are a few quick points that I would like to make around this particular bill that we are in Committee on. It weakens long-term savings. It reduces transparency. It limits flexibility and it does ignore the lessons of recent crises. I could take more than the time I've got left to talk about that – when we went through things like worldwide pandemic, when we went through the forest fires this summer.

We are living in uncertain times and, in those uncertain times, folks are looking for certainty more than they ever have before because a Future Fund, Chair, should be about stability. It should be about preparedness, and I always go back to the intergenerational responsibility and the concern is that what's on the floor right now is a bill that moves us away from all three of those points: the stability, the preparedness and the intergenerational responsibility.

When I spoke before we moved into Committee last week, I did ask all my colleagues in this House, my colleagues on the other side, are you comfortable with the direction that your government is going in? I can tell you, as somebody who sat on a government side for a decade, sometimes decisions came down and we had tough conversations. You didn't have them publicly, but we're not always on side.

There are so many unknowns. I've got big concerns about Bill 9 and how it fundamentally reshapes what the Future Fund was meant to be and not in a good way.

I do thank my hon. colleague across the way for listening to my few points. With that, I see that my time is gone, as well.

Thank you, Chair.

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: Chair, to wrap up with some concluding comments, we have no problem with growing wealth. Wealth is what we want to grow.

The hon. Member stated we save during the good times, and hey, that's true. We tell our kids that, to put some money aside, that's correct, but again, when we look at our debt, the debt has got to be addressed. We think we're making a good and a solid attempt by adding that 1 per cent on to the

sinking fund to make sure that we reduce the debt that future generations would have, and not too far out with these future generations, but we think that extra 1 per cent is going to do us well.

I think the hon. Member had mentioned – she'll correct me, again – no deposit, no growth. Well, the Future Fund is going to grow. Once we get into a cash surplus position, then you can put money in, but it will grow. Again, to repeat, not as much as what it would be if we had to borrow money to put into it. We're not taking the future out of the Future Fund. That's not what the intention is. Even by the name it stays the same, what we've got, and we've declared that we will put money into the Future Fund when we're in a cash position.

Extraordinary circumstances we will address; we'll address that with our contingency. We now will only have the Future Fund; the plan is for debt servicing. If we have no debt, then, boy, we're in a really good position that we don't have any debt to service, but I don't predict that in the very near future.

Anyway, Chair, I'd like to end this session. I'll pass it back to you.

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: Clause 3.

CHAIR: Shall clause 3 carry?

The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I just want to thank the minister for all of their answers and for answering all of the questions that we've had. I think it –

AN HON. MEMBER: So far.

S. STOODLEY: Yeah, so far.

It makes it very helpful, getting answers, so I just want to thank the minister.

I have an amendment that I would like to make. I guess thinking about Newfoundland and Labrador and the fact that we do get a significant revenue from oil and gas revenues – we have Bay du Nord hopefully coming on board soon, which we fully support – we cannot have this bill go through without at least making an amendment that some of the revenues from the oil and gas have to go to the Future Fund, Chair.

The Fraser Institute thinks so, the Centre for Policy Alternatives thinks so and there's a local finance expert who's been writing me about this and, to quote them, they said – I can't find it. I'll have to find it for my next amendment.

This is a multi-billion dollar setback to the net present value of Newfoundland and Labrador, to not have any of our oil and gas revenues go in the Future Fund now or in the future. So, Chair, I move, seconded by

the MHA for Virginia Waters - Pleasantville
—

CHAIR: No, it don't need to be seconded in Committee.

S. STOODLEY: Oh, okay – that clause 3 be amended by inserting immediately after section 4(3), the following: 4(3.1) 2 per cent of the amount of non-renewable resource royalties received by the province in the previous fiscal year shall be deposited into the fund.

This is the lowest amount that was in the regulations, and we ask the government to seriously consider supporting this amendment which would put 2 per cent of non-renewable resource royalties into the Future Fund.

Thank you.

CHAIR: This Committee now stands in recess to review the proposed amendment on Bill 9, An Act to Amend the Future Fund Act.

Recess

CHAIR (Dwyer): Are the House Leaders ready?

Order, please!

The amendment is not in order and we are now resuming debate on clause 3.

The Chair recognizes the hon. Member for Mount Scio.

S. STOODLEY: Thank you very much for considering. I'm sorry that it's not in order. I will have another amendment in clause 4.

Thank you, Chair.

CHAIR: Seeing no more speakers, shall clause 3 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 3 carried.

CLERK: Clause 4.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I think this is a very important amendment, and one that we've heard the Minister of Finance talk about in terms of disclosure. When we look at this bill and the amendment, there is no requirement for the government to tell the House or tell the public when money is withdrawn from the Future Fund.

I believe the minister and we have his word that he would certainly disclose if money was taken out of the Future Fund, and we do have the minister's commitment that it will be in Estimates. I think there is a grave concern that maybe a future minister or someone else in that position or Cabinet, for example, might take money out of the Future Fund and then the public of Newfoundland and Labrador, there is an amount of time, it could be until Estimates, could be until given to the Auditor General – I don't have a good sense of all those timings. Although I know none of them, let's say, in a month's time money was taken out of the Future Fund, it could be up to a year before the public and the Opposition are aware that money was taken out of the Future Fund to pay debt.

Chair, in that spirit, I move, unofficially, seconded by the Member for St. John's Centre, that clause 4 be amended by renumbering section 8 as subsection 8(1), and by inserting immediately after subsection 8(1) the following:

(2) Where money is withdrawn from the fund under subsection 8(1), the minister shall, not later than 30 days after the date of the withdrawal, table in the House of Assembly a report respecting the withdrawal that sets out: (a) the amount withdrawn; (b) the date of the withdrawal; (c) the paragraph or subparagraph of subsection 8(1) under which the withdrawal was made; (d) the specific purpose for which the amount was or is to be applied; (e) the balance of the fund immediately before and immediately after the withdrawal; and (f) where the withdrawal was approved by Treasury Board or the Lieutenant-Governor in Council, the date of that approval.

(3) Where the House of Assembly is not sitting on the day a report is required to be tabled under subsection 8(2), the minister shall: (a) file the report with a Clerk of the House of Assembly within a 30-day period referred to in subsection 8(2); and (b) table the report in the House on the first sitting day following the day the report is filed with the Clerk.

So, Chair, that is our amendment, the spirit of which is to make it transparent if the government takes money out of the Future Fund. I would ask the government to consider supporting our amendment, if it is in order, so that we can improve transparency for Newfoundlanders and Labradorians.

Thank you, Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: This Committee stands in recess to review the proposed amendment.

Recess

CHAIR (Dwyer): Are the House Leaders ready?

Order, please!

The amendment is in order. We are now debating the amendment to clause 4.

The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I'm very pleased that our amendment is in order. I would seriously ask the government to consider supporting this amendment. I think it's very reasonable, it's very responsible, it's very prudent. If the government actually has no intention of withdrawing any money from the Future Fund, then I don't see how they could justify not supporting this amendment.

It simply requires the government to table, within 30 days after the date of withdrawal, a report that talks about how much has been withdrawn, the date that it was withdrawn, under which section the withdrawal was made, the specific purpose for which the amount was to be applied, the balance of the fund immediately before and after the withdrawal and the date of the approval, if it was Treasury Board or the Lieutenant-Governor in Council. Then, if the House is not open, they file a report with the Clerk within a 30-day period and then they table the report in the House on the first sitting day following the day the report is filed with the Clerk.

I think this is very reasonable and I would urge the government to support this amendment. I'm still not over, I guess, the not having any money from non-renewable resources into the Future Fund, that was deemed out of order, but I would urge the government to support this amendment.

Thank you very much.

CHAIR: The Chair recognizes the Member for St. John's Centre and Leader of the Third Party.

J. DINN: Thank you, Chair.

Well, we had our own amendment for this as well; a little bit simpler in design but, nevertheless, hopefully this will accomplish the same thing.

I've sat here, I guess this is going on seven years now, since 2019, and the one thing that I've heard, certainly from government when it was in opposition and something that I would join into, was about the lack of transparency. We would often criticize the former government for the lack of transparency and the need to be open about this. We would ask it on a number of issues.

It's something that, whether it was about the health care act, whether it was about the Rothschild Report, you name it, we have always put forth the need for transparency. So here, in this case, this is a simple ask, this is not about telling where the money goes, but I think, regardless of who is in the position, and I do have a lot of respect for the minister and confidence in his integrity and the fact that he will not, however, I would assume this legislation is being changed, not for this government, but for future government. I think it behooves us to make sure that when money is being drawn out, especially if money is not going to be put back in, that there is a mechanism to at least make it transparent, put it out there and maintain –

AN HON. MEMBER: (Inaudible.)

J. DINN: Okay, okay.

I guess we've got support on this one. I'll leave it at that.

Thank you.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: Mr. Chair, when we ran in the last election we ran on transparency, and I

would think this amendment speaks to transparency.

This side, the government side, would have no problem with accepting the amendment – none whatsoever. Fully transparent, and I think we stand by what we said. We don't have any intention on a withdrawal from that fund and at least it'll be reported on under the amendment that was proposed and accepted.

CHAIR: The Chair recognizes the Member for St. John's Centre.

J. DINN: Chair, if I may, the executive director of the NLTA used to tell us when he wanted us to be quiet: Be careful, you might snatch defeat out of the jaws of victory.

CHAIR: The Chair recognizes the Member for Virginia Waters - Pleasantville.

B. DAVIS: Thank you, Mr. Chair.

I'll only speak for a second. I do think this is a great initiative that you are supporting here. Thankful that it was ruled in order, and I thank the hon. Member for St. John's Centre for helping us with the amendment there.

CHAIR: Shall the amendment carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, amendment carried.

CHAIR: Shall clause 4 as amended carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 4, as amended, carried.

CLERK: Clause 5.

CHAIR: Shall clause 5 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, clause 5 carried.

CLERK: Clause 6.

CHAIR: Shall clause 6 carry?

The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you very much.

Sorry, I did have some questions about clause 6. Sorry, I just have to find my bill. I got distracted.

Okay. Thank you, Chair.

I just want to thank the government; I appreciate their support in that amendment.

Clause 6, "Section 11 of the Act is repealed." So section 11 are the regulations. The regulations are an incredible part of a piece of legislation.

Obviously, now, with the government's changes, they will no longer need the regulations. The regulations are where it outlined the percentage of the revenues from the non-renewable resources, and it started at 2 per cent. That was where we got the 2 per cent from for our first amendment we made, that was not in order, 2 per cent was the lowest amount in that kind of table in the regulations that outlines

how much money the Government of Newfoundland and Labrador gets from oil and gas revenues: (a) was 2 per cent of the amount up to \$250 million; (b) 5 per cent from \$250 million to \$500 million; (c) was 10 per cent from \$500 million to \$1 billion; (d) was 15 per cent for \$1 billion to \$1.5 billion; (e) was 25 per cent for \$1.5 billion to \$2 billion; (f) was 50 per cent for \$2 billion to \$2.5 billion; and (g) was 75 per cent for more than \$2.5 billion.

If we maintained these regulations, if the government had kept in this bill –

L. DEMPSTER: (Inaudible.)

S. STOODLEY: Okay.

If the government had –

CHAIR: I'll remind the Member that on today, where there's no motion to sit in the evening, we have a hard stop at 5:30 p.m.

S. STOODLEY: Okay.

L. DEMPSTER: So you'll pick up Tuesday.

S. STOODLEY: Okay.

CHAIR: The Chair recognizes the Government House Leader.

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

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

Shall the motion carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

SPEAKER (Lane): Order, please!

The hon. the Member for Placentia West - Bellevue, Chair of Committee of the Whole.

J. DWYER: Thank you, Speaker.

Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report progress and ask leave to sit again.

SPEAKER: The Chair of the Committee of the Whole reports that the Committee have considered the matters to them referred and have directed them to report progress and ask leave to sit again.

When shall the report be received?

L. PARROTT: Now.

SPEAKER: Now.

When shall the Committee have leave to sit again?

L. PARROTT: Tomorrow.

SPEAKER: Tomorrow.

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

SPEAKER: Given the time of the day, this House do now adjourn until tomorrow, Tuesday, April 28, at 1:30 p.m.

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