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RESPONSES TO QUESTIONS AND ORAL QUESTION PERIOD  
(PRELIMINARY PROCEEDINGS)

FOR

THURSDAY, 15 APRIL 2010



Responses to Questions Taken As Notice

Questions by Members

**Speaker:** The hon. Member from Montague-Kilmuir.

**Budget lockup for interest groups**

**Mr. Bagnall:** Thank you, Madam Speaker.

My first question today is to the Premier. Mr. Premier, you may recall last spring I asked you about providing a secondary budget lockup to be given to various interest groups. At that time you said it was a good idea and you would make sure that you adjust things for this year. Mr. Premier, can you tell us today, have you made arrangement for the second lockup for the interests groups?

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you very much, Madam Speaker.

I appreciate the question. Off the top of my head, I'm not sure. I know that last year I looked into the issue and I think it came down to a resource issue. But I'll be more than happy, and I appreciate - who knows, I'm not sure exactly the day of the budget, it might be next Thursday - but I appreciate the heads up and I'll check into it again

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Madam Speaker, same question back to the Premier.

Mr. Premier, nearly all jurisdictions in Canada are actually doing this today. This has been a request from interest groups, that they would like to have a lockdown so they could be prepared to make comments, the same as the media are. If you could look into this and make it happen we'd appreciate it. Because I think you made a commitment last year to me that you would do this.

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you.

The hon. member's right, it did make some sense, especially if they're doing it in other jurisdictions. I will confer with the people in the Department of Finance and Municipal Affairs again, and if the resources are available - you know, if they say that it's impossible to do I'm not going to force them to do it. But I'll ask them as Premier, to the people in the department of finance, to see if it is possible, and if it is I'm sure they'll be able to accommodate it.

**Speaker:** The hon. Member from Montague-Kilmuir.

**e-Health contracts**

**Mr. Bagnall:** Thank you.

My next question is to the Minister of Education and Early Childhood Development and Attorney General.

Mr. Minister, when you were the minister that was dealing with e-health contracts, and when these contracts were given out, you were the minister at the time. My question is to you: Would you have any idea why the

minister today would not want to be forthcoming with those and try to hide behind the Legislature -

**Some Hon. Members:** (Indistinct).

**Mr. Bagnall:** - today as the reason why she's not. Can you answer that question for us today? Why she might be hiding?

**Speaker:** The hon. Minister of Health and Wellness.

**Ms. Bertram:** Thank you, Madam Speaker.

I am glad that the Member from Montague-Kilmuir, after over a week that the auditor's report has been tabled in this Legislature, is asking questions surrounding it. We're not hiding anything as a government. What I tabled last Friday in this Legislature was materials that were requested outside of this Legislature. There are guidelines that we follow outside of this Legislature.

But hon. Member from Montague-Kilmuir, this program, the electronic health records, it's going to be a great program here on Prince Edward Island. Our government got this program back on the rails, and I want to thank the former minister for his leadership. Back in 2007 -

**Some Hon. Members:** Hear, hear!

**Ms. Bertram:** Because, hon. member, this previous government, this was off the rails. There was Program Renewal back in 2005, they underestimated the cost of this, Madam Speaker.

Our government is not hiding anything and I

will be able to provide to the member what he requests today, as much as I can, and I will go back to the department with whatever else he asks of, and see what else I can bring back, within this rail and within the privilege of this Legislature, but respecting all the parties involved, and the privilege that exists in this Legislature.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

I'm glad to hear the minister make a comment like that because she's flip-flopped on the issue all week. One day the contracts are not allowed to be released to the public. The next day they would have to be FOIPPed. The next day: We'll release them if the opposition should ask for.

Minister, you're wrong. You can release that information any day you want. You don't have to wait for anybody to ask for it. Minister, I gave you a few days to see if you would come forward without us having to bring this to your attention, to ask for it. But you decided not to. You wanted to hide. So what is in these documents that makes you want to hide so badly that you didn't want to table them?

**Speaker:** The hon. Minister of Health and Wellness.

**Ms. Bertram:** Thank you, Madam Speaker.

I don't think the hon. Member from Montague-Kilmuir has actually asked the question. So I'm wondering what piece of information he is requesting today.

Again, I bring back, there is a process. We have freedom of access to information in this province, and within this rail we have privilege, and that, as a legislature, we have that. So I implore the hon. Member from Montague-Kilmuir, if he has a question, direct it specific to what his request is.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Minister, yes. I would ask you, minister, if you would release all contracts that are for the CERNER system since you became, your government, became minister in 2007 -

**Some Hon. Members:** (Indistinct).

**Mr. Bagnall:** Madam Speaker, I'll even go farther than that, since the program started.

**Some Hon. Members:** Hear, hear!

**Mr. Bagnall:** Would you release every contract -

**Some Hon. Members:** Hear, hear!

**Mr. Bagnall:** - and the dollar value of each one, and the untendered ones that you (Indistinct)? Will you release all of those documents today?

**Speaker:** The hon. Minister of Health and Wellness.

**Ms. Bertram:** Madam Speaker, today the question has been asked, and I will, as minister responsible, during Tabling of Documents, table, at my discretion here today, the contract date, the work referenced

under section three of the AG report, the company name, work description, contract fee terms, and the additional information that can be provided, and the amounts of those contracts and work sourced during both the previous administration and our administration.

I believe the hon. Member from Montague-Kilmuir in his question also alluded to the contracts themselves. Our department is going through all the contracts. I will be reporting back to this Legislature with information that I can table from those contracts, Madam Speaker, and I will be making what I can be available to this House and to the public of Prince Edward Island.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Madam Speaker, to the same minister.

In the information that you tabled there were two untendered contracts. What was so important about those contracts that you couldn't tender them, and why were they issued out and how much were they for?

**Speaker:** The hon. Minister of Health and Wellness.

**Ms. Bertram:** Thank you, Madam Speaker.

I will table this document during Tabling of Documents. There is a policy within the Treasury Board policy. When there is urgency within departments that we can go and look to source resource people in emergency, urgency situations.

When we came into power in 2007 we had urgency to get this back on the rails because we had software in April of 2008 that was going offline, and people's medical records were going to be null and void if we didn't get this back on track. So we took the reins, the former minister took the leadership, and we got this back on the rails. We've seen great progress on the EHR, the CIS, which is the Clinical Information System, and 23 of the 24 operating systems within that are operating today, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

To the minister, will you table the terms of references for those two contracts and the values of them?

**Speaker:** The hon. Minister of Health and Wellness.

**Ms. Bertram:** Again, Madam Speaker, I'm tabling today all the work, regardless of contracts or not, that was referenced in the AG report during both governments, and it goes right back to August 15<sup>th</sup>, 2005, where the previous administration very much underestimated the cost factor around this program.

I think it's important that Islanders note that we as a government here on PEI, as Islanders, the federal government put money out there through Canada Health Infoway, and they wanted all Canadians, by 2016, to be part of this. By the end of 2010, which is this year, they wanted at least half of Canadians to be part of this type of a

system. So we've seen the need to do this. We could not sit back. It was an investment.

But I did some research and went back to when we were in opposition. My hon. colleague, the Minister of Environment, Energy and Forestry, and the questions that he asked the former treasurer of this previous government, that we were looking for the checks and balances of this previous government. There were cost overruns, and I will table the Hansard that basically the former administration blew off the cost factors around this whole program.

We took reins in 2007. We took the leadership, and we're seeing this through, and it's working today.

Thank you, Madam Speaker.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Madam Speaker, it's great that the minister can remember, because most times she forgets about everything she said when she was on this side of the House because now that she's a Cabinet minister she forgets all about that.

But I'm going to change over now to another minister, because I can't get any answers on this side.

**Some Hon. Members:** Oh, oh!

**Mr. Bagnall:** She doesn't know her department and I don't want to embarrass her any more, Madam Speaker.

**Speaker:** Do you have a question, hon. member?

**Deficit number**

**Mr. Bagnall:** Yeah, Madam Speaker.

Thank you. My question will be to the minister of finance. The final numbers in the PEI Auditor General show a significant growth in the deficit for 2008 and 2009 fiscal year despite large increases in federal transfers and tax revenues. The audited deficit comes in at 33.1 million as compared to 3.6 this year. Why did your deficit balloon from 33 to 33 million? Why?

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

I very much appreciate any questions having to do with the finances of this province. We make no apologies for the things that we've done here in the last three years in this province.

The hon. member is talking about a year in which the recession hit the world. We were very much in line with keeping that down, and have done some wondrous things. Our first two years here in control of the government finances came in balanced budgets. It's something for a new administration to come in, take a hold of all of the mistakes and errors of the previous administration, straighten them out, come in with two balanced budgets, and I make no apologies for what we did during the time of stimulus budget.

Thank you very much, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, and to the same minister.

Minister, you may remember when you came in you had a \$20 million surplus, not a deficit. The auditor reported that the revenues increased by \$73.9 million in 2008 and 2009 and that included an extra 39.6 million in federal transfers and \$19 million more in tax revenue. How can you run a deficit when you have all of this extra money? How can you run a deficit when you've got an extra \$74 million?

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

To start listing off the things that we did during the fiscal year of 2008-2009 would take us most of the afternoon, but during a time when the rest of the globe was starting to shut down, it was very important that we put the stimulus in place.

We were the first jurisdiction to come forward in our country, and nearly right across this globe, to realize that we needed to put a capital infusion into our economy to make sure that we came through this downturn in finances which was going to strike the globe. We did this a good six months before anyone else was on this bandwagon.

Did it cost us a little bit of money to do that? There's no question. But what it did for us was allow Prince Edward Island, as a jurisdiction, not to fall into an actual recession. That means that we did not have two consecutive quarters that we had a decline in our GDP. We're the only jurisdiction in Canada that can speak of that, and we're very proud of what we did.

By investing heavily in our capital, making sure that we put people to work, and making sure that we were fixing the broken infrastructure that the previous administration left (Indistinct) -

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** - we were ahead of the curve.

Thank you very much.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

I don't think 100 million is a little bit, and obviously the minister doesn't realize the value of money.

Minister, the Auditor General said that you spent over \$100 million more that year. Minister, don't you know how to control your spending?

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you, Madam Speaker.

What the hon. Member from Montague-Kilmuir needs to do is a little bit of (Indistinct), and what \$100 million means in a budget of \$1.5 billion. We're talking about a 1% change. So what we have to take a look at is exactly what that means. Those are the type of revenue growths that we get each and every financial year. That's what you have to understand. Expenditures cannot outpace the growth of your income, and that's what all governments must strive to do.

In two of those three years we have done that, making sure that our expenditures under paced what we were taking in as revenues. I will make no apologies, as I stated here in the House. We needed to invest in this last fiscal year, and we were out there in front of the curve. We kept Prince Edward Island out of any type of recessionary pressures and I'm proud to say that we led the nation, in the past two years, in both per capita housing starts and new car sales, and that's because we had this economy still cooking along.

Thank you very much.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

With \$100 million he shuts down \$100 million hog industry in the province, too. He shows where he's spending and where he's - I mean, give everybody money, but cut out the farmers.

The Auditor General stated that the net debt increased by 4.6% while the GDP grew only 3.9. The Auditor General said this trend was worrisome and the rising interest rates would lead to less money being available to spend in programs. What does this minister plan to do to address the Auditor General's concerns?

**Premier Ghiz:** Good question.

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

I'm glad to hear the hon. Member from Montague-Kilmuir finally saying some kind words about our Auditor General. This gentleman knows what he's talking about and we have to look exactly at what he's saying.

When we have our net debt growing at a greater rate than the GDP, it's not what we want to have for the future of this province, but what we needed to do was indeed increase our net debt during a time when stimulus was needed. Again, we make no apologies for doing that, because we were the jurisdiction that first stepped out on this limb, and we are the jurisdiction that did not fall into recessionary pressures.

No question, we will be making inroads on bringing our net debt down. I'm the first one to say fully and clearly that that will be taking place, and you'll see very soon, within our budgetary process. We will show how we are going to reach that balanced budget as we promised last fall, and we'll

show how we'll get to zero, and we'll show how net debt will continue to fall (Indistinct).

Thank you very much.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

I'm glad the provincial treasurer said that the Auditor General knows, because we know he doesn't. The Auditor General speaks of vulnerability of this province and their finances. He says it's showing a trend where we're being more reliant on revenues coming from the federal government. In fact, our dependency on the federal government has increased under your government where it was decreasing before 2007.

**An Hon. Member:** (Indistinct).

**Mr. Bagnall:** It has increased drastically under your - minister, I know you will be negotiating in the media. You'll be going after by complaining about the federal minister - he's not giving us enough money - but minister, I want to know -

**An Hon. Member:** (Indistinct).

**Mr. Bagnall:** - what you are doing? What plan do you have in place to bring this in order?

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

The hon. Member from Montague-Kilmuir makes a very good point about the federal transfers. In a personal letter from Mr. Flaherty to myself that he hand-delivered to us when we were in Whitehorse on December the 17<sup>th</sup>, he says that because of our great handling of our economy, and how we were out in front of this curve, that he feels that he can cut our equalization by the \$10 million that he puts in on the second page of this letter, and says to us: Because the provincial amount reflecting change in the ability of the provinces to raise revenues and offset any of the hurt.

He realizes that we're going in the right direction, therefore, he thought it was okay to cut Prince Edward Island by \$10 million in this fiscal year with regard to our equalization.

This is not something that we're negotiating in the public eye. This is just facts from our hon. minister Flaherty to myself, and laid out very clearly at \$10 million. But, no problem with that - I want to say this very clearly - Mr. Flaherty is doing his job of trying to balance the books in Ottawa, and I have no problem with him doing this. We just have to tighten our belts tighter here on Prince Edward Island, put our collective shoulders to the wheel.

We'll bring forward the plan within a week's time and make sure that everyone sees that Prince Edward Island is in very good hands.

Thank you very much.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Thank you, Madam Speaker.

To the same minister. Minister, the interest on our debt now is well over \$100 million. Minister, that money could be used for cancer drugs, it could be used for lung transplants, it could be used for all kinds of things. Minister, what are you doing in this province to reduce the interest of debt to the province? What are you doing so we can see that it's improved?

**Premier Ghiz:** That's a very good question.

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

It is a very good question, because the last thing in the world we want to do is pass this debt on to our children, and continue to grow the debt so the interest bite continues to take a kick on Prince Edward Island.

But I'm very proud to stand here in the House today and tell this House that for the three consecutive years that we've been in we have reduced the interest bite on the provincial spending with regard to interest being charged to our debt.

**Some Hon. Members:** Hear, hear!

**Mr. Sheridan:** Madam Speaker, it's very important to say that our interest bite has

gone down each of these three years, and by investing very wisely in all our maturing debt that was passed on by the previous administration to us, we have been able to reinvest that at a lower rate.

At this time we have invested it in very long term bonds in debt and we are going to be in very good shape going out into the future because of the foresight of this government.

Thank you very much.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Yes, Madam Speaker. That's what I was kind of getting to.

To the same minister. Yes, you did, you took that debt and you re-financed it out over 25 and 30 years. You're going to put the debt burden on this province for 25 or 30 years to pay for the interest of your misspending, and I find that really hard to stomach that you're going to be doing that. You turn around and you put everything on long-term and low interest so you can bring it down now, but spread it over 30 years. So you're going to spend \$100 million over 30 years to try to pay off our debt.

### **Money raised from fee increases**

Minister, last year you didn't want to raise taxes so you raised fees on every single department in this government. Can you tell us how much extra money you raised from fees on the tax grab that you did last year?

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

Just because of the foresight on behalf of the department of finance, we are going to cut that debt payment down. When you talk about spreading it out over a number of years, it's so that you can make very wise decisions on where that debt lies and how you're going to pay it off in a very concerted and very directed way. That's what any good finance department would do and that's what my officials have been working very diligently upon for the people of Prince Edward Island, and it's very much in control.

Thank you very much. I appreciate it.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** He never addressed the question, but anyway, I'll ask him again.

How many dollars in extra money, revenue, came into the province from your raised fees last year that you put in, that tax grab you put in of raising all the fees across government? How many extra dollars did you receive?

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much, Madam Speaker.

When the hon. Member from Montague-Kilmuir talks about raising taxes he knows what that is all about, because that's what his government was all about. But this

government on this side of the House is all about saving Islanders taxes.

As you remember, we cut gas tax by 4.4 cents per litre. We have saved Islanders almost \$30 million since June 2007 with regards to gas tax. We have saved on the backs of Islanders in the form of personal income taxes almost \$28 million in the changes that we have in personal income tax. With our freeze on property taxes, we're looking at just going over the \$6 million mark. It is incredible what this government has done with regard to tax savings for Prince Edward Islanders and I can only stand on our record.

Thank you very much, Madam Speaker.

**Speaker:** The hon. Member from Montague-Kilmuir.

**Mr. Bagnall:** Madam Speaker, he collected \$17 million in fees last year from the backs of the working people.

He didn't want to - through coming in the back door and raising fees so he can say he didn't raise any taxes, he got \$17 million, yet he's still not going to balance the budget.

Minister, what fees do we expect to see this year in your budget? It means that you raised them all last year. Are you going to raise them all again this year to help you out?

**Speaker:** The hon. Minister of Finance and Municipal Affairs.

**Mr. Sheridan:** Thank you very much,

Madam Speaker.

When the hon. Member from Montague-Kilmuir states a number like \$17 million in fees he should make sure that he has his figures right. When you look at fees, you have to decide what are fees, what are taxes, and what he's speaking about. Compare apples to apples and compare what the fees were the year before to what the fees were last year.

When we looked at all of these structures for Prince Edward Island last year, and reviewed to make sure that all were up to date, to make sure we were in some type of regional average, we made adjustments on some of those. Again, they're all in a very fair range to make sure that Islanders pay fees in the same range as their cousins and their neighbours next door.

Thank you very much.

**Speaker:** The hon. Member from O'Leary-Inverness.

### **Coroner services in West Prince (further)**

**Mr. Henderson:** Thank you, Madam Speaker.

My question is for the Minister of Education and Early Childhood Development and Attorney General.

Last week in response to my question about coroner services in western Prince Edward Island you said that your department was reviewing the *Coroners Act*. Are you at liberty to provide the House with more details on what service model might be

adopted in future?

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** Thank you, Madam Speaker.

At this time I'd like to acknowledge the work of our chief coroner, Dr. Charlie Trainor. Dr. Trainor is working very closely with the staff at the Office of the Attorney General. Right now the coroner services, the provincial services, provide to the needs of Islanders all across this province. We are working at looking at the function and responsibilities of different health care professionals in the delivery of coroner services.

In the *Coroners Act* - and it will continue to be that way - coroners are required to have a medical degree, but in other jurisdictions such as Nova Scotia they have medical investigators such as nurses, paramedics, that do play support roles in the service provided by coroners.

So our office is looking into ways that we can support the services in communities all across Prince Edward Island, and we look forward to having more detail through those discussions and evaluations of other jurisdictions and other health professionals as we move forward.

Thank you, Madam Speaker.

**Speaker:** The hon. Member from O'Leary-Inverness.

**Mr. Henderson:** Supplementary to the same minister, Madam Speaker.

So you're saying that you will not be replacing doctors with nurses, or are you considering nurses as a possibility on Prince Edward Island to provide those coroner services?

**Speaker:** The hon. Minister of Education and Early Childhood Development and Attorney General.

**Mr. D. Currie:** The coroner service right now is a provincial service and with the work that's going on there's no intention to replace physicians with other health care professionals. The request is to look at other jurisdictions to support the coroners in this province, whether it be paramedics, first responders, nurses across the province.

There are some different models that are implemented in jurisdictions all across this country, but in the majority of jurisdictions coroners are medical professionals, physicians, and we will continue with that practice as we make any changes to the service here in the Province of Prince Edward Island.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Belfast-Murray River.

### **Lobster commodity board**

**Mr. McGeoghegan:** Thank you, Madam Speaker.

If I could have your indulgence, there's a

brief lead up to my question. My question today is for the Minister of Fisheries, Aquaculture and Rural Development. The fishing industry on PEI last year saw the lowest price for lobster since 1991. This spring, demand is high, inventories are gone, and no buyers have said anything about having problems with getting lines of credit, as they did last year. Yet the seafood processors on PEI have been trying to talk the price down despite demand.

Last evening the three lobster advisory boards on PEI had a meeting to discuss options to go forward right away. The most popular option was to proceed with an industry-driven commodity board for Island lobster through the *Natural Products Marketing Act*.

Mr. Minister, if the industry gets the support it needs from Island fishers, will you support this initiative to help the regulation pass so they can move to the next step?

**Speaker:** The hon. Minister of Fisheries, Aquaculture and Rural Development.

**Mr. LeClair:** Thank you, Madam Speaker.

Yes, certainly what the hon. member has said about pricing is a huge issue across the board and across Prince Edward Island as far as the lobster industry is concerned. We are supportive of fishers looking to better their lot, let's say, as far as pricing is concerned. The option of forming a lobster commodity board is one option available to fishermen. It exists in the Department of Agriculture, the mechanisms for that right now, as far as legislation goes.

I'm sure Minister Webster's staff would be only too glad to help in initiating that or discussing it as well. I believe that Murray Myles, who is quite capable in that area, is having a meeting Monday night with the fishers.

Thank you.

**Speaker:** The hon. Member from Belfast-Murray River.

**Mr. McGeoghegan:** Supplementary question to the same minister.

How quickly could this process come together so fishermen can take back control of their industry?

**Speaker:** The hon. Minister of Fisheries, Aquaculture and Rural Development.

**Mr. LeClair:** As far as a time frame, it would take a bit of time. The Department of Agriculture, and Murray Myles especially, could put more insight into this because there is a vote, there has to be a coming together of the fishermen and the association, and there has to be a vote taken and there is legislation on the forming of a commodity board.

So it will take some time but it's a way that the fishers can look forward to moving their industry forward.

**Speaker:** The hon. Member from Georgetown-St. Peters.

### **Two-tier electric rate increase**

**Mr. M. Currie:** Thank you, Madam

Speaker.

My question today is for the minister of agriculture. Minister, you, as a minister, swore on oath to uphold, defend and protect the agricultural industry in this province. I'm just wondering: Two years ago, were you in their corner when Maritime Electric applied for change to the two-tier rate increase?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, the hon. member from Georgetown has a very good question.

I believe that process started in 2004. It moved forward to actually reduce the discount for large volumes for large electric users on Prince Edward Island, which predominantly affected the farming community and people with residential electric heat in rural PEI.

The first piece of the discount was lost, I believe, about a year or so ago, and I'm not confirmed on that date. But the process, the application that came from Maritime Electric to IRAC was originally initiated in 2004. We weren't satisfied with that as a government and when we were made aware that that discount was going to be lost, we reacted as a government and said: We don't believe this is right at this time. We were able to convince Maritime Electric to withdraw their application to IRAC and continue that discount, Madam Speaker.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Question to the same minister.

Minister, did Maritime Electric ever submit a copy of what they were going to file to IRAC to you for your viewing to change those two-tier rates?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, no, Maritime Electric did not submit a notification to us and we were not aware of that because it started back in 2004.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Madam Speaker, I find it hard to believe that Maritime Electric, the sole distributor of electricity in this province, would not have made an application (Indistinct) to the minister prior to filing that report.

You indicated that they didn't ever show you a report?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, I was not aware of any report, notification of that, from Maritime Electric.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** So I guess then, Madam Speaker, it's fair to say that you never did make any noise or any letters to Maritime

Electric about this because you never saw it.

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, when I was made aware of the possible loss of that discount it was a Friday at approximately noontime.

I immediately called my office to track this story down to make sure - get the real story on this particular issue. That night I did speak with the Premier as well. The Premier's fundraiser was on. I made the Premier aware and the chief of staff people aware of it. We further investigated it on Monday morning and had a reaction from government on Tuesday.

Thank you, Madam Speaker.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Question to the same minister.

Minister, are you aware of the Murphy report that did recommend these changes to the two-tier residential rate?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, no, I am not aware of the Murphy report.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Madam Speaker, it's kind

of a sad day here today because on December 4<sup>th</sup>, 2008 that very minister did see the application from IRAC and he did write to IRAC indicating why those changes were not taking place.

Now will you stand up today and tell Islanders why you misled Islanders - you misled the media - on that?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, I am not aware of the Murphy report that the hon. member's referring to.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Madam Speaker, the minister did make reference to the Murphy report, and on December 4<sup>th</sup> or November 14<sup>th</sup> he did indicate that these changes should take place, and you're asking why they weren't implemented in Maritime Electric's application form.

You did do that. It's under your penmanship.

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. M. Currie:** You misled Islanders, minister.

**Mr. Webster:** Madam Speaker, I would have to refresh my memory with the documents.

I'm not aware that that actually happened,

but I will investigate that and report back to the House.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** Maybe the minister would remember the fact that Maritime Electric wrote back to you and indicated that those changes are taking place. Do you remember receiving that letter from Maritime Electric on December 4<sup>th</sup>, 2008?

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, I'm not aware that the two-tier system was in that document.

Again, I'll have to refresh my memory on that particular issue.

**Speaker:** The hon. Member from Georgetown-St. Peters.

**Mr. M. Currie:** The minister's digging himself deeper, Madam Speaker.

In February of 2009 this government indicated that they wanted to recommend the Murphy report which - the Murphy report calls for the elimination of the two-tier residential rate system. That minister over there knew about it. He misled the agricultural community. You misled the people. You misled the media. I would like for you to stand up and apologize today.

**Speaker:** The hon. Premier.

**Premier Ghiz:** Thank you very much,

Madam Speaker.

I'll stand up and apologize because, bottom line, is what happened here, back in 2004, there was legislation brought towards this Legislature that initiated the process to eliminate the two-tier phase.

What happens is when you get over I think it's the 2000 megawatt usage the price gets cheaper. Now in every other province in Canada, or in a lot of other jurisdictions, there is a special rate for agriculture. Unfortunately, no one realized that agriculture was involved in this industrial rate. They thought that agriculture was involved in the other rate. All this was initiated under the previous government.

As soon as this minister, on a Friday afternoon, found out that agriculture was included in this rate, we made sure that was put on hold until we're either able to come in with a new power deal or that we're able to introduce new legislation in this House to make sure that the agriculture sector's protected.

It was under the leadership of that minister that initiated the process and did not have a separate system for the agricultural sector. It's our government that's correcting the problem.

**Some Hon. Members:** Hear, hear!

**Speaker:** The hon. Member from Georgetown-St. Peters. Final question.

**Mr. M. Currie:** Madam Speaker, it's unfortunate what has happened here in regards to the minister because I believe that

he has misled the agricultural community.

You express shock and you were puzzled to the media that this was taking place. Yet, under your penmanship, you asked for it to happen. It's unfortunate that he did that. So I ask the minister to apologize today to the farming community and all Islanders.

**Speaker:** The hon. Minister of Agriculture and Deputy Premier.

**Mr. Webster:** Madam Speaker, I was not aware that agriculture was affected by the documents that were moving around.

As a result, on Friday, when I found out, when I was advised that there could be an issue, I further investigated, did due process, and we resolved the issue by Tuesday, Madam Speaker.

**Some Hon. Members:** Hear, hear!

[End of Question Period]