

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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MATTERS OF PRIVILEGE AND RECOGNITION OF GUESTS	2979
STATEMENTS BY MEMBERS	2981
CHARLOTTETOWN-BRIGHTON (Island Activewear).....	2981
SUMMERSIDE-WILMOT (Summerside Boys and Girls Club Annual Golf Fundraiser).....	2982
LEADER OF THE OPPOSITION (PEI Connects Event)	2982
ORAL QUESTIONS	2983
LEADER OF THE OPPOSITION (FOIPP Request-further)	2983
LEADER OF THE OPPOSITION (Value of Mill River Property-further).....	2983
GEORGETOWN-ST. PETERS (Mill River/Government Transition of Cash)	2984
STRATFORD-KINLOCK (Role of Minister re: Aboriginal Affairs)	2986
STRATFORD-KINLOCK (Aboriginal People and Supreme Court Application)	2986
STRATFORD-KINLOCK (Mill River Deal re: Cost to Island Taxpayers).....	2988
LEADER OF THE THIRD PARTY (Cost for Child Advocate Office).....	2989
LEADER OF THE THIRD PARTY (Transparency and Accountability of Government)	2989
LEADER OF THE THIRD PARTY (Cost of Child Advocate Office-further).....	2990
TIGNISH-PALMER ROAD (Financial Burden of Post-secondary Students)	2990
TIGNISH-PALMER ROAD (EI Program and University Students)	2991
CHARLOTTETOWN-LEWIS POINT (Supports for Grandparents)	2992
CHARLOTTETOWN-LEWIS POINT (Public Education Campaign for Grandparent Caregivers)	2992
RUSTICO-EMERALD (Internet Speed Test and Results)	2992
RUSTICO-EMERALD (Federal Funding to Underserviced Internet Areas)	2994
STATEMENTS BY MINISTERS	2996
TRANSPORTATION AND INFRASTRUCTURE RENEWAL (IWS Grants 2017)	2996
ECONOMIC DEVELOPMENT AND TOURISM (Island Capital Partners)	2997
RURAL AND REGIONAL DEVELOPMENT (Community Infrastructure Projects).....	2998
TABLING OF DOCUMENTS.....	3000
ORDERS OF THE DAY (GOVERNMENT)	3000

ESTIMATES	3000
Economic Development and Tourism	3000
ADJOURNED.....	3032

The Legislature sat at 2:00 p.m.

Matters of Privilege and Recognition of
Guests

Speaker: The hon. Premier.

Premier MacLauchlan: Thank you, Mr. Speaker, and a pleasure to welcome everyone in the gallery today, as well as those who are watching online or the television, and of course, especially those who are watching in my home district of York-Oyster Bed.

Welcome, Eddie Lund and Cheryl Koughan to the gallery in person, and know that lots of others are following our good work here.

Others have spoken about Cameron Gordon and his tour starting today, and echo the good wishes to Cameron as our Easter Seals Ambassador and say what an inspiration he is to all of us.

I spoke earlier today to the PEI seafood processors who held a symposium in Charlottetown along with industry partners and government partners. A very positive outlook for the upcoming season, and of course to the year round work that is done in that crucial industry and their contribution and growing contribution to our province's economy and welfare of communities throughout the province.

Of course, we know that in some parts of the province – not my own yet, but those with sandier soil – the farmers are getting on the land and actually getting some crop in the ground, so that's great to see that happening and to know what it means to all of us.

Today is National Canadian Film Day, and there'll be special screenings at the City Cinema and elsewhere in the province, and a big shout out to all of the great talents that are in the business and working together to produce films right here in their province.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Opposition.

Leader of the Opposition: Thank you, Mr. Speaker.

I want to talk this morning on – as I drove out from Borden-Carleton, the Seven Mile Bay area today down to Charlottetown this morning, I noticed a lot of farmers were actually moving equipment out of their barns and their warehouses, and I'd just like to say that we are getting into that time of farm machinery moving on our roadways, and the farm staff are working on equipment. I just hope that they exercise caution and safety, and also that Islanders – when they see this equipment that's trying to be moved around – that they also exercise some safety when they see it moving.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from West Royalty-Springvale.

Mr. Dumville: Thank you, Mr. Speaker.

I'd like to welcome Eddie Lund here today to the Legislature and all those visiting us, and say hello to the people out in West Royalty-Springvale, and especially those in Andrews of Charlottetown.

I'd also like to thank everybody that participated in our Rotary Radio Bingo last night. Another successful night and I thank them for supporting their community.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you very much, Mr. Speaker.

It's a pleasure for me to rise today as well and greet some individuals in the gallery: Of course, Eddie Lund, the most regular attendee; my cousin, Cheryl Koughan as well, and Cheryl, I know where your mind is today, and my heart to you as well on the anniversary of your mom's passing – oh, I'm sorry, her birthday.

I'd also like to send out birthday greetings to Eleanor Davies. Eleanor, of course, is a resident of Stratford and a member of the Order of PEI, as well.

And last but not least, I'd just like to bring to attention a special event that's happening in Stratford this evening. It's the Stratford Business Group; they're inviting everyone to their spring networker this evening. It's going to be from 5:00 p.m. to 7:00 p.m. at Fox Meadow and I encourage everyone to drop in to meet all the dynamic business owners and discover all of the great services and businesses that are available in our very own community.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Mr. Speaker.

It's a pleasure to rise in the House today and welcome everyone watching from District 18, Rustico-Emerald.

As well, I welcome everyone to the gallery. Cheryl Koughan, it's good to see you here today.

I've been thinking a lot today about Robert Stevenson, who passed away earlier this week. He was from Cavendish, and he was a great supporter of mine. His wake is this afternoon, and I'm thinking of his family, especially his wife, Nancie, and thinking of them in my thoughts and prayers.

I also wanted to mention that tonight, both the Hunter-Clyde Watershed Group and the Wheatley River Improvement Group are having their annual general meetings tonight. One at the community hall in Hunter River and I believe the other one in Wheatley River at the hall there. I always take every chance I can to advocate for more funding for watershed groups because of the 10 to one return. I know the minister knows that. I hope that we'll see that in the future, too.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Rural and Regional Development.

Mr. Murphy: Thank you, Mr. Speaker.

It's a pleasure to be here today. I welcome all the folks in the public gallery, as well as the good people at home watching in Alberton-Roseville.

I'd like to thank Islanders for their support that they've given so far in the Good Deeds Cup, which the Alberton PeeWee Regals are involved in. We had a tremendous boost yesterday. We're only 412 votes behind. This is an Island team representing Prince Edward Island in a national contest and I plea with everyone that hears my voice here today, please make sure you vote.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Souris-Elmira.

Mr. LaVie: Thank you, Mr. Speaker.

I'd like to say a big shout-out to all those in District 1, Souris-Elmira, especially those residents that are living at the Colville Manor.

I was up over the weekend. They said they watched the proceedings so I just told them I'd give them a big shout-out today, and to all the workers at the Colville Manor also.

As I was driving in today there were two walkers on the side of the road at Souris West. As they were walking they were picking up garbage at the same time. That's a good deed there. Actually they're doing two good deeds. They're walking for their health and they're picking up garbage in the ditches for our health. To these two people that were walking out in Souris West on the highway on my way into town, a big shout-out to you and thank you for cleaning our ditches.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Communities, Land and Environment.

Mr. Mitchell: Thank you very much, Mr. Speaker.

It is a pleasure to rise and welcome all that may be viewing in, especially those in the Charlottetown area. It's always great to talk to so many people from my neighbourhood who watch in faithfully and give me some great advice so I do appreciate that.

It's good to see Eddie Lund back in the House there. I never got an opportunity to welcome Eddie back since he returned from upper Canada, so it's great to have you back in, Ed. As well, as Cheryl Koughan, a great friend of mine for many many – not that many years, Cheryl, at all, but growing up together back in Fort Augustus days and Cheryl's mother, Janet Smith, a lovely lady who had a lot of time for me and I had a lot of time for her at Tim Hortons and other places over the years and actually helped me out some on my campaigns earlier on so that was great. She was a lovely lady and we all miss her very much, as you do, Cheryl, I know.

Also, I had to verify my numbers there last night so I wasn't able to stand in the House, but indications are that a significant number of trout were caught this weekend between Saturday and as of last night. Large numbers in the St. Peters and Morell area and the Bonshaw area as well, so it looks like it's going to be a great season and I hope all fishermen remain safe as they –

An Hon. Member: (Indistinct) watershed.

Mr. Mitchell: – continue to do that – and yes.

To the hon. member's two watersheds that are having their meetings tonight, I wish them well on that and I won't be able to attend either. I have an environmental advisory council meeting that we will be working very closely on how watersheds will be working this summer. I hope to have a great chat with them in the near future.

As well, I would like to say hello to my good friend, Parker Baker, who will be watching in today. Parker is getting back on his feet after a bit of a health issue and we spent some time together early Monday there so it's great to see him back on the go.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Statements by Members

Speaker: The hon. Member from Charlottetown-Brighton.

Island Activewear

Mr. J. Brown: Thank you, Mr. Speaker.

I would like to take a moment to acknowledge a business that has constantly been evolving with the trends and has been a local spot to get the latest in fashion. Island Activewear has been going strong and serving Islanders for over 25 years.

Philip Tweel started in 1991 when he asked his dad if he could use a small space in the family grocery store to showcase some clothing and accessories. He started by selling workout gear and nutritional supplements. Over time, he built up stock and was even importing from across Canada and the United States. A couple years later he moved out of the grocery store and into his own location, and this was the beginning of Island Activewear. Philip now travels to buyers markets in New York, Las Vegas, Montreal and Toronto to provide his customers with the latest styles.

Island Activewear is now a thriving business that carries all the latest in designer brands and premium labels. Philip, his wife Kelli and daughter Sophia now offer the newest in urban fashion and surf-skate brands. They are currently undergoing renovations that will double their floor space to 2,000 square feet with an option to add another 500 feet of retail space in the future. That's just on the bottom of University Avenue in the area that's up and coming, so take note. There should be lots of new development happening there in the near future.

I hope everyone will join me and wish Kelli and Philip continuing success at Island Activewear.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Summerside-Wilmot.

Summerside Boys and Girls Club annual golf fundraiser

Mr. Palmer: Thank you, Mr. Speaker.

Mr. Speaker, I'd like to rise today to highlight an upcoming event that is taking place this summer: The Summerside Boys and Girls Club annual golf fundraiser will take place on July 14th. This event would not be possible without the title sponsor, Novus Glass, and major sponsors, Dominos Pizza, as well as dozens of other commercial sponsors throughout the community.

I would also like to acknowledge the gracious help of the celebrity golfers who participate. Some of these golfers are regulars each year. This year's lineup includes Gerard Gallant, Heather Moyse, Donovan Bailey, Larry Robinson, Bryan Trottier, and Max Domi. There will also be lots of local celebrities who will lend a hand to raise money for the Boys and Girls Club of Summerside.

The day of golfing will be followed dinner accompanied by a live and silent auction. Money raised goes to support the great work the Boys and Girls Club does in the community; programs like the after school program, the nutritional breakfast program, summer camp, Walter Gretzky Ball Hockey, George Chuvalo fight against drugs, and so many more.

I would like to commend the organizers of this tremendous fundraiser for the Summerside Boys and Girls Club and encourage everyone to go out and show support for this worthwhile community cause.

Thank you.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Opposition.

PEI Connects event

Leader of the Opposition: Thank you, Mr. Speaker.

I'm pleased to rise today to recognize an upcoming event for our most vulnerable Islanders. The PEI Connects event will be held on Thursday, April 27th from 11:00 a.m. to 2:00 p.m. at the Jack Blanchard Family Centre located at 7 Pond Street here in Charlottetown.

The event is being hosted for Islanders who are currently homeless, improperly housed, or are facing imminent homelessness. The event completely is free of charge to all that attend. It will provide the participants with a hot meal, hygiene products, haircuts, spring clothing and other personal items that they may need.

Local services providers will be there offering blood pressure and blood sugar checks, income tax information, as well as information on local community services available to them; housing services and other health and wellness services that are also currently there.

Musical entertainment will also be provided for the duration of the day. Transportation is also being provided, free of charge, for participants using the T3 Transit system.

The PEI Connects event is made possible thanks in part to the John Howard society – is a spinoff of last year's magnet event hosted to assist the PEI Community Advisory Board on Homelessness with biennial national Point-in-Time Count. Information collected through the count provides in-depth snap shot on the homelessness situation here in Charlottetown and PEI as well as contributing to the national picture of the nature and size of homeless populations.

Most importantly, it is bringing community service agencies and organizations together, which allows communities to better identify the needs of homeless individuals and provide them with local, tailored supports.

Overwhelming positive participant feedback from last year's event spearheaded the formation of a volunteer ad hoc committee charged with organizing this year's PEI Connects event in an effort to maintain momentum and attach service providers to the most in need.

It is no mandatory to pre-register and I encourage any Islander in need to attend this event.

Thank you.

Some Hon. Members: Hear, hear!

Responses to Questions Taken as Notice

Questions by Members

Speaker: The hon. Leader of the Opposition.

FOIPP request (further)

Leader of the Opposition: Thank you, Mr. Speaker.

Premier: Why did your tired Liberal government refuse a FOIPP request and then fight the appeal to release your 2013 Mill River secret study?

Some Hon. Members: Hear, hear!

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I expect all hon. members are aware that there is a particular process to be followed when there are FOIPP requests. It wouldn't be in my role as Premier to play any part, or in fact, to be aware of a FOIPP request.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Opposition.

Value of Mill River property (further)

Leader of the Opposition: Mr. Speaker, you are the Attorney General. A decision would have been made by you to fight the appeal.

Premier: Why did your tired Liberal government give away a 90-room full-service resort with an 18-hole championship golf course, an indoor pool, a 90-foot waterslide, a whirlpool, a sauna, a squash court, tennis courts, a restaurant lounge, a marine dock –

Mr. Myers: (Indistinct) tractor trailer (Indistinct)

Leader of the Opposition: – 72-site campground, a fun park and all the land, plus \$10.9 million of Islanders' money in your Mill River sweetheart deal?

Some Hon. Members: Hear, hear!

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, our government entered into an arrangement with a reputable businessman, Don MacDougall and his daughter Anne McDougall-Cooper, to take over the Mill River property and the assets there and turn them into a sustainable asset and a destination and an attraction to build the tourism industry in West Prince.

When you put the numbers up there for what it has been costing the province to be there as the owner, and what the McDougalls' as people with a reputation who are going to build that resort and build the industry in West Prince, it is a bargain for Islanders, it's an investment in West Prince, and an investment in tourism in this province.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Opposition.

Leader of the Opposition: Mr. Speaker, the government and the Premier entered into an agreement with only one person that had a chance. No other Islanders had a chance.

The sun isn't setting for 12 years and all the while \$10.9 million of Islanders' money is being trucked up to Mill River to renovate the property and to cover all the losses after this tired Liberal government gave them away for nothing.

Question to the Premier: Do you stand by the efforts of your minister to use weasel words to try and hide the truth about –

Ms. Biggar: Unparliamentary.

Leader of the Opposition: – this little sweetheart Mill River deal?

Some Hon. Members: Hear, hear!

Mr. Myers: Good question.

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I stand by the decision of our government –

Mr. Myers: (Indistinct) your name (Indistinct)

Premier MacLauchlan: – to make this transaction, to make this investment.

Let me remind the members of this House that there was an RFP process in 2012-2013 –

Mr. Myers: (Indistinct) golf course.

Premier MacLauchlan: – to which there were many responses. Mr. McDougall and his company emerged as the top respondent to that RFP process eminently qualified businesspeople and businesspeople who understand, as the opposition don't, the concept of risk. They've taken on a lot of risk and they're going to bring benefits to the people of West Prince and to this province.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Mill River/government transition of cash

Mr. Myers: Thank you, Mr. Speaker.

Yesterday, the minister of innovation told the House that they didn't finance any of the \$500,000 that McDougall used to buy the property.

Question to the minister of transportation: Did the government actually receive cash from Mr. McDougall?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Transportation, Infrastructure and Energy.

Ms. Biggar: Thank you, Mr. Speaker.

My particular department does not have anything to do with dealing in transition of cash in that regard. Our role in transaction of properties is to prepare the paperwork and to file the paperwork.

Some Hon. Members: Hear, hear!

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

Mr. Myers: Thank you, Mr. Speaker.

I know, and I did see your name on the documents, so I know you're fully aware. As I know there are other people that are fully aware of it, too. We'll find out about it later on.

Let's go back to the minister of innovation then. Nobody seems to know if they actually paid any money.

Did the government receive \$500,000 cash from McDougall or did you get it in grants, or did you get in free golf, or how exactly did he pay for this golf course? What did you get?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Thank you, Mr. Speaker.

Interestingly enough, I'll go back to the hon. Leader of the Opposition, but if I remember distinctly the day we announced this deal in Mill River the hon. member was there and actually said, stood up and said: It was a great deal for West Prince. It's interesting to see how you turn a foot really quickly.

The answer to the question on the \$500,000 is yes.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Mr. Myers: Yes. The answer is yes. It was kind of like a three-headed question.

I guess I'll ask another question because 'yes' didn't actually answer my question.

Did government ensure that the \$500,000 grant that is in last year's budget, that you spend out of last year's budget, was not being used to fund the purchase price, which happens to be the exact same amount?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Thank you, Mr. Speaker.

We've been discussing this transaction for a number of times in the House. It gives me the opportunity to get up and confirm what a great deal it is for the taxpayers of Prince Edward Island, and West Prince.

As far as the \$500,000, that transaction was held in trust when the deal was signed. As in most business protocols, that's what usually takes place; when the deal is signed there's an amount of money that is put aside and that's what that was and it was put in trust.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Mr. Myers: Thank you, Mr. Speaker.

You had issued a grant for \$500,000 to McDougall prior to the sale is what you're saying. You issued the cheque for \$500,000 prior to selling it.

Can you assure this House that he didn't use that \$500,000 to pay you?

This is your chance to prove me wrong.

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Thank you, Mr. Speaker.

Again, working with Mr. McDougall, an individual whose heart and soul is in West Prince doesn't need this deal; doesn't need

this opportunity, but the investment that he's making with the people of West Prince, in our tourism industry; to maintain jobs; to build up an infrastructure that is at a point where other investors wouldn't even look at.

We feel that we've done a good job here with the taxpayers' money. Over the course of 12 years and less than that, the taxpayer will not be responsible for this property. We're going to have an establishment that's first class in West Prince, which is needed in our tourism industry coming upon one of the best years we'll likely ever have.

Some Hon. Members: Hear, hear!

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

Mr. Myers: Thank you, Mr. Speaker.

I do believe that Mr. McDougall didn't need this and didn't need the property. That's why you had to pay him to take it. You were paying him boat loads of cash to take it. You kept firing cash at him and he finally said: I'll take it then. I'll take it. And you're letting Islanders get ripped off in the process.

Your timeline is even suspect. You said in January the deal wasn't done. But the so-called grant was booked in this year. I think you doled out the money before the deal was done.

Can you prove me wrong?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Mr. Speaker, I believe the transaction went through sometime in January. I don't have the exact date on the top of my head.

At that time the \$500,000 was put into a trust on behalf of the owners and government working together to come to a conclusion on a property that really there was no other exit for this establishment.

You can't continue to lose \$850,000 in taxpayers' money. Going forward, it's not hard to do the math over the 12-year period

who is going to come out ahead here. It's going to be the taxpayers of Prince Edward Island. I can't understand how the opposition can stand over there day after day and say: Doom and gloom, this is a bad idea.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Mr. Myers: Thank you.

I'll paraphrase what the minister said: On the day that they sold the golf course to McDougall for \$500,000 they put in trust \$500,000.

Interesting, and you're telling this and you want Islanders to believe that you're not crooked on this deal?

You want Islanders to believe that you didn't pay him the money to pay for the golf course?

I can't believe the audacity of you to stand in this House and treat Islanders with the disrespect that you treated them with all day yesterday and are intent on doing again today.

Ms. Biggar: Question.

Mr. Myers: I'm embarrassed for you and for all Islanders for your treatment. What conditions were attached to this \$500,000 grant, or did you just give it away to him with no strings attached at all?

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Thank you, Mr. Speaker.

When you look at this property over the next 12 years, estimates are that \$6.6 million in losses coming out of – and that's just our own. That's the golf course, the campground, and the fun park. That's not including capital improvements.

The money that the hon. member's speaking about is part of a capital improvements grant. I'm not sure why he's trying to confuse the public. Everything we've done

is above board. We've had the media sitting in my boardroom and described the whole layout to them. This is an ongoing process and we'll continue to make investments like this, just like we made investments in the timber yard in his own riding. There's over \$30 million in a loan portfolio in his riding. I don't hear him complaining about that.

Thank you.

Speaker: The hon. Member from Stratford-Kinlock.

Role of minister re: Aboriginal Affairs

Mr. Aylward: Thank you, Mr. Speaker.

A question to the Premier: Premier, why do you not take your duty as Minister Responsible for Aboriginal Affairs seriously?

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: I indeed do and, in fact, our relationship with the First Nations in this province is our most important relationship and we, on an ongoing basis, work closely with and have shared programs and investments with the Mi'kmaq in this province and are very proud of that.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Stratford-Kinlock.

Aboriginal people and Supreme Court application

Mr. Aylward: Thank you very much, Mr. Speaker.

The Aboriginal peoples of our province have filed a Supreme Court application in this tired Liberal government's sweetheart Mill River deal.

Question to the Premier: Do you agree with the chiefs that your orders in council purporting to grant permission to sell Mill River are invalid?

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: Mr. Speaker, I have a very close relationship with the chiefs. We had a day together with confederacy and other partners on Tuesday of last week on the whole question of working together in a tripartite relationship with the federal government as we work with real diligence to respond to the actions called for by the Truth and Reconciliation Commission. On Tuesday evening of last week, I had dinner with the chiefs and we have a very positive and constructive ongoing relationship.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you very much, Mr. Speaker.

Again to the Premier: Premier, would you agree with the chiefs that as the Minister Responsible for Aboriginal Affairs, you failed in your duty to consult on your sweetheart Mill River deal?

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: Mr. Speaker, the province acknowledges that we have a constitutional duty to consult with the First Nations when we're dealing with land. There were discussions over a period of time and I value the relationship with the chiefs and I respect their concerns about this and this is something that we are in an ongoing relationship. Notwithstanding the best efforts of the Member for Stratford-Kinlock, I don't intend to stand in this House and say that I disagree with the chiefs. We have a very good relationship and we intend to keep it.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Mr. Speaker.

Mr. Speaker, not once did I say whether or not he disagrees with them. I'm asking if he agrees with them because there is a document filed in court that strongly suggests the contrary.

Again to the Premier: Do you agree with the chiefs' request to seek an injunction to prevent your sweetheart Mill River deal until you properly consult with them?

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: Mr. Speaker, we are committed to the duty to consult with the chiefs and we work very closely with the chiefs and the confederacy on a number of fronts including land and resources, including health, including infrastructure, justice programs, and employment programs.

We're very proud of those relationships and we acknowledge that there is a duty to consult; one that was pursued in this matter and that's a matter of continuing discussions with the chiefs and the confederacy.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Mr. Speaker.

Again to the Premier: Do you agree with the chiefs that they have suffered damage from your government's breach of fiduciary duty?

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: Mr. Speaker, I suppose the standard response to this might be that something is before the courts and I hope that the opposition recognizes that when government has a legal action taken against it that it's not prudent to stand in the House and say that you're right or wrong. That's especially so when you're dealing with an honoured relationship that we have with the chiefs of the confederacy.

Speaker: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Mr. Speaker.

Once again we have a government – if they would simply follow the rules as they're set out, you wouldn't find yourself in court again, but you don't seem to grasp that concept. Follow the rules.

Again to the Premier: Do you agree with the chiefs that your government has not offered any compensation or accommodation at all?

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: Mr. Speaker, the duty of government is to consult. We take the view that there was consultation and we have a long relationship with the chiefs and the confederacy on a number of matters dealing with land and I can assure the House that we take that to heart and those discussions are active and in good faith.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Stratford-Kinlock.

Mill River deal re: cost to Island taxpayers

Mr. Aylward: Thank you, Mr. Speaker.

The Premier talks about the long, established relationship, but unfortunately now it's not only going to be long, it's going to be very costly as well because the legal fees are only going to pile up because of this.

The chiefs were notified and then wrote back to the province outlining its objections. They say none of the agreed upon meaningful consultation happened.

Again to the Premier: How much more will your botched sweetheart deal cost Island taxpayers?

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: Mr. Speaker, in this province, there is not the same extent of crown land as is the case in most of the other provinces of Canada and it's one of the important elements of our stewardship as government and in our stewardship in our relations with the chiefs and with the First Nations – that we approach all of that with diligence and with honour and that we take all of our responsibilities to heart and we definitely do that. I'm proud to say that it's one of our great relationships and we intend

for everybody to go ahead together in this province.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Mr. Speaker.

Government is using outside legal counsel while, of course, the Premier being a constitutional law expert, fights another losing and costly court battle.

Premier: Why are you and the Liberal Party putting your interests above the interests of the people of PEI?

Some Hon. Members: Hear, hear!

Mr. Myers: Good question.

Speaker: The hon. Premier and Minister Responsible for Aboriginal Affairs.

Premier MacLauchlan: Mr. Speaker, I'm in my role as Premier as the leader of a majority government in this Legislature, and we are responding and dealing with our relationships with the First Nations, with the chiefs, with due diligence, with attention, and it is very much in our minds that we achieve and continue to move forward in our relationship with the First Nations in a way that's positive and constructive and respectful of our obligations.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you very much, Mr. Speaker.

This is actually the first case of Aboriginal rights that would be tested by the courts here in the Province of Prince Edward Island and Chief Francis stated last month: There's really no excuse if they don't understand their obligations at this point. This is your good friend that is saying this about your government.

Premier: How did you, the constitutional law expert, fail in your constitutional duty to consult with our Aboriginal persons?

Some Hon. Members: Hear, hear!

Speaker: The hon. Premier.

Mr. Myers: Maybe he's not a good lawyer.

Premier MacLauchlan: Mr. Speaker –

Mr. Myers: They're not all good.

Premier MacLauchlan: – we do indeed have a good relationship –

An Hon. Member: (Indistinct).

Mr. Myers: Not talking about you, Jordan.

Premier MacLauchlan: – with Chief Francis, with Chief Ramjattan, and with the First Nations in this province. We understand our obligations when it comes to consultation, and we endeavour to fulfill those obligations to the utmost and to view this as an ongoing relationship of honour, and that's exactly how we are living up to our responsibilities.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Third Party.

Cost for Child Advocate office

Dr. Bevan-Baker: Thank you so much, Mr. Speaker.

Last week, government introduced legislation to provide better supports for children in our legal system, and yet last December, every member of the Liberal caucus voted in lockstep to defeat Motion 39, which was in alignment with a recommendation from the Nash Campbell inquest to create the position of a child advocate.

The justification of government back then was that we should invest in frontline services instead, as if we shouldn't and could not afford both for our children.

A question to the Premier: How much will it cost for Prince Edward Island to set up an independent child advocate office?

Some Hon. Members: Hear, hear!

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, the Leader of the Third Party is indeed correct, that our government's position is that we should address first where there are needs for frontline services. Since coming to government we've established a children's lawyer, which was indeed addressed through legislation last week and provided for in the 2016-2017 Budget. We put in place supervised access points. We've now provided through legislation for arbitration. We've got the bridge model to deal with high-risk cases, and that's how we're addressing the needs that the Leader of the Third Party is asking about.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Third Party, this will be your first supplementary.

Transparency and accountability of government

Dr. Bevan-Baker: Thank you, Mr. Speaker.

I've recently seen a troubling trend in government's approach to meeting the needs as the Premier just described, whether it's the issue of the executive division conflict of interest rules, the creation of a lobbyist registry, whistleblower policy, or calls for a child advocate or an ombudsperson.

This government seems to be extremely uncomfortable with independent oversight of its work.

A question to the Premier: Should not the values of transparency and accountability also include independent oversight?

Some Hon. Members: Hear, hear!

Mr. Myers: Good question.

Speaker: The hon. Premier.

An Hon. Member: Next leader. That's your next leader.

An Hon. Member: New leader.

Mr. Myers: Need an ethics commissioner to tell them how to be ethical.

Premier MacLauchlan: Mr. Speaker, our government has been committed from the outset to openness and transparency, and we've demonstrated that from day one and continue to do so. We look forward to the opportunity to speak to the motion that was introduced by the opposition last night.

And our view, and it was a view that was backed up by the child protection review, is that it's more important to address the opportunities to provide frontline support and a wraparound coordinated service that speaks to the needs of children in need in this province, and that's where we're putting our priority, Mr. Speaker.

Thank you.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Third Party, your second supplementary question.

Dr. Bevan-Baker: Thank you, Mr. Speaker.

Some may suggest the government is just being stubborn in refusing to act on repeated calls for a child advocate –

Mr. Myers: (Indistinct)

Cost for Child Advocate office (further)

Dr. Bevan-Baker: But I believe that, actually, every member of this Legislature is sincerely committed to the wellbeing of every single Island child.

Therefore, I ask the Premier to table all of the research and analysis, including costs that informed his decision to reject calls for a child advocate.

Premier, will you table these documents before debate begins on your justice amendments so that we can have a full and well-informed discussion?

Some Hon. Members: Hear, hear!

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I think there's a motion in the book on a child advocate, probably for about the third time since the election, so I expect there have been opportunities to consider that –

Mr. Myers: (Indistinct) sunset clause (Indistinct).

Premier MacLauchlan: But let me say that I think there is a basic difference here. The government, as government, we believe in a professional public service that will give service and work together with the proper resources and the proper team to protect children in this province. I believe the opposition is more concerned about themselves because they want to – because they don't really expect to be in government and they just want somebody who's going to serve the opposition.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Myers: Nobody's polling my name.

An Hon. Member: Someone should carry it.

Mr. Myers: Nobody's polling to try and find out how much they don't like us.

Speaker: Question from the hon. Member from Tignish-Palmer Road.

Financial burden of post-secondary students

Mr. Perry: Thank you, Mr. Speaker.

We've heard concerns in the media and from student unions of students who may have some financial struggles, especially those from low-income families.

Last fall in the House, I had asked a question to the Department of Workforce and Advanced Learning about helping to ease the burden of postsecondary students by offering the ability to collect EI while studying, and I was wondering if the Minister of Workforce and Advanced Learning could give me an update on the progress.

Speaker: The hon. Minister of Workforce and Advanced Learning.

Mr. Gallant: Thank you, Mr. Speaker.

I would like to inform the hon. Member from Tignish-Palmer Road that his suggestions were taken very seriously last fall, and within the next couple of weeks my department will announce more details about people that are eligible for EI when they go to postsecondary institutions, and I'd like to also state –

Some Hon. Members: Hear, hear!

Mr. Gallant: Thank you, hon. members.

This builds on over \$30 million worth of assistance that we give the students on an annual basis.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Tignish-Palmer Road, your first supplementary question.

EI program and university students

Mr. Perry: Thank you, Mr. Speaker.

Thank you, minister, and that's great news. I know previously postsecondary students in college were able to get on this program and have access to this program.

So what you're saying now, does that mean that university students who are EI-eligible will be able to access this program?

Speaker: The hon. Minister of Workforce and Advanced Learning.

Mr. Gallant: Thank you, Mr. Speaker. Yes, hon. member. Through this program, both college and university students will be eligible.

An Hon. Member: Oh great, great news.

Mr. Gallant: The college students, they'll have to just be out of the public school system for 12 months and have an active claim open.

Ms. Biggar: Great.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Tignish-Palmer Road, your second supplementary.

Mr. Perry: Thank you, Mr. Speaker.

That's great news. That's going to help many Islanders, especially Islanders up in my end who have to come down here and have the additional costs of board.

My question to the same minister: I'm sure many students will have an interest in this program. Can the minister tell us how they can apply for this program?

Speaker: The hon. Minister of Workforce and Advanced Learning.

Mr. Gallant: Thank you, hon. Speaker.

Hon. member, these students can apply and – there'll be more details coming in the weeks ahead, but they can – there'll be application forms available through Skills PEI that students can apply.

Mr. Myers: Still need a pretty penny.

Mr. Gallant: Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Charlottetown-Lewis Point.

Supports for grandparents

Ms. Casey: Thank you, Mr. Speaker.

My question today is to the Minister of Family and Human Services.

Minister, everyone in this House knows that you are a champion for grandparents who are primary caregivers for their grandchildren. We heard last night during debate on Motion 62, that there are many reasons why parents are unable to care for their children and for a grandparent it can be quite challenging to raise their grandchild.

Minister, can you explain what supports are available today for grandparents who are in this situation?

Speaker: The hon. Minister of Family and Human Services.

Ms. Mundy: Thank you, Mr. Speaker.

Any chance I get to talk about supports for grandparents and to talk about this issue that is so near and dear to my heart, it does give me great pleasure to rise.

There are many programs that are out there that grandparents are not aware of that they can access, and I think that each and every one of us – again, and I know I say this quite often – but each and every one of us in the Legislature, we come into contact day in and day out with our constituents. Sometimes we're the first people (Indistinct) call, so I think we all owe it to every constituent, especially those grandparents in our districts, to know what the programs are, because grandparents can access family and social housing. They can access social assistance benefits. They can access a children's dental benefit. They can access optical for children that are kindergarten age. They can access the Canada Child Benefit. As well, they can also access childcare subsidy, so there are a wealth of programs that are out there right now that they can access. Any one of you that wants to know about them, please call me. I'd be more than happy to sit down with you.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Charlottetown-Lewis Point, your first supplementary.

Public education campaign for grandparent caregivers

Ms. Casey: Thank you, Mr. Speaker.

On May 3rd, 2016, the health and wellness committee recommended to this House that your department undertake a public education campaign regarding supports available for grandparents acting as primary caregivers.

Minister: Has your department taken any action on this recommendation?

Speaker: The hon. Minister of Family and Human Services.

Ms. Mundy: Thank you, Mr. Speaker.

Again, a lot of this is about education and about awareness, and after we did receive the response and the recommendations from the standing committee, the department did go out and they sourced a lot of the information that's available, not only from our department, but to many of our community partners and our NGO partners that are out there.

We did put together a document called, Raising A Second Generation, and it is a resource guide for grandparents that are parenting their grandchildren. It has much information in there on some of the programs that I already mentioned previously, as well as the Triple P program, the Positive Parenting Program, but it is a wealth of information.

Also, we did commit last night because we did hear through the *Child Protection Act* review many times and it was also something that was recommended from the standing committee to look at supports for grandparents that are raising their grandchildren. We will commit to a pilot project before the end of this mandate.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Rustico-Emerald.

Internet speed test and results

Mr. Trivers: Thank you, Mr. Speaker.

This government is spending taxpayer dollars on a speed test that Internet service providers at standing committee have said is pretty much useless. Islanders have started taking the speed test and I understand that it will extend through the summer for tourists and seasonal residents.

Question to the minister of economic development: When will this speed test exercise be completed?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Thank you, Mr. Speaker.

It was an initiative of this government realizing the importance of economic development in rural PEI and we are looking at ways to capitalize on –

Mr. Trivers: When?

Mr. MacDonald: – ideas and suggestions to move this issue forward. I think it's been an issue of mine. I've stated in the House and I have stated publicly –

Mr. Trivers: When?

Mr. MacDonald: – and we will be finalizing the first test, which I think has over 5,000 participants in it right now, I think it's April 27th, and then we will be reopening it up for the seasonal sectors, cottage owners and summer businesses, sometime in June.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Mr. Speaker.

No high-speed Internet access for the summer tourist season for (Indistinct) businesses out there?

Officials from this minister's department told the standing committee that there wasn't any privacy review or screen conducted prior to the Internet speed test being rolled out to the public. The speed test page collects personal information, does not contain explanation information required by the FOIPP act, and is not even encrypted. Personal information is totally unprotected.

Question to the minister of economic development: Why was the launch of your Internet speed test so rushed that proper online security and protections are so slack?

Some Hon. Members: Hear, hear!

Speaker: the hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Thank you, Mr. Speaker. The first part of the question from the hon. member was why it was taking so long and how long was it going to take if we're not going to have service for the summer, and the second part of his question he is telling me I'm going too fast. I'm not quite sure what he wants.

We're conducting a speed test survey to develop comprehensive map –

Mr. Myers: (Indistinct)

Mr. Trivers: (Indistinct) useless (Indistinct)

Mr. MacDonald: – to develop comprehensive mapping across the Island. That's going to be useful for ISPs. It's going to be useful for people to see if they are being appropriately served by those ISPs that they are actually utilizing, and it will open up doors to other ISPs to say: You know what? There's a grey area, maybe we should be doing more business in that area.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: Mr. Speaker, this minister has told the standing committee and the House that the speed test results will be used to create an Internet strategy.

Question for the minister: 10 years in, when can Islanders expect to see this new Internet strategy? Before the end of your mandate?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. Aylward: (Indistinct) spring of 2018.

Mr. MacDonald: I'm glad the hon. member actually agrees that this is part of that process. That's good.

We're trying to identify information that we can utilize in a strategy going forward. We

realize the importance of this. It's the same issue in every province in Canada. We feel we have an objective to the people of PEI to ensure that they know exactly what the complications are of Internet services across Prince Edward Island and we're doing our best, and we're doing it as fast as possible. I can't believe sometimes that the hon. member gets up, because I think when the first time I mentioned this to him he said: That's interesting, that should help.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Mr. Speaker.

I don't think the minister should put words in my mouth and if he does, he should table whether they're in the Hansard or the standing committee.

The time for test reports and strategies has passed. We all know what is needed; it's reliable high-speed Internet access for all Islanders. We even have local PEI companies – they're ready to provide it if this government would get out of the way.

Question to the minister: Is your speed test exercise and the resulting Internet strategy just a stalling tactic in the hopes that a federally-subsidized off-Island ISP bails you out?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Mr. Speaker, I take exception with some of the things that the hon. member is saying.

Unfortunately, I've had calls from the hon. member, or emails that stated that he had some company trying to access a school in Rustico, so we're working with those companies to say that we can. We're working with TIE and –

Mr. Trivers: (Indistinct) yet.

Mr. MacDonald: – we're working with the department of education. We're going to policy board on April 27th, hon. member. April 27th, we're going to policy board and we should have some results in that regard for that individual. Further to that, I have been just speaking to the campground in Darnley, hon. member, and we're working with that group out there too, to try to get an ISP up and going to 600 campsites.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Rustico-Emerald.

Federal funding to underserved Internet areas

Mr. Trivers: Mr. Speaker, this tired Liberal government likes to brag that Prince Edward Island will have the best high-speed Internet in Canada by the end of 2017. Yet, at a standing committee we heard that this federally-funded ISP they seem to be hanging their hat on will not offer unlimited data, and up to 20% of Islanders will still not have access to CRTC high-speed standards by the end of this year. Some have suggested that this tired Liberal government's boasting may even have closed the door to more federal funding to fix our Internet problem.

Question to the minister: Minister, will Prince Edward Island still be able to access federal funding for underserved areas when your government boasts that we aren't underserved?

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: I'll boast any opportunity I get about Prince Edward Island, and I'll continue with – I don't think –

Mr. Myers: (Indistinct)

Mr. MacDonald: – we'll have any obstacles. With four Liberal MPs in Prince Edward Island fighting for us in Ottawa every day and what we're seeing in collaboration and cooperation between us

and them on Prince Edward Island, I think we're moving in the right direction.

Our economy is at an all-time high. We can talk about it, talk about the housing market today on CBC, retail sales, car sales, and the list goes on and on. There's no doom and gloom on PEI. We're looking forward to our most –

Mr. Trivers: There's no high-speed Internet either.

Mr. MacDonald: – to our best tourism season –

Mr. Myers: (Indistinct)

Mr. MacDonald: – ever and we're doing everything in our power to move this process along.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: Mr. Speaker, federal dollars are funding a national company to compete against local, home-grown Island service providers. If these local ISPs are squeezed out and then this national company leaves, Islanders will be left in the lurch.

Minister: What are you doing to ensure that it's a fair, level playing field that doesn't pit Island companies against a subsidized competitor?

Some Hon. Members: Hear, hear!

Mr. Myers: Good question.

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Thank you, Mr. Speaker.

It wasn't too long ago I was being reprimanded for a contract that was signed in 2008 with a company. I'm trying to create a level playing field for the taxpayers of PEI, to make it market competitive with all ISPs, whether it's local or not. We're looking after the taxpayers of Prince Edward Island. That's the bottom line –

Mr. Myers: (Indistinct)

Mr. MacDonald: – in economic development and growing our export markets and I know that the Internet solution is really important in that regard and we're going to continue to do that.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Myers: (Indistinct)

Speaker: The hon. Member from Rustico-Emerald, your final question.

Mr. Trivers: Thank you, Mr. Speaker.

At standing committee this winter we asked what options there were to get out of your tired Liberal government's \$23 million Internet failure. Almost every rural MLA has constituents who cannot get quality, reliable high-speed Internet service.

They're calling Bell Aliant who has this contract and Bell says: Sorry, we can't connect you until someone else disconnects or we can't connect you at all.

Question to the minister of economic development: What are you doing to fight for Islanders, hold Bell to account, and get out of this lousy contract?

An Hon. Member: Hear! Hear!

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Mr. MacDonald: Obviously, Mr. Speaker, we're seeing a competitive market already being developed with new ISPs coming to Prince Edward Island and new ISPs expanding each and every day.

We have reviewed the contract and it's before legal, but one thing I will say about this contract. If it is a detriment to the taxpayers' of Prince Edward Island to break this contract then this government will stand up and say that. If it's not, then we'll look at it, but we'll wait for a legal opinion.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Myers: Don't care about rural Islanders. High-speed Internet out there worth nothing to you.

[End of Question Period]

Statements by Ministers

Speaker: The hon. Minister of Transportation, Infrastructure and Energy.

IWS Grants 2017

Ms. Biggar: Thank you, Mr. Speaker.

The Interministerial Women's Secretariat assists the provincial government to promote legal, health, social and economic quality of women. The secretariat is mandated to partner with the community on projects to promote the status of women.

To perform this work Interministerial Women's Secretariat works in partnership with Island community organizations to develop projects, programs and services that benefit women from Prince Edward Island.

Today the Interministerial Women's Secretariat is announcing the awarding of its latest round of IWS grants to help organizations that provide direct services and programs for the benefit of women and girls on Prince Edward Island; support projects that enhance awareness, education and social action on women's legal, health, social and economic equality, or support the capacity of women's organizations that promote women's equality through advocacy, research and policy development.

Receiving grants this year are: the Women's Network PEI for sharing leadership engaging all ages in the women's movement on PEI; the PEI Rape and Sexual Assault Centre, for supporting survivors of sexual violence on PEI; the Cooper Institute, for women on the margins. Education and policy change for migrant women; PEI People First, for our voices count. Women with intellectual disabilities speaking up for accessible services; Community Legal Information Association, for the project, family law matters; the Prince Edward

Island Business Women's Association for the project, building capacity in young women on PEI; and the East Prince Women's Information Centre for the project, safe girls.

Today we are joined by the recipients of those grants, as well as the director of the Interministerial Women's Secretariat, Michelle Harris-Genge. I would like to acknowledge the great work that all of these organizations that I mentioned have contributed to Prince Edward Island and I'm pleased to be partnering with them and recognizing them here today. That's: Judy Herlihy with the Women's Network PEI; Hannah Bell and Sarah Dunphy with the PEI Business Women's Association; Andy Lou Somers of the East Prince Women's Information Centre; Matt MacDonald from the Community Legal Information Centre; Sigrid Rolfe, PEI Rape and Sexual Assault Centre; Melissa Good from PEI People First, and Barb Fanning from PEI People First.

I want to thank all of them and all of you who work to advance and support women and girls on Prince Edward Island. Please give them a hand.

Some Hon. Members: Hear, hear!

Speaker: Responding to the minister's statement will be the hon. Member from Belfast-Murray River.

Ms. Compton: Thank you, Mr. Speaker.

I want to congratulate the minister on her announcement. It's wonderful whenever we can support women's groups that mean so much to all Islanders.

I'm at a disadvantage; I don't have the list in front of me. I was trying to keep track there, but I recognize most of the faces in the gallery and I recognize each of you for your hard work for all women's issues and enhancing awareness.

I think that's the most important thing is to enhance awareness, promote equality and to work together. I know each and every woman in the room today wants to see more women in this room. I think through the groups that you represent that will happen.

Thank you for all your work.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you very much, Mr. Speaker.

I too want to congratulate the minister on this statement. I also want to recognize the incredible work that so many of the women that I'm honoured to know, by the way, do to keep the many organizations that provide the glue that maintains our community and our society here on Prince Edward Island.

Equality and women's issues are something that we are a long way away from achieving. We just need to look around this Legislature and see that less than 20% of the seats are occupied by women; the second lowest of any legislature in Canada. Indeed, there are more seats in this House than women who have ever been elected to this Legislature in the history of our province. We have a long way to go.

This is a great announcement. I have been blessed, in my life, with strong women going right back to my great-great-grandmother who was one of the first cohorts ever to qualify or from the University of Toronto, to my great-grandmother who invented her own language. She was a fish salesman, invented her own language; kept track of her books in a way that nobody else could make sense of, ended up, actually owning a fleet of ships by the time she died. To my grandmother, who was the only woman who played piano in the silent movies in Scotland, and my own mother who was a Ph.D. chemist. I have been blessed with strong women in my history and I'm fully aware of the contribution they have made, not just to my life, but to society in general.

While we have a long way to go to attain the equality that we all know is critical here on Prince Edward Island, this is a great announcement.

Thank you, minister.

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Economic Development and Tourism.

Island Capital Partners

Mr. MacDonald: Thank you, Mr. Speaker.

Small and medium-sized businesses are the backbone of the Island's economy. These businesses employ thousands of Islanders and provide a variety of goods and services to our province and beyond our borders.

Even the most capable businessperson, with the most innovative idea, can require some assistance moving from one phase of their business plan to the next. In this government's most recent Budget the Minister of Finance announced \$2 million to be set aside to assist start-up companies and entrepreneurs who run them.

This funding will be matched by the private sector through a new organization known as Island Capital Partners. Island Capital Partners will be managed by a four member general partners' team. This includes Ron Keefe, the former CEO of BioVectra and Diagnostic Chemicals; Alex MacBeath, the former CEO of Grant Thornton Canada; Steve Nicholle, a former CEO at various technology start-ups; and Paul Lypaczewski, a former executive with various software companies.

These partners will source \$2 million in private sector investment for the fund to match the provincial investment, and to bring the total to \$4 million. They will also consider applications from businesses and disperse funding. Most importantly, they will provide mentorship and guidance to successful applicants based on the partners' years of experience in the business world.

The fund will assist entrepreneurs who are preparing to move into the commercialization phase of their new product or service. The fund augments the supports already provided to entrepreneurs such as; The Ignition Fund; the Startup Zone, micro-loan; entrepreneurship loan; LaunchPad; development commercialization grants and other assistance for local businesses.

Our new partnership with Island Capital Partners brings our province in line with some of our regional counterparts in terms of venture capital and angel investment. Both Nova Scotia, Newfoundland and Labrador have similar funds, but in each of those cases the province provided the lion's share of funding. That tells me that the four members of Island Capital Partners see an incredibly bright future for the economy of Prince Edward Island.

As the Minister of Economic Development and Tourism I share that optimism.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Mr. Speaker.

Certainly, a great announcement anytime there is more money going into small businesses on Prince Edward Island. It's a good news story for businesses and Islanders, as well.

That four-member team is a capable team. I'm sure they'll bring great things to Prince Edward Island. I hope to see the \$2 million in funds to get out and help small businesses, and some great ideas out there. I hope it's done fairly and done in a transparent way. Hopefully it's a success for all Islanders.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Mr. Speaker.

I too welcome this announcement. I will be very interested to see what the criteria – the definition is of a small business. Much talk recently about Mill River and it seems to be that they qualified somehow as a small business. I'm not sure what the criteria will be for this.

I also looked through the Budget Estimates that we're about to debate later today and

see that some of the companies from whom these very successful and no doubt very fully qualified entrepreneurs and businesspeople come from. BioVectra receives over \$4 million of taxpayers' dollars every year. I hope that the \$2 million matched with the \$2 million truly goes to small businesses here on Prince Edward Island; too often the large businesses, the successful businesses here that you have to question whether they still require government taxpayer dollars to keep them going.

I really hope that this fund goes to where it is needed most, which is the small businesses here on Prince Edward Island.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Speaker: The hon. Minister of Rural and Regional Development.

Community Infrastructure Projects

Mr. Murphy: Thank you, Mr. Speaker.

Today, I have the pleasure of joining the Member of Parliament for Egmont in announcing government investments of nearly \$400,000 for 11 community infrastructure projects in western Prince Edward Island.

The projects included upgrades to the Tignish Royal Canadian Legion, the town of Alberton skate park and fire department, expansion and improved accessibility of the Miminegash Community Centre, and renovations for the West Point Lighthouse and the Wellington Boys and Girls Clubhouse.

Communities are built and maintained around social infrastructure that provides a gathering place for special events, community meetings and daily recreational activities. These projects will help enhance existing community and tourism assets; improve quality of life for residents, and expand economic opportunities in the region. Especially, in rural regions of Prince Edward Island in particular this infrastructure is integral to a community's well-being and economic growth.

Over the years this government has placed a priority in investing in our communities that has included investments in road, bridge and infrastructure upgrades; financing to help support companies to grow, modernize and fulfill their daily business duties and helping to match Islanders with meaningful work experience.

We are a connected, tightly-knit province, which means all regions must be strong if Prince Edward Island is to be truly prosperous.

I would like to commend the community organizations for their determination and leadership in developing and working through these projects. These are strong community leaders and builders who are shining examples of what Islanders are capable of when we work together to make big things happen for our entire province.

The Province of Prince Edward Island will continue to work with the federal government and our communities to foster growth, sustainability and success. We are committed to supporting all residents of Prince Edward Island to thrive and prosper and building stronger communities for all.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Mr. Myers: Thank you, Mr. Speaker.

I'm not sure if this is an announcement of the provincial government or the federal government. If it is a provincial government announcement, it should have happened here in the House first prior to it being announced outside because that's the way the House work. Anyway, I'll forgive for that, you're new, or are you?

It's always good to see investments. I know you spend a lot of time focusing on the projects that are happening up west. It's great. It's great for the community groups who work so hard to make these things happen.

I have been involved over the year with numerous community groups. I know the amount of work it takes to get community

projects off the ground because pretty near everybody involved is usually a volunteer in a lot of these cases, like fire departments.

I know there is a number down home now that you have your up west ones ticked off, you should take a drive east sometime. We've got the Morell rink down there. They're looking for a partner. I'm sure you can partner with them. I know there are a couple of fire departments down there. It feels like they've been abandoned by you fellows –

Mr. Trivers: Don't forget (Indistinct)

Mr. Myers: When the Premier was driving around delivering his cheques after the power outages that last year he wouldn't even go back and talk to some of the fire departments who want to get – who want to be a warming centre. He won't even consider allowing them to be, they laughed at you.

An Hon. Member: Cardigan.

Mr. Myers: They laughed at you. I live in Cardigan. Trust me, they laughed at you. I can't be any more blunt than that. They laughed at you.

I know that – look, my party –

An Hon. Member: You're the one that cried wolf.

Mr. Myers: It's your party who's polling. Your name and they're saying it's the Liberal party polling, and they're saying your name, we know why. The knives are out, and that's why they're all grinning behind you. It's not because they're supporting you, it's because the knives are out for you.

Mr. LaVie: Give it to him, Premier.

Mr. Myers: So come on down to East Prince. I'm going to go back to talking to the Minister of Rural and Regional Development, who actually gets rural Prince Edward Island, who actually gets small community, who actually gets what it means to work hard and not have everything handed to you by your parents.

An Hon. Member: Watch it, James.

Mr. Myers: This guy here wasn't born on third. When he hit a triple, he hit a triple. You were born on third and you think you hit a triple.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Myers: You couldn't hit a triple.

Speaker: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Mr. Speaker.

I welcome this announcement. Any time we have money coming from other levels of government for infrastructure development, it's good news.

Obviously, this is an announcement for West Prince, but I'm also aware in my own district in Victoria-by-the-Sea of a large infrastructure program funded through ACOA, where there's some really important upgrades to the – particularly beautification projects, but also some practical things being done there.

When we look at infrastructure and the health of communities, as the minister quite clearly pointed out the connection there, we also always have to keep in mind the climate change and what impact that has on our infrastructure.

Finally, I think we're learning to build infrastructure for the future, and when we're putting in sewer systems and culverts and building roads and bridges, we're taking into account the fact that the world is going to be different into the future, so I assume that this money will be spent in such a manner.

Thank you very much, Mr. Speaker.

Speaker: Thank you, hon. Leader.

Presenting and Receiving Petitions

Tabling of Documents

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, by leave of the House, I beg leave to table

responses to written questions 248-340 and I move, seconded by the Honourable Member from Summerside-Wilmot, that the said documents be now received and do lie on the Table.

Speaker: Shall it carry? Carried.

The hon. Minister of Family and Human Services.

Ms. Mundy: Thank you.

Mr. Speaker, by Command of His Honour the Lieutenant Governor, I beg leave to table a document, *Raising a Second Generation Resources for Grandparents Parenting their Grandchildren and Supports for Children*, and I move, seconded by the Honourable Member from Charlottetown-Lewis Point, that the said document be now received and do lie on the Table.

Speaker: Shall it carry? Carried.

The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Mr. Speaker.

Mr. Speaker, by leave of the House, I beg to leave a copy of the notice of application for judicial review by the Mi'kmaq Confederacy of Prince Edward Island against this government and I move, seconded by the Honourable Member from Rustico-Emerald, that the said document be now received and do lie on the Table.

Speaker: Shall it carry? Carried.

Reports by Committees

Introduction of Government Bills

Government Motions

Orders of the Day (Government)

Speaker: The hon. Minister of Agriculture and Fisheries.

Mr. McIsaac: Mr. Speaker, I move, seconded by the hon. Premier, that the 1st order of the day be now read.

Speaker: Shall it carry? Carried.

Clerk Assistant and Clerk of Committees: Order No. 1, Consideration of the Estimates, in Committee.

Speaker: The hon. Minister of Agriculture and Fisheries.

Mr. McIsaac: Mr. Speaker, I move, seconded by the Honourable Premier, that this House do now resolve itself into a Committee of the Whole House to take into consideration the grant of supply to Her Majesty.

Speaker: Shall it carry? Carried.

I will ask the hon. Member from Charlottetown-Lewis Point to come and Chair the Committee of the Whole House.

Chair (Casey): The House is now in a Committee of the Whole House to consider the grant of supply to Her Majesty.

Hon. members, we are on page 43. The section under Programs has been read and it has been under discussion.

Mr. MacDonald: Calling somebody on the floor?

Chair: We're looking to bring a stranger to the floor.

Some Hon. Members: Granted.

Chair: Thank you. We'll wait until she gets settled before we –

Hon. members, just before we get started, I just want to make it clear as to how the proceedings are going to happen through the discussion of the Budget Estimates.

I've asked you to direct your questions to the section that has been read so that we can find your questions when we're – if Hansard is looking for them, and just so that we can keep the discussions organized. I would respectfully ask if you have a question on another section that you just hold that question until we get to the section. If you're not sure if your question pertains to the section, just ask and the minister will explain where your question fits, and again, I would ask you to respectfully hold the question to that section.

Just on a matter of – a question was asked, why I would let a minister into the lineup, and most times I'm asked, I give way to a minister because they have information that can clarify the question that was just asked, and I've done that over the years, and I'm trying to be fair to everybody, and everybody knows that I've been fair to everybody.

But now that we're clear on how the procedure is to take place, hopefully you will respect those – that procedure, and everything will go smoothly.

Could you please introduce yourself and your title for the record?

Shannon Burke Director: Sure. Shannon Burke, Director of Finance for the Department of Economic Development and Tourism.

Chair: Welcome back, Shannon. And we are under Programs.

I have a question from the hon. Member from Kensington-Malpeque, Leader of the Opposition, and Stratford-Kinlock to start.

Mr. MacKay: Thank you, Chair.

There were some requests yesterday for the minister to take some information back. Could we see if he has that, please?

Chair: Thank you.

The minister has the information that you requested. I'm going to give a copy to the Clerk. And they'll just redistribute those.

The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

Minister, yesterday – as far as it comes to the programs here – the development fund of 500,000 for Mill River, last night I went and I tried finding where that fund is at.

You had mentioned yesterday that the information we had for the development fund, it didn't fall under that. What is the exact name of that fund?

Mr. MacDonald: It is called the development fund.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Minister, do you have the criteria for that development fund? Could we get a copy of that, please?

Mr. MacDonald: It should be in that handout (Indistinct)

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

I'm good with that. I just don't want to carry this section until we see that handout, so maybe just move on to a couple of other questions.

Chair: Okay, sure. I'll come back to you.

The hon. Member from Stratford-Kinlock.

Mr. Aylward: I'm not sure exactly the line of questions the leader has. Mine is just more of a housekeeping question.

Chair: Sure. We'll get to you.

Leader of the Opposition: (Indistinct) he wants a housekeeping question, that's fine.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you very much, Mr. Speaker.

It may be in one of the handouts that's coming, but back on page 42 under Culture, Development and Growth Fund, we had asked – sorry, it's noisy.

Chair: Hon. Members, we're having trouble hearing the question. If only one person could speak at a time, we'd appreciate that.

Thank you.

Mr. Aylward: Thank you, Chair.

Back on page 42 under Culture, Development and Growth Fund, we had

asked for the handout for the list of grants. Is that what this is?

Mr. MacDonald: Yes.

Mr. Aylward: Okay. Thank you very much, Chair.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: In the programs you have P.E.I. Tax Incentives: 24,400,000. In your handout – the big one – you have three pages listed. If you total them up, they only come to 16.1. So you're missing 8.3 million.

My question is: Where is the other 8.3 million in tax incentives that you've got listed.

Shannon Burke Director: I'm not sure how many pages there are in the handout that relate to the tax incentives, but I can give you the name of the programs.

Leader of the Opposition: There are three pages. One is associated with aerospace, one is associated with advanced marine, one is associated with bioscience and those three pages total 16.1 plus or minus in tax incentives.

Shannon Burke Director: There are a number of other tax incentives. There's the Specialized Labour Tax Credit that's in there as well, the Enriched Investment Tax Credit, Share Purchase Tax Credit, and the Innovation and Development Labour Rebate.

Leader of the Opposition: Chair, can you provide us a list of who those tax incentives are broken out to?

Shannon Burke Director: They're in the handouts.

Leader of the Opposition: Where?

An Hon. Member: (Indistinct)

Shannon Burke Director: Under the program names that I just read out.

Leader of the Opposition: Okay.

Can you give me those names again?

Shannon Burke Director: There should be a page in there with three different ones on it. Specialized labour, enriched investment –

Leader of the Opposition: How much is the specialized labour? (Indistinct) headphones and I can't hear a damn, darn word here. So specialized labour is how much?

Shannon Burke Director: 18,110.

Leader of the Opposition: Yes.

Shannon Burke Director: Enriched investment is 3.89 million. Share purchase is 17,000 – I'm just rounding here. And the PEI labour rebate is 5.9 million. But the details should all be in the handout.

Leader of the Opposition: And that totals that.

Thank you. That's fine for now.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Minister, can you bring back a detailed breakdown of the China trade mission for March 2017? I know the member from Georgetown-St. Peters had asked: Who went? But I'm wondering if you can bring back a much more detailed breakdown of the 135,000?

Mr. MacDonald: Sure.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Minister, in the – what is this called, handout?

Mr. MacDonald: In the what? I didn't hear him.

Chair: He didn't ask it.

Mr. MacDonald: Oh.

Mr. MacEwen: Under the marketing assistance grants there's a whole bunch of

the 16,000s. Can you explain what that grant is for and is the 16,000 just the max that people can apply for?

Mr. MacDonald: That is the max – well under, yes, a startup business or something like that there's a grant and tax incentive's maxed at 16,000. It doesn't have to necessarily have to go to 16,000, but they can use it for website development or anything – training, whatever as far as marketing goes.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Walk me through an example. The website development, that's capped at like 500, but what would somebody use the 16,000 – there must be some sort of restriction or what you can actually use it for. Is it just for startups or is it for any other company?

Mr. MacDonald: No. It could be for any company. Maybe they have a new product line or something that they're trying to market so they could allow the 16,000 in reference to that, but there's not a stringent criteria on that because as soon as you do that, there's too many variables for new businesses not to be able to utilize it. We'll utilize it as much as we can.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Minister, when that goes, is that a cheque to the company, or is that a cheque to the consultant or the people that the company hires?

Mr. MacDonald: To the company.

Mr. MacEwen: To that company?

Mr. MacDonald: Yeah.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Minister.

Are there any restrictions on what company that they hire to do that work for them?

Mr. MacDonald: No, but they would have to show us that they actually paid the company the money or whatever.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Is there any kind of a tracking of this? I'm assuming this is a one-time –

Mr. MacDonald: It is.

Mr. MacEwen: – fee. Is there any kind of tracking on whether – if that company's successful or if they stay in business or if the marketing dollars were worthwhile? I think it's good, especially for startups if they can get a leg up and they can get in with this kind – to be fair, 16,000 probably isn't a lot, depending on the company that you're doing. What I'm wondering: How long have we done it? How long will we continue to do it? Is there a point where we say: Well maybe 16,000 – it should be 5,000 to more companies, or maybe we should be looking at 50,000 to less companies? What's the evaluation of this program?

Mr. MacDonald: Basically, I think it's been there long before my time and your time likely, but I think it's really – it's an important fund. I think it's utilized quite a bit by new companies and even some companies will use it to leverage other funding, to increase that, because that's not a lot of money for marketing. It's more of a startup for – to establish a website for 4,000 or 5,000 and then what's left over is not that much when you start doing letterhead and business cards and so on and so forth – as a small business would.

As far as tracking the businesses that are successful – we're always tracking businesses and the ones that are successful, they're going to light you up a little bit more than any ones that are – and there's going to be failures for sure, but I think it's important under this is not to put such stringent guidelines on for small business startups or you're really eliminating those guys that are – like students that are just out of university with a lot of debt load and things like that. It's the same – similar process to the micro-loan.

Mr. MacEwen: Thank you, Chair. Thank you, Minister.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

Minister, there's nothing in these handouts on that development fund. I just want to make sure –

Mr. MacDonald: Do you have a number six on that (Indistinct)

Mr. MacKay: No.

Mr. MacDonald: I can read it to you. It's pretty brief.

Mr. MacKay: I'd like to get a copy of that before we go any further.

Mr. MacDonald: Okay. Yeah.

Did they get a copy of this?

Shannon Burke Director: They should have.

Mr. MacKay: Are you talking this here?

Mr. MacDonald: No. Is it the number six? Is there a number six on the back of that?

Mr. Aylward: I don't think we've received that.

Mr. MacKay: Nothing.

Unidentified Voice: They didn't get the second page then.

Mr. MacDonald: You didn't get the second page then.

Mr. Aylward: (Indistinct)

Mr. MacKay: (Indistinct)

Mr. MacDonald: It's that page there.

Shannon Burke Director: It's the second page that was missing.

Chair: They're going to get two copies of that.

Mr. MacKay: That's great, Chair.

Chair: Hon. Member, do you have other questions or do you want to wait for that –

Mr. MacKay: I want to wait for –

Chair: Okay. I'll come back to you.

The hon. Leader of the Opposition.

Leader of the Opposition: Thank you.

Minister, what can you tell us of what's going on with the bridge property – the fabrication yard? Can you give us an update on that?

Mr. MacDonald: Interesting enough, I'm meeting with the mayor and the administrator on Monday. They're ongoing with their –

Leader of the Opposition: Study.

Mr. MacDonald: They're doing their study – community-based study. Actually no, they're doing two, hon. member. They're doing a step program for tourism, economic development, which is supposedly almost done, or should be done by now. I think it was supposed to be done the end of March and they added something to it.

Now, they're doing a strategic plan for the yard. They would like to see a vision for it. I believe, don't quote me, but I'm going to say this because I believe they accessed \$50,000 out of the McCain fund to do that.

Leader of the Opposition: Yes.

Mr. MacDonald: I think that's where they're at now, but they asked for a meeting on Monday, so I'm meeting with them on Monday. I was hoping to get an update from them, actually, to where they're with their studies.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: With that, I've met with the town. I've met with you. I've met with several businesses. I'm hearing a common theme out in the businesses world is, is there going to be a commitment by government to get the jetty and wharf back up to useable use?

Mr. MacDonald: I believe there is actually a study by my department being done, an engineering study on the jetty, as we speak.

Leader of the Opposition: Okay.

Mr. MacDonald: We'll wait and see what the response to that is.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: When do you think that study will be done?

Mr. MacDonald: I can bring that back, but I think they're in – the (Indistinct) is ongoing right now, so I'm not sure of the deadline on it to get it back.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: What firm is doing the study?

Mr. MacDonald: I'm going to say Stantec, but I'm going to bring it back.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: Was that a tendered contract?

Mr. MacDonald: I believe request for interest went out on it. Same as what the request for interest went out on the yard for solar.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: Playing devil's advocate.

Mr. MacDonald: Yeah, that's fine.

Leader of the Opposition: The yard has been sitting vacant since 1997. I know for a fact that there was a two year, basically, grace period before any action be taken and remediation of the yard in case something took place on the bridge, right?

That takes up to 1999. We are now in 2017. At what point do we possibly look at the province saying: We have got to clean this up or nobody is going to come in there? Has that been looked at?

Mr. MacDonald: It certainly has. When I met with – the first time I met with council that was a decision and they said: Well, hang on a minute. Let's see what other alternatives there are for that, which we have investigated. I'm sure you're aware of some of them.

There are some really good ideas, quite honestly. It's up to the town now to tell us, either clean it up, cut them off at ground level and cut the grass for (Indistinct) or make a substantial investment in that area that the town is going to be acceptable to. I think that's where we're at.

I still, the last meeting I had with the town and their council members was they wanted to do this study to take a look at it. We keep trying to see what other interests out there, as we did with the windmills and the solar.

There were six companies that came back that wanted to a study on it. We're still going to wait until the town comes back and says, here's our feeling on it, here are our views. We'll go from there.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: I know that a couple of companies that are looking at building in the area.

Mr. MacDonald: Yeah.

Leader of the Opposition: Was ever any thought of saying to companies, we will give you what land you require for free –

Ms. Biggar: We just tried that. You're not happy with that.

Leader of the Opposition: Pardon me?

Mr. Aylward: You're supposed to go through the Chair, I think.

Ms. Biggar: (Indistinct)

Mr. J. Brown: We already have it worked out (Indistinct)

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: I know two companies are looking at building up there, tapping into the McCain's fund.

Has there been any thought to actually saying to people, we'll give you two acres, three acres, whatever, free of charge if you build in there, but you have to take down a column or whatever or – has there been any thought of that?

Mr. MacDonald: I think, again, it comes back to what the town is. The town is very specific. We have brought some ideas towards the town and they kind of hummed and hawed. You know you're dealing with a council and administration so you have to be very aware that it's not just a decision that we're going to take.

We gave them some options and I think we're going in the right direction with them. The communication's pretty key with Kevin, all continuously with me.

Leader of the Opposition: Okay, final question.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: Chair, thanks.

Minister, I met with a group of ladies the other night that are very interested in development in the area. We went over a whole bunch of things that are a concern to them on variety of subjects.

One thing that was a concern to them was that where it's totally accessible right now to the public. They were wondering about the liability of anybody driving in there and driving off the wharf. There is no signage saying, you can't drive by this point or trespass, or that kind of stuff.

They're also interested in that the amount of graffiti that is now being down in the area and is there any thought as to why government is keeping the gates open, allowing anybody to drive in there? You could be accepting liability on that.

Mr. MacDonald: I think at one time there was a discussion with the town that the gates – we did lock the gates, actually. The gates were locked and they kept breaking them open continuously. It's an ongoing issue, but I can have someone look at it and see if there is anything we can do.

Leader of the Opposition: Like, signage would –

Mr. Aylward: (Indistinct) need a better police officer up there.

Leader of the Opposition: Cement blocks.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

I'm looking at the list of grants and there are many different funds. Thank you for the handout that you provided us with.

It's labeled: Innovation PEI program list. I just wanted to find out, first of all: Is this program list available online for anyone to go and look at and research?

Some Hon. Members: (Indistinct)

Mr. Currie: Bradriversforleader.com that's the (Indistinct) it'll be online.

An Hon. Member: (Indistinct) leadership.com.

Mr. Trivers: Right now, I can go online and, for example, I can find out about the development fund?

Mr. Currie: (Indistinct) he's uncomfortable.

Mr. MacDonald: Yes.

Ms. Compton: What are you guys going to do, it's Question Period.

Chair: Could you repeat the question –

Hon. members, the minister just said that he can't hear the question and asked the –

Mr. LaVie: I never heard (Indistinct)

An Hon. Member: (Indistinct)

Chair: – hon. member to repeat the question and the reason why is there should only be one person speaking. You're welcome to take your conversations outside the room.

Mr. LaVie: Oh!

An Hon. Member: Okay (Indistinct)

Mr. LaVie: Oh!

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Right now, I can go online and I can find out about the development fund, for example?

Mr. MacDonald: Yes. The list came from the website.

Shannon Burke Director: Yes.

Mr. MacDonald: – but the development fund is not on the website.

Shannon Burke Director: But the development fund we have there.

Mr. MacDonald: It's not on the website?

Shannon Burke Director: No, I don't think so.

Mr. MacDonald: I'm told that's not on the website, the actual development fund.

Mr. Trivers: The development fund isn't on the website.

Mr. MacDonald: Yeah.

Chair: The hon. Member from Rustico-Emerald.

An Hon. Member: (Indistinct) put it on after.

Mr. Trivers: I would like to encourage the minister to put all of the programs on the website, and really my question is about fairness of allocation of grants. I wanted to make sure that everyone knows what grants are out there; what types of grants are available, and it's easy for them to apply.

I think it would be great instead of having to wait until their MLA asks for a handout in budget estimates, I would like to the information that's in the handout actually published online so you can go to a program and you can see who actually got funding just like we have in our handout here.

Then, if I'm, for example, looking through and let's say I want to start a new microbrewery or a new craft brewery I can go down and say: Oh look, yes, they do give funding to craft breweries and I can see there's one that got it there.

Or, I can say to myself: Wow, I am a craft brewery and I've been going for a decade and I've never gotten any funding from government; I think maybe I should apply now just so things are firmed up and fair.

I was wondering if you would consider actually being open and transparent and just publishing a list of all the grants easily clickable through on the website by program recipients.

Mr. MacDonald: Not a bad point. This is published every year.

Mr. Trivers: Which book? This entire –

Mr. MacDonald: The (Indistinct)

Mr. Trivers: The Innovation PEI handouts booklet is published every year?

Shannon Burke Director: If it's tabled then it's a public document. Every year it's tabled –

Mr. MacDonald: It's not a bad point.

Mr. Trivers: You're missing my point. Chair?

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: My point is not whether it's tabled in budget estimates and then people have to go and search through the Hansard and find it.

My point is: It should be easily accessible information through the Innovation PEI website. You can go to the program, you can see who has received grants under the program, that way you can really have an idea the types of businesses that are applying; who is receiving them; the amounts they're receiving.

Then, as a competitor, it creates fairness because then you can decide to apply and say: Oh, I didn't even realize I was eligible

for that. It also allows, just to be frank, it allows for policing of it as well just to make sure that the grants go out, and if there are people refused then they have a legitimate concern and they can make a complaint by looking at other companies.

I'm sure it's very legitimate and I'm sure it's a fair process, but in the interest of transparency I would love to see that. Can you commit to doing that for this year?

Mr. MacDonald: I can commit to doing that.

Mr. MacDonald: (Indistinct)

Chair: The hon. Member from Rustico-Emerald.

Mr. Aylward: (Indistinct) take it under consideration.

Mr. Trivers: One thing that I talk a lot about in the House, and it's partly because I'm the critic for Communities, Land and Environment, but partly because these groups do contact me as watershed groups are always looking for funding. I noticed that here in the development fund, the Cornwall and Area Watershed Group did receive funding. I was wondering, and it's not huge amounts, but it's still – when you're talking about a watershed group with a 10 to one return, they can take 2,500 and turn it into \$25,000 worth of value. I was wondering if I should encourage the watershed groups in my area, and perhaps across the Island, to apply for funding under the development fund.

Mr. MacDonald: By all means.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: I had heard tell from a business – actually, it was a business in your district, minister, Red Island Baked Potato.

Mr. MacDonald: Yes.

Mr. Trivers: Great business, great food.

An Hon. Member: Great business.

Mr. MacDonald: Great Burger Love.

Mr. Trivers: They had heard about a fund they thought that was called PEI enterprise, or a program called PEI enterprise, and I tried to find information online and I had it on my list to approach you, minister. I said your budget estimates are as good a time as any. I was wondering if you have heard of the PEI enterprise fund or something like that.

Mr. MacDonald: Yeah, that could be – that development fund might have been –

Mr. Aylward: (Indistinct) it's rebranded.

Mr. MacDonald: Yeah, rebranded to development fund from enterprise PEI fund. Maybe that's what she is talking about (Indistinct)

Mr. Trivers: Oh, so enterprise –

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

Just to be clear, there was a fund called the enterprise PEI fund –

Shannon Burke Director: Enterprise development.

Mr. Trivers: Enterprise development fund that has been rebranded and just renamed to this development fund?

Mr. MacDonald: Yeah.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Just to be clear, again, the development fund is really – it's like a catch-all for projects that don't fall anywhere else, so pretty much anybody that wants any type of funding, if they can't get funding through other programs can apply to the development fund and there might be a chance to get it, based on economic impact.

Mr. MacDonald: It's not necessarily that they can't get funding from other programs. It's, maybe, they don't fit the criteria of other programs and it, maybe, gives them an alternative. It's not necessarily being turned down for funding.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Just to be clear: How do you apply to the development fund? Is it you have to go through a business development officer, or is it something you can fill out an application online?

Mr. MacDonald: I think you can start online, but you'll end up likely talking to an actual business development officer depending where you are in PEI, because they are all over PEI.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Just to be clear, I just wanted to verify with you that the process hasn't changed at all. If I'm a business that thinks I may be eligible for one or more grants or funding, loans, any of that sort of thing, starting with a business development officer is always the best way to go?

Mr. MacDonald: Yeah.

Mr. Trivers: Thank you, Chair.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Minister, can you talk about the Start-Up Zone and the money that you guys have invested into that?

Mr. MacDonald: The Start-Up Zone money what? Money invested (Indistinct)

Chair: Sorry, could you repeat the question, hon. Member from Morell-Mermaid?

Mr. MacEwen: Yeah, that's no problem. I know it's kind of hard to hear in here.

Chair: Hon. members, we're having trouble hearing the question

An Hon. Member: Sorry.

Chair: Thank you.

The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you.

Minister, the Start-Up Zone in Charlottetown here, can you speak to your investment there and how it's going and your length of commitment.

Mr. MacDonald: I believe – first of all, three-year length of commitment. I believe it was somewhere around the initial start-up costs because we had to do the building, somewhere around, I'm going to say, half a million. Ongoing costs are obviously going to be substantially lower than that.

As far as its success, it's been phenomenal and we're hoping to hopefully add another floor to it. That's how successful it is and we'll continue to build on that.

One of the reasons why we introduced the Venture Capital Fund today was in part and parcel due to the success of the Start-Up Zone, so there are some real opportunities for small business, new entrepreneurs, and I'm going to say between 20 and 35-year-olds, because that's the majority. I believe there's a little over – there might be 16 or 17 businesses in there right now. One of them just received somewhere about around a half a million in venture capital in New York City to expand, so it's been successful.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Thank you, Minister. That's great to hear, the success that's going on there. I'm wondering about your thoughts on satellite startup zones? To start looking at the option of – because you're right, if you can get a spot going like that – say, for example in Morell or Mount Stewart, the same strategy, if it seems to be working where you're at now, the thought process of setting up something like that in a community. Say if you had a renovated rink somewhere and a great spot to go – what your thoughts are on expanding that out to other areas of PEI?

Mr. MacDonald: I think it's a great initiative and it's an idea that we've always kicked around. I guess when we started the Startup Zone, the advice that we received from Ryerson Tech – from where we got the idea, and a couple places: Nashville and Mumbai, India was: Go where the

postsecondary institutions are because a lot of them are still students, but they have great ideas.

That was kind of the initial thought on that. I don't see anything wrong with doing something like that in the future if the numbers are there because it's important to remember that – just creating a space, you have to have the numbers because the whole point of the Startup Zone is the reliance on one another and the growth of one another. It's not individual businesses, really.

Some of these businesses have actually partnered already together and they were in there by themselves at the beginning. It's got a lot to do with numbers, but there might be something short of actual space, but maybe bringing that to that community once and a while to show the youth, or whatever, what the options are for them, there could be potential there.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

I appreciate that, Minister. I get using the example of say, Ryerson or elsewhere, to go where the nucleus of people are. Seeing success, though, and seeing that – if you guys feel it's a good commitment and a good investment, I think the time would be good to start looking elsewhere. I get, it's probably a bit of a chicken and egg and I understand that you don't – in the Startup Zone you don't want just one young person sitting there by themselves. The idea is to feed off each other. To use each other's ideas to – you're going to use one other person's services – probably two or three companies are combined together.

I think, if this model is proven successful, I would encourage you to look elsewhere, as well, to at least entertain the option if someone comes with a sellable idea.

Thank you, Minister.

Thank you, Chair.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

So, going back to this development fund handout – a question: The handout 10, with all the development fund grants – would this all fall under – everything in this section fall under this development fund handout?

Mr. MacDonald: Yes.

Mr. MacKay: So, all these – there's probably a couple hundred – all fall under this development fund handout that basically – projects of impact that don't fit inside other programs. This is all –

Mr. MacDonald: Yes.

Mr. MacKay: I just want to make sure before we move on. I just want to make it quite clear on handout 10 –

Mr. MacDonald: It really allows the flexibility for small businesses to come with something that – Junior Achievement or something to that effect. I guess, as a minister, I don't want to see anybody eliminated because I don't think there's an exact criteria for entrepreneurs or small businesses. You don't want to have – say that's really a bureaucrat saying: No, you don't fit. See ya.

Mr. MacKay: Right.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: There's the total development fund is 3 point plus million. So that is a fund that's not advertised on your website.

Mr. MacDonald: Obviously, it's been used quite a bit. People are aware of it, but we can look at putting it on the website as I committed to the hon. member from Rustico-Emerald.

Mr. MacKay: Right. Okay.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

If somebody wanted to access this fund – I'm just going back to what Rustico-Emerald mentioned – so it's a development officer that you would go to for this fund?

Mr. MacDonald: Yes.

Mr. MacKay: Okay.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: When McDougall's went for the half-a-million for Mill River, was that done through a development officer, or who was that done through?

Mr. MacDonald: That was, I think – the beginning discussions on that were back in 2012 and 2013 through a request of interest. That's how that started. I don't believe there was any business development officer involved in that. I'll bring that back, but I'm pretty sure that there wasn't.

Mr. MacKay: Okay.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Final question for now, Chair, and it's a generic question going back from yesterday. I had asked a few questions minister, and you basically said it was under IIDI, and it was in this section. So with IIDI being a Crown corp and you're the minister, are we going to go through that, or no?

Mr. MacDonald: No.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: So basically, I'm not going to have any answer for the questions I had asked for yesterday.

Mr. MacDonald: Through IIDI or Finance PEI. Those are Crown corps; they're not part of this.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair. I guess it's kind of alarming to me, knowing that there's certain things happening through IIDI that we can't get any answers for, and I thought with you being the minister you might have been able to give us some light on that. I was kind of hoping that we would

get some of them questions through IIDI answered.

Mr. MacDonald: You want to try to answer this?

Shannon Burke Director: I guess when we come to prepare for this here we're dealing with expenditures, so this process is to approve expenditures on behalf of government, so IIDI is a revenue generating Crown corporation or government business enterprise, and they're a revenue generator, so they've never been part of this process. But there would be other venues to ask questions.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Chair, so I do understand that, but I guess one of my questions yesterday was on the default loans, so if a loan was defaulted that would be an expenditure, would it not, or no?

Shannon Burke Director: On a net basis, it's revenue generated.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: I understand, as long as everybody's in good standing, but if there is a default where does that go if it doesn't fall under a write-off or expenditure?

Mr. MacDonald: It stays within IIDI, it doesn't go anywhere else.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

I guess that, to me, that that's alarming. When we're talking – I think you said yesterday there's \$358 million in loans out –

Mr. MacDonald: Seventy-four.

Mr. MacKay: Okay. I understand we've argued the case on a privacy factor, but as far as the default loans we don't even know or the public doesn't know what loans are even in good standing if there's any loans.

So if there's a loan that's not in good standing and it sits in IIDI in a Crown corp and nobody's any wiser.

Mr. MacDonald: No, I mean we publish the write-offs, as you're aware, and we name the companies. We don't do the amounts, obviously.

Mr. MacKay: No, no. That's fair.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

That was certainly a great start, minister. Obviously, it is an open and transparent way to do it, so I guess I'll go back to that.

You were free with the information on that. Is there any loans not in good standing right now through IIDI?

Mr. MacDonald: I'd have to check.

Mr. MacKay: Is that something you could bring back?

Mr. MacDonald: Well, it's not in reference to this, so I don't know – if you'd want to talk outside this, I can certainly find out for you as far as outside this here document.

Mr. MacKay: I guess where I'm going with it, Chair and minister, is if a loan is wrote off I want to know where it goes. And is it just, you rip up the paper and it's gone, it's forgotten then? Like, there's no accounting for it?

Mr. MacDonald: Yeah, we've been making them – it's going to be public if the loan is written off. We published 16 of them, I think it was.

Mr. MacKay: Right.

Chair: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair. And once again, that was a great start, minister, I guess. But one thing that I would like to know, I guess, is if a loan hasn't been wrote-off but they have defaulted in payments, there could be loans out there that

are five years in payments and the government hasn't gone to task on it, right?

Mr. MacDonald: I can assure you, with the Auditor General and the last review that we've done, and quarterly reports going to Treasury Board on anything that would be in arrears, whether it could be a small business that missed a payment in January, those are being identified through Treasury Board.

Mr. MacKay: Okay.

Mr. MacDonald: And the Auditor General, I can assure you, is keeping very close tabs on (Indistinct).

Mr. MacKay: Okay. Thank you, Chair. I'm good.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Chair.

I just wanted to go back to tab ten in the handout again. Under Invesco – I'm going to the PEI labour rebate – and under Invesco, I see they had a labour rebate of just over a million dollars. Would you be able to inform the House what their annual payroll would be?

Mr. MacDonald: No, I don't know, but I can tell you that they've increased employment there in the last little while and they're looking to get up to about 450 people, so that will likely even continue to grow.

Mr. Aylward: And I'm not questioning the integrity of Invesco and a great community partner they are to have here in the province, and particularly in the City of Charlottetown. I know many people that work there, and they're an excellent employer, but I guess it just raises a little bit of concern when I see a labour rebate of over a million dollars.

Chair, if the minister isn't able to advise us what their annual payroll would be, can the minister advise us the agreement around the later rebate and how many years it is in place?

Mr. MacDonald: We can bring that back, but I can tell you that it's – I think out – I

believe it's on an annual basis that it is reviewed and a submission is made to Treasury Board on an annual basis because it fluctuates on employment, so it's never going to be the same, like a day-to-day or a week-to-week.

Mr. Aylward: Yeah.

Mr. MacDonald: I believe it has to be a certain level of pay. So for example, it could be \$30,000 at one business and it depends on the type of business. Marine tech might \$35,000 or – so it varies.

Mr. Aylward: Yeah.

Mr. MacDonald: That's a decision, I believe, the IPEI board – or IIDI, yeah.

I can tell you this: When we do do them, I know some people don't look at them favourably, but as an economic development minister when we're creating more jobs I look at it very favourably to see those increases, whether it be aerospace or whatever.

But, you know at some point you'd need an exit strategy on that. I can tell you right now there's a fierce competition if you talk about aerospace, you could lose pretty quickly.

Mr. Aylward: Yeah. Chair?

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: I don't think, Chair, Invesco is aerospace –

Mr. MacDonald: No.

Mr. Aylward: But again, I'm just asking: Is there like a five-year agreement, a 10-year agreement, or does this go into infinity as long as they're here they can get a labour rebate?

Mr. MacDonald: There is an end date.

Mr. Aylward: And when would that end date be?

Mr. MacDonald: I don't know. I'd have to check for you. I'll bring it back.

Mr. Aylward: Okay.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Chair.

There's one on here that – or there's one that I don't see on here that there was a lot of questions raised just a couple of years ago after great fanfare by the previous premier, premier Ghiz at the time, bringing a company here by the name of Mphasis. I know that they had – I think – announced somewhere around a \$3.5 million labour rebate; the maximum, or something to that effect.

I'm just wondering how come they're no longer appearing on here.

Chair: The hon. Minister of Finance.

Mr. Roach: Thank you, Chair.

They never performed to the point where they were able to access this.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Chair.

So is that firm, Mphasis, still here in Charlottetown?

Mr. MacDonald: Not that I'm aware of.

Mr. Aylward: Okay, so it fizzled out. Chair, I have another question away from the booklet itself, and the minister maybe can advise me if I'm in the right section, or if I'm not in the right section, but I believe we're still on page 43 under Programs.

Chair: We are.

Mr. Aylward: This is where the Mill River deal comes into place.

Mr. MacDonald: Capital grant you're talking (Indistinct)?

Mr. Aylward: Yeah. I guess my question would be on the full agreement that was signed with Mr. McDougall and his daughter.

Were there any conditions in that sale, whereas the new business, Mr. McDougall is not allowed to take land and carve it up and sell it as private cottage lots or something to that effect?

Because I mean, obviously, the real estate up there especially right on the Mill River is extremely valuable property.

Mr. MacDonald: I'm not – I can't answer that question. I don't know if it was in the contract or not.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Chair.

Mr. Myers: (Indistinct) you were involved with it.

Mr. Aylward: Is that something that you could bring back?

Mr. MacDonald: As part of the contract?

Mr. Aylward: Correct.

Mr. Myers: (Indistinct) part of it (Indistinct)

Mr. MacDonald: If I can I will.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Can I ask the minister what the timeframe is to find that out?

Mr. MacDonald: It would be within a couple of day, I would assume.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Any possibility for tomorrow?

Mr. MacDonald: I'll see. Let's get through this.

Mr. Myers: You're not getting through this. Make no mistake. You owe me about 10 documents.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Myers: (Indistinct) questions yet (Indistinct)

Mr. Aylward: I guess I'm not asking the minister directly to go back to his office and look through a file and pull it out. I know that you have staff –

Mr. MacDonald: We can take out of the contract without legal saying, no, you can't divulge this contract then we will. If we can't then we won't.

Mr. Aylward: Okay.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: I guess my concern on this whole file is if it was money that was lent; it was taxpayers' money that was lent to a private enterprise that was going to be fully paid back I can understand. But when we have, and I can't comment fully on it because I haven't seen the agreement because we're waiting to find out if you can provide it us or not, but when we're talking about taxpayers' dollars and we're talking about millions of dollars here and a very valuable asset and extremely valuable land right on the Mill River, I think it's incumbent upon this government to be open and transparent and to provide the information to the taxpayers of Prince Edward Island: What is in the agreement?

Mr. MacDonald: It's a third-party agreement. We've gone down this road in several other contracts if we can we'll do it if we can.

I want to add, we have been putting 850,000 of taxpayers' money into this over the past number of years.

Chair: The hon. Member from Stratford-Kinlock.

Mr. Aylward: Thank you, Chair.

I certainly appreciate that, but again, we're still talking about taxpayers' dollars. When you were putting 850,000 into the park previously, we would be able to see how that money was spent. Now, we have millions of dollars entered, taxpayers' dollars – taxpayers' dollars is the key here – entered in with a third party and we have the

sense that we're being blocked every time we ask questions and there is no transparency.

Yet, we're talking about taxpayers' dollars.

Mr. MacDonald: You're asking about the land, right?

Mr. Aylward: I'm asking about the entire agreement, but right now, specifically on the land.

Is there an agreement in the contract or in the agreement –

Mr. MacDonald: I'll have to (Indistinct)

Mr. Aylward: – whereas Mr. McDougall –

Mr. MacDonald: If I can legally take it back. I'll take it back. If I can't, you'll have to FOIPP it.

Mr. Aylward: So the taxpayer of Prince Edward Island has no right at all in this?

Mr. MacDonald: There is a process that we have to go through.

Mr. Aylward: Yeah, okay.

Thank you, Chair.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Chair.

I want to ask a just a general question on the line in the budget, the PEI Tax Incentives.

Does that represent money that's paid by government to these companies, or is that lost tax revenue? How is that counted?

Shannon Burke Director: It comes in at Department of Finance level as corporate provincial tax and then we pay it out. We pay it out to the company as a reimbursement.

Dr. Bevan-Baker: It's lost tax revenue –

Shannon Burke Director: Yeah.

Dr. Bevan-Baker: – to the province.

Mr. MacDonald: It's in there, yeah.

Shannon Burke Director: It would show as revenue and it shows as –

Mr. MacDonald: It's (Indistinct)

Shannon Burke Director: – an expense in our –

Dr. Bevan-Baker: Okay.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Chair.

Do we have any data measuring the return on investment of these tax incentives that we're giving out?

Mr. MacDonald: We do.

I think there is a mechanism that they utilize for measuring and I mean, it's pretty – to me increase your exports to the point that if you're increasing your exports increasing your productivity of Prince Edward Island as far as an economic value and you're increasing jobs then there is a real value there to continue that growth.

It almost looks like if we're talking about Invesco or moving to 450, what's that 450 actually worth to the Province of Prince Edward Island in spin-offs from families, cars, houses, groceries. It goes on.

I think there is good value in it. There is not another province in Canada that's not doing this. Some of them are even doing more than what we're doing. It's very competitive to get these businesses to come and stay here. Especially, IT companies because they can move relatively quickly.

An Hon. Member: That's the problem.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: That is indeed the problem.

I'm surprised that there aren't very sort of specific metrics established to show that this vast amount of taxpayers' money is actually producing value here on Prince Edward Island.

You said yourself a couple of minutes ago how fierce the competition is in aerospace to

keep them here. One does wonder whether, at the end of the day, the province is better off in these long-term tax holidays that we have.

I did – the Member from Rustico-Emerald, I believe, asked the question as to whether there was an end date on those tax holidays and you said: Yes. But you weren't sure when.

Mr. MacDonald: Each one of them is different because they all come on at different time. There are end dates and some of them can be renewed. It depends on if they expand; if they grow into a different field. There are all kinds of different avenues for it.

As far as the economic impact analysis of these, I'm sure there is an analytic metric that measures this. I don't have it right in front of me, but it's very easy to say that there are 500 people at Vector Aerospace; it's going to have a pretty big impact on Prince Edward Island.

I mean, we can –

Chair: The hon. Minister of Finance.

Mr. Roach: I think we'd find that even in those where those tax programs are there that, let's say it's there for 10 years, there is a decline where it works down to zero after the end of those 10 years.

It's like the minister just said, if the company does a further or a larger expansion or hires a bunch more employees then they might be able to come into another program.

My experience has been for the time that I was there that it is an extremely valuable program and there are tremendous financial wins for not only the province of PEI, but for the taxpayers of PEI. The growth – those sorts of things.

Having looked at that over the number of years and, in particular, with the aerospace, my recollection was and still is that, for example, it is very competitive. You have a large number of, for example, air force bases that have closed in the United States, as well as, across Canada. They're offering free everything and they're constantly trying to

draw our aerospace companies away from PEI because it has been so successful here. They all want a piece of it. I think it's a very strong industry. I believe that it's a tremendous financial asset to the province of PEI.

When you look at the average salaries of what they're making in those areas and the numbers and the growth of the employees and I can even say, I've seen subdivisions grow up around the area where the employees are relocating and building.

Programs where we have 10 to 20 students a year almost, coming out the designated program out of Holland College that go directly into really good jobs. You have a high school in Summerside that you'll find in different places where different high schools where they have woodworking programs. They have a program at one of the high schools in Summerside where it's aerospace.

Where they have airplanes there – what the aerospace association got together with the companies up there and they provided, I believe it was a 1 million program where the high school students can go in and learn about the aerospace industry and actually put engines together. They provided small aircraft out there that the students can take apart, put together, including engines and those sorts of things.

I think the spin-off from those companies is very substantial. It has been a big part of our economic growth and a good driver in the province. That's just from my experience.

Thank you, Madam Speaker.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Chair.

I'm interested to hear that typically the tax holiday is designed in such a way that the amount would decrease as time goes by. If you look at this line item, tax incentives line item. That's actually doubled over the last five years.

If we're talking about something, which is meant to be decreasing over time, how come that program has doubled over the last five years?

Chair: The hon. Minister of Finance.

Mr. Roach: Because we've seen a number of other different companies that have joined the program.

For example, we have one marine technology company in Pooles Corner down in District 2, where they've grown significantly and their exports over a two-year period were over \$100 million just like that.

There is another marine technology company down in Panmure Island where they, I believe, they more than tripled their employees and their business. They do a tremendous amount of work, for example, in the UK. They do work there that's very high tech.

If you were to go down there and wanted to do a tour, there are areas of that building you're even allowed into. I know that they do a lot of work, for example, with the US Navy, the US Coast Guard, and, in fact, is it the Royal Navy in the UK? That's a company that has taken off in leaps and bounds.

You have two new companies, two new groups that weren't even in the playing field if you go back three or four years ago, that are in that field now. I think we've seen – they just talked about it earlier, the company right here in Charlottetown where, I believe, they've gone from, what I can recall, was originally 100 employees, in a short period of time to 450 employees; tremendous economic growth.

As those companies grow those things, and as I see them grow, I believe that's good for PEI, really good for our economy. It shows how well the economy is doing; how well those sectors are doing and the growth that we're seeing in there.

I think we can look at some of the steel manufacturing, for example, that's taking place, I believe, in the Leader of the Opposition's district. I think they've tripled their employees over the last three or four years, and they continue to grow.

When you look at all of, just those, that I've mentioned, that I can recall, that's why that

number has grown. As that grows, I think that's great news for PEI. It shows we're getting good, solid well-paying jobs.

I think that's also been a big contributor when we've talked about it – I know I've talked about it in the House, and so has the minister – where we're talking about wage growth on PEI. We're one of the highest in the country. That's why. There are better paying jobs coming with these sectors. I see all of that as really, a good news story, for PEI.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, minister for the explanation.

Having been a small business owner and operator myself, there was a time when I would have been absolutely desperately happy to have money to help me out. But when I became established and things were running fine the need, that sort of – we were up and running, we were in the black, we were fine.

What I hear you saying is that the more successful the companies are here on Prince Edward Island, the more money we're going to give them. That strikes me as counterintuitive.

Can you explain that?

Chair: The hon. Minister of Finance.

Mr. Roach: It's within the tax program and the incentive programs.

I believe, if I'm correct, I think unless these companies have a base salary of 750,000 a year they don't even qualify for this program.

If their payroll exceeds 750,000 a year, then they qualify. Let's say, for example, they have 75 employees and the salary is at – is 1 million a year for 75 employees. If that company, and they've qualified for those incentives, if the company grows by 75 people, they now have 150, what happens is; is we collect that tax from those companies. The tax is collected upfront and if they meet the incentive program we give that tax back to them for the percentage that was in the

agreement. It's money in money out. It's a wash.

What you've done is you've created a company that's employing now, 150 people. Those 150 people are receiving a really good salary dollar. They're out there. They're purchasing cars. They're purchasing houses. There are more Islanders being employed. They're standing alone. They don't need any assistance. That's one of the big areas where we see it is the employment.

We talk all the time about keeping our youth here and keeping our smart people here. Well, we've got sectors in here now that are crying for engineers and those smart people that are coming out of universities.

I can't say enough about the program, but one of the key things you have got to remember, is that if we don't have incentives here in certain sectors, there are other provinces, there are other places in the United States, because these companies, they can do business anywhere.

Chair: The hon. Leader of the Third Party.

Mr. MacDonald: Just not to be confused –

Mr. Roach: Thank you, Chair, for the opportunity.

Chair: You're welcome.

Mr. MacDonald: – the tax incentive, there is an exit on the tax incentive of a 10-year, be it bioscience and aerospace.

Dr. Bevan-Baker: Ten years.

Mr. MacDonald: Yeah. Labour is different so not to get –

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you.

Again, I appreciate your explanation, minister.

Mr. Roach: Sorry, I'm still very passionate about that great – those sectors and the –

Dr. Bevan-Baker: We all want all sectors on Prince Edward Island to thrive, absolutely.

Mr. Roach: Love the growth.

Dr. Bevan-Baker: I understand that certain sectors are more transportable than other, let me put it that way.

When I look through the list of companies that have received tax incentives on PEI, I come across Cavendish Farms and they're receiving over 3 million. It strikes me that Irving is not struggling at the moment. They're not a company that can – it's not like an aerospace or an IT company that moved to India, they're not going to do that. They're here attached to our agricultural families.

Why are we giving Irving 3 million a year in tax incentives?

Mr. MacDonald: I think, if we're, as a government, and a minister, naïve enough to think that they would not pick up and move, they just built a new plant in Alberta, then, we have something wrong.

I understand what it looks like on the outside, but this is really an in-out. The more they do, I think they ship like 80 million pounds of potatoes to the US. I mean there are so many benefits from this –

Mr. Roach: Eighty million tonnes, minister.

Mr. MacDonald: Yeah, 80 million tonnes.

Mr. Roach: How many pounds of potatoes goes to the US from Canada (Indistinct)

Mr. MacDonald: Eighty million?

Mr. Roach: Just french fries alone would be (Indistinct)

Mr. MacDonald: I understand –

Mr. Roach: I think it's much greater than that.

Chair: The hon. Leader of the Third Party do you have another question?

Dr. Bevan-Baker: Yeah, I do.

When we're talking about value and exports we can't just look at volumes, because the amount that we're producing in potatoes has steadily gone up for a long time, but the

profit of that, the actual farm income has steadily gone down. We can't say: Oh, we're exporting more potatoes than we ever have, therefore things are better than they ever were. They're not.

Mr. Roach: (Indistinct) 10 years ago –

Ms. Biggar: Farm receipts are up.

Chair: The hon. Leader of the Third Party has the floor.

Dr. Bevan-Baker: The point I'm making here is that we can't just look at volume, we have to look at profitability. I know that maybe the minister of agriculture wants to jump in here, but I'd be interested to know what the margins are when you take out government incentives and things to the potato producers here on Prince Edward Island.

What are the margins compared to other provinces? Way off.

Chair: The hon. Minister of Agriculture and Fisheries.

Mr. McIsaac: The margins vary from year to year that's for sure. It's not like a supply-managed commodity; it's an open-market commodity. The price this year was very good. The farmers did well on it, but it does vary from year to year.

It is tougher all the time. Margins are tight, and you have to be as efficient as possible. Sometimes it gets to the point where even that's really tough.

It does vary from year to year and it is tougher. Our farmers are forced to produce more per acre, which stresses their land, too. We are an agricultural province and we're working with our farmers in every way possible to continue agriculture leading in our province for sure.

Chair: The hon. Leader of the Opposition had a comment to your comment, as well, hon. Leader of the Third Party.

Leader of the Opposition: Thank you, Chair.

I know totally about margins. I don't think anybody deals with margins as much as the

guy in the gas business. When you're dealing with quarters of a cent it makes a lot a difference when you're getting 55,000 litres of fuel marked in one day. The price is going and changing three times in a day; a quarter of a cent can be a lot.

Going back to your comments on Cavendish Farms leaving the province, I met with McCain's when they came to Borden-Carleton because I knew from growing up (Indistinct) and people said that the McCain's plant in Borden would never close and pick up and move.

Guess what? They built a state-of-the-art park or pardon me, plant and they came in, basically overnight decision from Chicago; plant shut down directly and they moved everything off.

I don't think we can ever take for granted the fact that Cavendish Farms couldn't pick up the operation and move it off the Island. I think we have to be very cognizant (Indistinct) so.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: I'm good for now. Thank you, Chair.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

Minister, just looking at the various programs you have here, especially, I'm interested in the tax credit program of various types, but do you have to be a corporation to apply for these grants or can sole proprietor and partnerships apply for them?

Mr. MacDonald: Yeah. They can apply. Sole proprietor/partnership (Indistinct)

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: You've heard me talk a lot in the House about the idea of a tax credit for sole proprietors, self-employed people is the way I worded it and that includes partnerships and sole proprietors. I met with the Department of Finance to discuss the potential private member's bill and what

they recommended was that, instead of putting it – a tax credit implementing it on the tax forms that actually implement the tax credit as a grant because there's less chance of pushback from Ottawa in particular, the federal government.

I would like to see a tax credit grant that is targeted to sole proprietors and partnerships, self-employed people, micro business – one and two person operations that are permanent residents on PEI and exporting their product or service. I think – because I've talked about it before, you understand the gist of the program. I think it would be a great incentive for people to move to Prince Edward Island and live here permanently.

Some of the problems that the Leader of the Third Party was just talking about with having to keep those tax incentives going in order to retain companies that have moved here because we're not their home location – we're not their corporate headquarters. With these micro businesses, if they're a permanent resident on the Island and they've been here, then they are vested in being on the Island – it's a little bit harder for them to move.

I would be – not suggesting that this is putting in a tax credit in for infinity – there could be – maybe this is – you're allowed to claim it five times over the life of your company or something like that. Or there's a – maybe the first five years of business. There's lots of different ways I'm sure you could do it. It's something, I think, would be a huge incentive for people to move to Prince Edward Island, especially rural Prince Edward Island, in this – we'll call it the new information economy especially. I just wanted to throw that out there and get your comments.

Mr. MacDonald: Basically, we could work with the minister of finance and see if there was something we could come together with. It's not a bad idea. It's just; I don't know the regulations and rules of the federal level. I'd have to get advice from the hon. Minister of Finance's department in relevance to taxes and tax incentives and how they would work with a non-corporated body. Is it based on income? Is it based on – does the company have sales? Is it – I think there's a lot more to it than maybe just me suggesting 'yes' or 'no', but I would

certainly entertain a sit-down with the hon. Minister of Finance and review what you went over.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: I just wanted to clarify 100%: Are sole proprietors and partners, self-employed individuals eligible for any of the existing tax credit programs?

Mr. MacDonald: Tax credit programs? No, I don't think so. Not sure 100% so I guess I'll not give you an answer, but I may be able to find out for you.

Mr. Trivers: There reason I'm asking that is because there might be a precedent where some of the work has already been done – when you're dealing with individual tax returns as opposed to corporate tax returns.

Thank you, Chair.

Chair: Shall it carry?

The hon. Member from Georgetown-St. Peters.

Mr. Myers: Yesterday I asked you for the contract. Have you made any headway of getting us the contract with the sale of Mill River?

Mr. MacDonald: No. Since yesterday?

Mr. Myers: Yes.

Mr. MacDonald: No.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. MacDonald: I'll have to get a legal opinion on that.

Mr. Myers: Okay.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: How soon can that happen?

Mr. MacDonald: Well, we'll send it to our legal and I can't answer that.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Chair, I have a concern and maybe it's best addressed with you.

Chair: Yes.

Mr. Myers: It's very hard for us when we think that information may be pertinent to how we ask questions on budget that the minister A: Doesn't take it serious enough to go get it – it sounds like he hasn't even asked his legal yet. What is the best way for us to proceed for us to feel like we've done due diligence for the taxpayers of Prince Edward Island with an uncooperative minister?

Chair: I beg to differ on that. I know the minister's come back with a number of handouts today and they were all handed out. They were requested by members. I think you can take the minister – I've know this minister a long time and I know you can take him at his word. He said he's working on it.

Mr. Myers: Oh. Okay.

Chair: I don't know what else to tell you.

The hon. Member from Georgetown-St. Peters.

Mr. Myers: When will you ask legal counsel to look into this?

Mr. MacDonald: We've already discussed it this morning prior to coming to the House.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: When will they advise when they can give you a decision?

Mr. MacDonald: Well, they'll review with the third party and see what type of agreement, I would assume. I don't know all the legal details. That's why I gave it to them.

Mr. Myers: Okay.

Mr. MacDonald: If I knew, I'd give you the answer.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: The date of dispersal for the cash that you gave – the 500,000 that you gave Mill River Experience – what was that date?

Mr. MacDonald: It cleared the bank March 1st.

Mr. Myers: Okay.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: What date did you give Mill River Experience the money?

Mr. MacDonald: What amount of money?

Mr. Myers: Pardon me?

Mr. MacDonald: What money?

Mr. Myers: The 500,000.

Mr. MacDonald: When it cleared the bank? Is that what you're –

Mr. Myers: That's when you cashed the cheque. So you cashed the cheque March 1st.

Mr. MacDonald: You mean the first disperse of the 6.6 million?

Mr. Myers: Yeah. When did you give him his cheque?

Mr. MacDonald: Sorry I didn't hear the last –

Mr. Myers: He cashed it March 1st. When did he actually receive it?

Mr. MacDonald: I'm confused. You're confusing me. I'm sorry. Could you explain it a little better?

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

So on March 1st, he cashed it. That's what you just told us. In order for him to cash it, it had to have been a cheque that he was given,

so when would he have been given said cheque?

Shannon Burke Director: (Indistinct)

Mr. MacDonald: She's not 100% sure the date it was given to him.

Are you asking about the money that he put in trust with the lawyer that I answered earlier in the House today? That 500,000?

Mr. Myers: No. What I'm asking about – from the budget line we're on.

Mr. MacDonald: Yeah, it's prior to March 1st, but we just don't know exactly (Indistinct) February 23rd.

That had to be in trust prior to us giving him any money, right? That would be prior to March 1st is what we're saying. The exact date that it was delivered? His money was in trust with the lawyer February 22nd.

Mr. Myers: Okay.

Thank you.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

Now I'm confused which money you're talking about. Are we talking about the 500,000 that you have in your handout that you gave from your development fund?

Mr. MacDonald: From us to him is that March 1st money that cleared.

Mr. Myers: That's when he cashed that cheque that you fellows gave him?

Mr. MacDonald: That's when it cleared the bank.

Mr. Myers: Okay.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: You gave him that money on March 22nd –

An Hon. Member: February 22nd.

Mr. Myers: February 22nd, sorry.

Mr. MacDonald: His money was already in trust.

Mr. Myers: I'm not talking about his money.

Mr. MacDonald: She's saying after February 22nd was – wouldn't be any transactions being given back to him until after, until after that date, February 22nd. Is that any –

Mr. Myers: Yes, because February 22nd is when you were able to sign off the deal. Was it February 22nd?

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: It's still the same question, kind of. I'm trying to –

Chair: Okay.

Mr. MacDonald: You answer it.

Shannon Burke Director: February 22nd was the date that his money was in trust with the lawyers, and he wasn't provided any funding by our department until after that.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: I realize that, because that's the fifth time you've said it. What I want to know is when you gave him the 500,000 didn't you outline in your book that says – it's the easiest question I've asked in my life. It's in your book. You guys say you gave him 500,000, can you just answer when?

Mr. MacDonald: We'll get the date on the exact – on the cheque and bring it back to you.

Mr. Myers: Okay.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Kerry Campbell told me that your comms people said it was February 22nd. I can't believe the two of you don't know that. Kerry Campbell just told me in

the hallway that your comms people are out there telling them that you guys gave him the money on February 22nd and he didn't cash it until March 1st. That's exactly what I was told out there. I don't know how Kerry Campbell knows that and you guys don't know that.

But anyway, I'll move onto my next question, because as you can probably tell, I'm getting frustrated by the running around I'm getting by these two.

When did he apply for this funding?

Mr. Roach: (Indistinct).

Mr. Myers: Who cares?

Mr. Roach: No, I'm just talking –

Ms. Compton: Islanders care.

Mr. Roach: (Indistinct) side conversation.

Mr. Myers: You'll be having a lot of them before too long when you're home (Indistinct) coming.

Mr. MacDonald: Sorry, could you repeat that please?

Chair: The hon. Member from Georgetown-St. Peters, could you repeat the question?

Mr. Myers: What was the date he applied for the funding that he received in your hand out?

Mr. MacDonald: Part of the negotiations, I would assume.

It'd be prior to January 11th, because it went to Treasury Board on that date, so it would be part of the negotiations. The exact date, we can bring that back to you as well.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

I'm wondering: How can a business apply for funding to upgrade a property that they don't own?

Mr. MacDonald: The sale was January 3rd, wasn't it?

Mr. MacDonald: I don't think it's uncommon for any business to apply if they have a business plan in place, to move forward with a plan of action as far as a proposal. I don't think that's uncommon.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: No, it's probably not uncommon for them to move forward with a proposal, what I'm saying, it's probably uncommon that the government would approve it prior to them acquiring the property.

So if you think of it from a private citizen acquiring a business from another private citizen, would government approve the funding prior to the sale agreement? I know you wouldn't. You'd send them back and say: come back to us when you own it, when you have your house in order.

Mr. MacDonald: You could approve it and not advance anything.

Mr. Myers: (Indistinct) my question, though.

Mr. MacDonald: Yes, that's your question. You could approve it and not advance anything.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

Does that fall inside Treasury Board guidelines?

Mr. MacDonald: To approve something before we advance anything? We go to – anything would go to Treasury Board prior to. That's part of Treasury Board's deal.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

I guess where it gets a little hairy is that you approved it at Treasury Board prior to the deal being signed, prior to the third parties signing off on their part of the deal, so it's a complete cart before the horse.

I guess I'll ask it this way: Did you have to approve that in advance in order to get Don McDougall to stay at the table or come back to the table, I think?

Mr. MacDonald: Not that I'm aware of.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

It's funny, and I talked to a lawyer about this last night and they said, in their dealings with land movement and their dealing with government funding, they've never in their life heard tell of a situation where someone would get approved for upgrades to a property that they don't yet own, even if it is a property of government.

Can you give us an example of other times where government has lent money through the development fund to pay for upgrades to properties that the borrower or the grantee had yet to actually own?

Mr. MacDonald: I'm sure there are all kinds, but we'd have to go back and look to be specific.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: I guess what I'm asking is will you bring that back to us?

Mr. MacDonald: How many do you want? As many as –

Mr. Myers: All of them.

Mr. MacDonald: We'll try. Yes.

Mr. Myers: Great, thank you.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Who approved the application?

Mr. MacDonald: I think it was Treasury Board, right? It goes to Treasury Board.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you. Is there a signed document that says this is approved?

Mr. MacDonald: It would have to be approved by Treasury Board and there'd be a document.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: How does that approval come back?

Mr. MacDonald: Treasury Board would ask to have and review it before it went for a final signature.

Mr. Myers: Okay.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

Would it come back in the form of a memo that says this has been approved?
(Indistinct) come back –

Mr. MacDonald: It wouldn't have been signed. It might have been just put to Treasury Board for information purposes.

Chair: Georgetown –

Mr. MacDonald: Could be a discussion.

Mr. Myers: Thank you. You said it was approved.

Mr. MacDonald: Could be a discussion when it goes the first time to Treasury Board if that's what you're asking. The second time it comes back, it could be approved.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

In this case it was approved, because you said it was approved. You said it was approved in January.

Mr. MacDonald: You asked me about Treasury Board. I said the first time it goes to Treasury Board it could be for information purposes for Treasury Board to

review it. It could come back a second time and be approved.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

When was this fund approved?

Mr. MacDonald: January 11th, I think.

Mr. Myers: Thank you. January 11th, and you told us that already. The reason I had to re-ask it is because it seems like you're trying to reinvent history on the fly.

Mr. MacDonald: It seems like you're trying to confuse (Indistinct).

Mr. Myers: I'm not – it seems like you're easily confused, which is probably the problem here.

So Treasury Board approved it in January; what form did that approval come back in? Was it an email? Was it verbal? Was it a memo? Was it an order? Was it a note? Was it a letter?

An Hon. Member: BBM.

Mr. Myers: Was it a BBM?

Mr. MacDonald: It would be a document, but it would be protected under Treasury Board legislation, I would assume.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Okay, so how would one acquire a document of that sort?

An Hon. Member: That's a great question.

Mr. MacDonald: I don't know if – I'd have to bring that back, because I'm not sure if it would be protected or not because of Treasury Board or if there would be an opportunity for FOIPP.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

How closely involved was your director, or what role did your director play in the Mill River deal?

Mr. MacDonald: What director?

Mr. Myers: Shannon.

Mr. MacDonald: I think just as a standard director would be involved in the odd briefing or something to that effect. This was handled – the negotiations were handled within the department, but it was also another team that also handled the negotiations outside the department.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Why did Finance PEI partially release Rodd's from their debenture?

Mr. MacDonald: Say that again, sorry.

Mr. Myers: Why did Finance PEI partially release Rodd's from their debenture?

Mr. MacDonald: The 1.8 you're talking about?

Mr. Myers: Yeah. You had a partial discharge of your debenture. It was received on March 1st.

Mr. MacDonald: The 1.8 as they paid down on their debt?

Mr. Myers: It doesn't say on the document. I don't have the piece of it that says the amount. I have the partial discharge of the debenture.

Mr. MacDonald: It's 1.8 –

Mr. Myers: I have the debenture upstairs.

Mr. MacDonald: It's 1.8.

Mr. Myers: Okay. Why did – I guess the question is why?

Mr. MacDonald: It was a part of their debt to pay down.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Okay, but why did that happen? Why did you release them from their debt?

Mr. MacDonald: It's the taxpayers' money that you're concerned about. That goes against their debt. That was part of the negotiation and the transaction.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you.

So the Rodd hotel was worth, in your opinion, 1.8 million?

Mr. MacDonald: Not in my opinion, in someone's opinion.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: The 1.8 – the debenture that was partially written off worth 1.8 million, in somebody's professional opinion inside of government, was equal to the value of the Mill River property that (Indistinct) just the hotel?

Mr. MacDonald: Pardon?

Mr. Myers: The hotel – in the professional opinion of someone inside of government, 1.8 million was the equivalent offset to the value of the hotel that's set on the property of the Mill River Experience?

Mr. MacDonald: I assume so.

Mr. Myers: Good, thank you.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: The legal document for the debenture was done by Carr, Stevenson & MacKay, which is Billy Dow's firm. How much have they billed your department to date for the Mill River sale?

Mr. MacDonald: I'm not sure. I'll have to bring it back.

Mr. Myers: Okay.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: This partial discharge of the debenture was dated on February 15th, yet the sale was announced one month previous.

How was that the case?

Mr. MacDonald: Just part of the negotiations, I assume.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: You announce sale of a property to the public so you can better negotiate with someone?

Mr. MacDonald: I think, part and parcel, of the – there may have been other details that – or other opportunities for either party to negotiate, and I think that's what the settled on.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

You had negotiated with Rodd's to discharge part of their debenture prior to the announcement of the sale of the golf course?

Mr. MacDonald: I think there were negotiations before and after possibly. I think it was ongoing for a period of time.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

I think, isn't the type of phrase that would indicate either (a) knowledge or (b) give Islanders any comfort that what we're hearing is actually back.

What I would like to know is the fact. When you announced the sale of Mill River had you been negotiating with Rodd's to give them a partial release of their debenture and a value of 1.8 million.

Mr. MacDonald: I wasn't part of the negotiation at the time. It's hard for me to answer that question.

Mr. Myers: Do you have a question, Sid?

I'll pass.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: Why do I not see anything in business development or innovation in regards to Slemon Park on the purchase of that?

Mr. MacDonald: It's under IIDI.

Leader of the Opposition: Okay, thank you.

Shannon Burke Director: It's owned by IIDI.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Minister: Who was on the negotiating team for the Mill River deal?

Mr. MacDonald: That would be the chief of staff and David Arsenaault.

Mr. MacEwen: You're chief of –

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Or your chief –

Mr. MacDonald: Chief of staff of government.

Mr. MacEwen: Chief of Staff of government, Mr. Vessey, and who?

Mr. MacDonald: David Arsenaault.

Mr. MacEwen: Just a two-person team?

Mr. MacDonald: I think, yes, and I'm sure they got advice from legal experts.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Who was the legal advice from?

Mr. MacDonald: Carr, Stevenson & MacKay.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

What was our initial offer? What did we start off –

Mr. MacDonald: I wasn't part of the negotiations.

Mr. MacEwen: How could I find out what our initial offer was? Did we start off with: Do you guys want this for 1?

Mr. MacDonald: I don't know. We'd have to go back and see if we could divulge any part of the negotiations. I'm sure there is confidentiality there with a third party, I would assume, through that process.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Minister, you must have some idea of what the starting bid – did we push to get a better – I know you said in Question Period opposition should think this is a great deal and all this kind of stuff and it's our job to hold government to account.

When I go to the grocery store and the Mill River deal is on there, there are going to be a couple of people that say: Oh geez, I'm glad we saved Mill River. There are going to be a lot of people that say: I can't believe that was the deal that we made.

That's just a difference of opinion, right? The same as you have a difference of opinion than opposition has.

When they ask me: Did we get the best deal possible? I'm trying to find out if we got the best deal possible. I'm wondering: Did we push hard on this?

Mr. MacDonald: Through the negotiation process, obviously, you're going to want the best deal. I'm assuming they consider the best deal is what they got.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Did the company that we were negotiating with start off with even – did they say, no, you've got to put in 20 million? Then, we came back to what we came back to.

Did we start with –

Mr. MacDonald: I wasn't part of the negotiations.

Mr. MacEwen: You're the minister. You were briefed on this.

Mr. MacDonald: Yes, I'm the minister, but I wasn't part of the negotiations to say that we started at 1 and went to 20 million and back and forth. Part of that would be likely between the – obviously, the two teams that were negotiating the deal.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Were the negotiations quick? Did they take years?

You, as the minister, you would be briefed on this. You would know that, these guys are playing hardball with us, or we think we can – and I know you think you have a really good partner in this, but I'm still wanting to know what the negotiations were like.

Mr. MacDonald: I think coming down to the – it had been a few months since when they had started negotiating, down to the nitty-gritty, so it did take some time.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: When they were getting close, did you get briefed on – did they come back to you and say: I think we can get it if we just invest 10-point-some million dollars. I'm curious how that process works.

Mr. MacDonald: Curious how negotiation works?

Mr. MacEwen: No. How that works when they come to you and say: Minister, I think we're close. Are you okay that we go ahead with this?

Mr. MacDonald: I think the briefings that we received were, we're getting close. They didn't divulge, obviously for negotiation reasons, any certain amounts at any times.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: That's final meeting where they decided on the final price and the 500,000 and what government would put in and what the private company would put in.

That was the chief of staff, your deputy and whoever was from the company.

Mr. MacDonald: Not my deputy.

Mr. MacEwen: Oh sorry, the deputy minister for finance.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: I know you were talking about this before, but give me that approximate timeline of when those final negotiations happened.

Mr. MacDonald: I'm going to say it was right down to the wire of the signing.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacDonald: Then, the Treasury Board memo, basically.

Mr. MacEwen: True.

What were the final sticking points in the deal?

Mr. MacDonald: What were the final – again, I wasn't party to that, those final negotiations.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: When you say you weren't briefed on the final negotiations, did they just kind of say: Okay minister, here's our final deal?

How, when the final – you say right down to the wire, when was the last briefing you got before the final decision came?

Mr. MacDonald: I don't know the exact date, but –

Mr. MacEwen: Was it days, weeks –

Mr. MacDonald: – maybe I will bring it back.

It might have just been a verbal conversation on saying we're getting close here, but we're still negotiating. Negotiation tactics, I think, on a project this big, we're not going to elaborate to the public, or anyone, to some extent, on how close you are or what you're doing. I think in fairness to both parties, it's pretty confidential. I think they've done a pretty good job of negotiating this one, in my view.

Mr. MacEwen: That is your opinion.

Thank you, Chair. Thank you, minister.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you.

I'd like to go to the line: Business expansion of product development. I'm struggling to match that up with the documents that you've given us here.

Is there a page or somewhere in here where I could find out where that money to?

Mr. MacDonald: Which programs – do you want to repeat that (Indistinct)

Dr. Bevan-Baker: Yeah. It's the line item in this section: Business Expansion and Product Development. I can't find a matching sheet in the handout –

Mr. MacDonald: You're talking like graduate students and –

Dr. Bevan-Baker: I'm not sure, that's what my question is –

Mr. MacDonald: Oh, okay.

Dr. Bevan-Baker: – where is that money going and why has it doubled since last year?

Mr. MacDonald: Okay.

It's total small business amount. I can rhyme off the programs to you, if you wish. Or we can bring back the actual list of the programs –

Dr. Bevan-Baker: I'd love to see that list because it's twice what it was last year. Is there a reason why that has doubled?

Mr. MacDonald: I mean, it's more – the economy is doing much better so as we move forward we want to continue to grow. These programs help grow that. Innovation scholarship, strategic projects, capital system development fund, and HR implementation; programs like that are going to grow with economy with your exports, with the development that you were just talking about. Regarding to aerospace and the incentives and that sort of thing so this will grow along with it.

Dr. Bevan-Baker: I'd love to see that list, minister.

Thank you, Chair.

Chair: Shall the section carry?

An Hon. Member: Carried.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: I just want to go back to the timeline here, again for a second.

Treasury Board approved this on January 11th. Cabinet approved the sale to Don McDougall January 10th. I'm just looking at it.

Is that happening pretty fast by government standards? I've never seen anything move that fast in my time I spent in government.

Mr. MacDonald: I think you have to look at the – for this deal, for this man to go in and make this property to what he wants to make it be with the summer coming on, I can tell you and the hon. Leader of the Opposition can tell you the day that we were there for the announcement, he was spending his own money that day to review architectural structure and interior design for walking around with tape measures.

It had to happen really quickly as far as – that's likely part of the negotiation was: you guys can reach – that we can do this if we can reach a deal because I have to get

prepared for a busy summer.

He's open now and their renovations are ongoing.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair. I have trouble swallowing your statement there that he was spending his own money because you have told us several times that you're giving him 7 million, so it was temporary using his own money while he waited for your money, which you were barging through, because in a two-day period you had this in front of Cabinet and in front of Treasury Board the very next day.

You know what, that's all the signs of Polar Foods and e-gaming and PNP. Those rush jobs. I'm serious, and everyone knows it and the Member from Charlottetown-Victoria Park could confirm in his time in opposition, that's a telltale sign that something is amiss. That somebody is trying to put something through –

Mr. MacDonald: He has 1.5 million in capital –

Mr. Myers: (Indistinct)

Mr. MacDonald: – right?

Mr. Myers: Pardon me?

Mr. MacDonald: He's spending 1.5 million of his own money in capital.

Mr. Myers: Yes.

Mr. MacDonald: That could be part of that money.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: When is he spending that 1.5 million?

Mr. MacDonald: I'm saying he could have been spending it that day we were there doing the announcement. That could have been part of the 1.5.

Mr. Myers: Yes, when is he – when, by the contract is he expected to have spent his 1.5 million?

Mr. MacDonald: I don't know. I don't know what's in the contract. To say a date that he's spending the 1.5 million. Is it going to be Tuesday, May 5th? I have no idea. I don't think that's –

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

I would ask then that you correct your statement to the House that he was spending his own money. Because you don't know the contract, so you don't know if he was spending his own money.

Mr. MacDonald: No. I'm saying he could have been spending the 1.5 million in capital that he is investing in the property.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

You told this House that, that day he was spending his own money. He had people measuring rooms and stuff –

Mr. MacDonald: Well, we –

Mr. Myers: – you don't know that –

Mr. MacDonald: – give him any –

Mr. Myers: – no, you don't know that –

Mr. MacDonald: – we didn't give him any money –

Mr. Myers: Let me finish. You don't know that because you've told this House all afternoon –

Mr. MacDonald: So whose money –

Mr. Myers: – that you don't know –

Mr. MacDonald: – is he spending?

Mr. Myers: – contract.

Mr. MacDonald: Whose money is he spending?

Mr. Myers: You don't know because you don't know the contract.

Mr. MacDonald: Whose money is he spending? You tell me whose money he's spending?

Mr. Myers: That's a great question. That's a question that we've been trying to get to the bottom of for two days straight now is: Whose money is he spending.

You seem very frustrated by the line of questioning –

Mr. MacDonald: No, I'm not –

Mr. Myers: – which another telltale sign that you have something to hide. The Member from Charlottetown-Victoria Park can remember Polar Foods and how defensive everybody was during that time. It was because they felt like they had something to hide.

I'm not getting defensive nor are we. We're just trying to get answers. You're the only that's getting defensive about this. All we really want is answers.

You have told this House that: I don't know the contract so I have no idea. So you can't say that that day he was spending his own money because you don't know the contract. You have no idea.

Mr. MacDonald: Basically, I don't know the contract if it's in May on a Tuesday in May that he has to spend 1.5 million. What I did say: The day I was there, there were architects and engineers walking around the facility and you said: When is spending his own money? I said: Well, he could have been spending his own money that day. 1.5 million –

Mr. Myers: But you don't know that he was.

Mr. MacDonald: – of his own money in capital.

Mr. Myers: But you can't confirm that.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

You're not able to confirm that to the House today –

Mr. MacDonald: No –

Mr. Myers: – that that day he was spending his own money.

Mr. MacDonald: No.

Mr. Myers: Thank you.

Chair: The hon. Member from Georgetown-St. Peters.

Mr. Myers: Thank you, Chair.

What guarantees do we have that the money that you've dispersed up front will get spent on the things that you require as per your part of the contract?

I'll give you an example; having worked in community projects where we built baseball fields for children to play on –

Mr. MacDonald: Yeah.

Mr. Myers: We had to prove to government that we were actually building baseball fields for children to play on. We had to show them progress reports. We had to send in the receipts that today the fence was installed, and here's what the fence company has charged us. Today, we have built the bleachers and this is what the company who was building the bleachers charged us.

What mechanisms do you have in place? Because you have given him all the money up front, which I've never heard tell of in government either; when I was in government projects they would give it to us little by little, like just dribbles of it.

Where we actually – one project we did in Cardigan, we had to borrow money from the village of Cardigan to pay our bills while we waited for money to come back from the province.

An Hon. Member: Call the hour.

Chair: The hour has been called.

Mr. McIsaac: Madam Chair, I move that the Speaker take the chair, and the Chair report progress and beg leave to sit again.

Chair: Shall it carry? Carried.

Mr. Speaker, as Chair of a Committee of the Whole House, having under consideration the grant of supply to Her Majesty, I beg leave to report that the committee has made some progress and begs leave to sit again. I move that the report of the committee be adopted.

Speaker: Shall it carry?

Carried.

Hon. Minister of Agriculture and Fisheries.

Mr. McIsaac: I move, seconded by the hon. Member from West Royalty-Springvale, that this House adjourn until tomorrow, April 20th, at 2:00 p.m.

Speaker: Shall it carry? Carried.

See you all tomorrow.

The Legislature adjourned until tomorrow, Thursday, at 2:00 p.m.