

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

Published by Order of the Legislature

Standing Committee on Communities, Land and Environment

DATE OF HEARING: 2 NOVEMBER 2017

MEETING STATUS: PUBLIC

LOCATION: LEGISLATIVE CHAMBER, HON. GEORGE COLES BUILDING, CHARLOTTETOWN

SUBJECT: BRIEFING ON MUNICIPAL GOVERNMENT ACT AND RURAL COMMUNITIES; LAND SPECULATION AND REAL ESTATE PRICES

COMMITTEE:

Kathleen Casey, MLA Charlottetown-Lewis Point [Chair]
Dr. Peter Bevan-Baker, Leader of the Third Party
Hon. Heath MacDonald, Minister of Economic Development and Tourism
Sidney MacEwen, MLA Morell-Mermaid
Hon. Pat Murphy, Minister of Rural and Regional Development
Hal Perry, MLA Tignish-Palmer Road
Bradley Trivers, MLA Rustico-Emerald

COMMITTEE MEMBERS ABSENT:

Richard Brown, MLA Charlottetown-Victoria Park

MEMBERS IN ATTENDANCE:

none

GUESTS:

Community Improvement Committee (Greenmount-Montrose Community, Dave Pizio); National Farmers Union (Doug Campbell, Reg Phelan)

STAFF:

Emily Doiron, Clerk Assistant (Journals, Committees and House Operations)

Edited by Hansard

The Committee met at 10:00 a.m.

Chair (Casey): Good morning, everybody.

An Hon. Member: Good morning, Chair.

Chair: Welcome to the Standing Committee on Communities, Land and Environment. My name is Kathleen Casey and I'm the Chair of the committee. On behalf of the committee members, I'd like to welcome our first presenter, Dave Pizio, who is the chairperson of the Community Improvement Committee from Greenmount-Mountrose Community and he's going to be doing a presentation to us.

Hon. members; if I could ask you to silence your phones. Also, if you're going to ask a question, if you could indicate to the Chair first. Then also, Dave, if you could state your name for the record when you start your presentation. Please identify yourself. I think members of this committee; I'll be identifying you because I'll be indicating when you're speaking. I think that's great enough for us.

Bradley.

Mr. Trivers: Yesterday at the standing committee or a couple of days ago when Richard Brown was chairing, he said we could continue a line of questioning without having to back through the Chair for every question.

Chair: Every question has their individualities and this is how I would chair my committee.

Mr. Trivers: Okay, I just wanted to clarify that.

Chair: Thank you.

Mr. Trivers: So you mean go back every time?

Chair: There are no similarities between Mr. Brown and I.

Mr. Trivers: Okay (Indistinct)

Chair: Thank you.

All right, Mr. Pizio, I'm going to turn it over to you for your presentation. I understand it's about 20 minutes and then we'll leave some questions to the end, or, if somebody has a clarification question as the presentation is going on –

Dave Pizio: No problem.

Chair: – we'll do that.

The floor is yours.

Dave Pizio: Madam Chair –

Chair: Sorry, Dave, before we move on; it's just been brought to my attention the agenda is in front of you, can I have approval to the agenda?

Mr. MacDonald: (Indistinct)

Chair: Thank you, hon. Heath MacDonald.

Dave, the floor is yours.

Dave Pizio: Madam Chair, committee members, my name is Dave Pizio; I'm the chairperson of the Community Improvement Committee of the Greenmount-Montrose Community.

I want to thank you on behalf of the six communities that I represent today for the privilege and honour to present to the committee the impact of the new *Municipal Government Act*. The purpose of this presentation is to provide to you, the committee, the concerns as a result of the MGA, the financial impact that it's going to do to the small communities.

Now, what I would like – in the presentation is, I have very pointed questions that I'm not expecting any answers today. What I would ask, is that hopefully, that these questions are going to stimulate good discussion with your committee meetings and that the results provided back to us that are going to help, hopefully mitigate, some of the negative impact of the new MGA.

Chair: Mr. Trivers.

Mr. Trivers: I'm just wondering have you sent these questions to the Department of Communities, Land and Environment and the minister at this point.

Dave Pizio: No, I have not. They've been presented at different formats through just dialogue. We did have a meeting with the minister back in March. Again, we've had other community meetings that we – proposing these questions. I have not received specific answers back. Some of the questions were related – I'm sorry – were given to different entities, but I haven't received any specific answers back.

This is what I'm hoping for today with these questions, that the committee will be able to review them and hopefully the answers are going to help mitigate, again, some of the negative impacts of the new MGA.

The main concern is the financial impact that it's going to have upon the small communities. There's going to be immediate impact to the communities once the MGA is proclaimed, but I see long-term potential impact on the unincorporated areas. The whole aspect of the MGA – again, a lot of the things I'm saying are a personal opinion and I do respect the fact that some of the information that I have gleaned could be from news articles, documentation that I've read, and if there's misinterpretation, I gladly would welcome correction if I state something that requires clarification, it's not a problem.

But again, this is a very delicate subject that's being discussed over and over again, especially with the two big words of 'amalgamation' and 'annexation'. When we proceed through, what I'm going to show you is the (Indistinct) impact and again, I'm representing the six communities up west, the small rural communities, and it's very exact. I have empirical data that will show the financial impact that's going to be placed upon us.

The very first question that I have is a lot of the information that I see and that I've heard, I've listened to – when the Federation of PEI Municipalities presented to the committee back in November of last year, that we are speaking for the smaller communities. I find this very concerning, because of the six communities up west, we have never had any dialogue with the federation of municipalities. Also, when we spoke with Minister Mitchell, he talked about the development of a new municipal funding (Indistinct). There was input and

we're told that the federation is speaking for the smaller communities. Yet again, never discussed any dialogue with us and I find that very concerning; especially when we find that there's people saying we are speaking for the smaller communities, but we have had no dialogue.

So, my first question is: Would they state to us who are the communities that they've spoken to? And what were the results or the information back from those communities?

Again, I just want –

Chair: Sorry, Peter Bevan-Baker.

Dr. Peter Bevan-Baker: Thank you, Chair.

Dave, I think you brought up a really seminal part of this – one of the problems with this process – and that is the level of trust that exists between several entities, smaller communities, like the ones that you are here to represent this morning, and the province. Also, to a certain extent, as far as I can understand it from speaking to both yourself, previously, and other leaders in communities in my district, between some smaller communities and the federation of municipalities; you asked the question: Who have they spoken to?

Perhaps another related question is: Do you feel that the federation of municipalities represents the entire, sort of spectrum of voices, in smaller municipalities like your own?

Dave Pizio: I do not believe that the representation is intended for the good. But the whole aspect is the incorporation of the Island as a whole, meaning fewer communities, fewer municipalities. But I don't feel that they are truly representing the desires, the fears and the concerns of the very small communities, especially when there's been no actual dialogue between the federation. Again, I'm speaking for our six communities up west; there's been no direct dialogue. We become very concerned when we hear somebody speaking for us; yet we've had no dialogue as to give to them our concerns. I have provided concerns via email to Mr. MacDougall. He said it'd be good if maybe we could get to talk but this has never happened.

Chair: Peter Bevan-Baker.

Dr. Peter Bevan-Baker: Dave, do you have any suggestions on how a more trusting relationship could be created, both between the smaller municipalities who feel unrepresented or perhaps misrepresented by the federation? Also, between small municipalities in the province, do you have suggestions as to how that trust could be improved?

Dave Pizio: The most important thing is communication. What we're seeing in a lot of things today is; it's not misinformation, it's the lack of information. There's a fear of the unknown when something is occurring, yet if you could explain the rationale behind statements with good examples, and also to have buy-in. In order to have buy-in, you have to give information to the people; go and talk to the people.

The biggest concern is, when someone says I'm speaking for you, but you have never had a voice to the dialogue of the entity that is supposedly speaking for you. I'm not saying that they're misrepresenting, it's the fact that this federation is looking at the Island trying – their presentation was to incorporate the Island; which means fewer municipalities, the amalgamation, annexation. These are creating concerns – especially what we see up west is, as I'll explain later in my presentation – that the financial impact, it's really, it's going to, negatively affect to the point that the smaller communities are either going to increase their municipal tax substantially, or going to dissolve.

Dr. Peter Bevan-Baker: Thank you, Chair.

Chair: Dave, the floor is yours.

Dave Pizio: Another statement that's continually occurring is more municipal services are demanded in the smaller municipalities. Nobody has ever come out and specifically said what these new services are. Or, what services are being asked of in the smaller communities.

My second question is: What are these municipal services being demanded by the residents of the smaller communities? Right now the services that are provided for our six rural communities are very adequate. So,

why is it continually being said they want more quality services being demanded by the smaller communities. Tell us: what are these demanded services? Right now the smaller communities – or ones up west – the largest service, or the municipal service that we provide – is fire protection, which is done through the municipal fire departments; Alberton, Tignish, Miminegash, O'Leary, West Point. They provide the fire services. There's different methods that are – either it's by fire dues, or as my community – we raise our revenue through tax assessment and we pay the town of Alberton so much money for the fire protection. But we're totally trying to puzzle through: what are these services that are demanded? Nobody has come out and said.

They talk about parks, recreation, sidewalks, lighting, in a rural community, those don't seem to be what I would consider demanded services. (Indistinct) the demanded services, they talk about health, education, all these things, that is provincial and federal. Municipal is a different thing. So the money is generated, our municipal, to stay in the communities, but why would people pay more money, municipal taxes, for a service and then it stops. Because they say: What services is it that we're getting?

My question that I would like answered is: The statement of more services are demanded, could you give me examples of what services the communities in PEI, the smaller communities, what are the services that are being asked for that are not being provided at this time?

The third question off of this slide is: Who, or rather which residents of what communities, are asking? I'm not saying the actual name of the resident, what I'm asking is it the business portion of the municipality, community, the agriculture, or is it individuals? What are those services that they're asking for in the rural setting? I'm not talking of the towns or the cities or the small villages – well of course we only have towns and cities now – but what are being demanded, is it the business sector, agriculture sector, or are they individuals? Again, I go back, tell us what those services are that are being demanded.

In your slide in the note points the transition when they talk about once the MGA is

proclaimed, it's a five-year process. But when you go through it, the bulk of everything of the new MGA is more administration. You'll see when you have yourself or your staff read the actual transition timelines – which I got from the municipal affairs – everything is an administrative aspect. There's no defined services other than, with some of your bylaws you're going to adhere to certain things, but with the new MGA, once this is legislated, these things must happen.

With the heavy emphasis on administration, right now the bulk of the administration in regards to aspects of the municipalities they go to Access PEI. Now, let's look at it this way, we have the small municipalities of which a lot of the responsibilities and requirements are passing down to them, yet the largest chunk of everything is your unincorporated, so your Access PEI must remain in place. As we'll see in a few minutes, there's a talk of building up the Access PEI to be even more versatile, because all of your unincorporated areas must adhere to anything that they wish, they have to go through Access PEI. Which even though those things may come down to municipality, we will still have to go the agencies and the professional aspect when it comes to certain things that have to be done in a municipality; you still have to go to Access PEI.

So, my point that you'll see later is that we're adding another level of bureaucracy at a cost with no productivity.

The biggest thing that's occurring right now for the existing small rural communities that we offer in the way of services; the administration, which is we provide money that we collect towards hospitals, sometimes we'll help out in other non-charitable organizations, but the most prevalent one is fire protection. Of course, we do that through the municipalities that have fire services. As I said, we have Alberton, Tignish, Miminogash, O'Leary and West Point. Whatever the town wants to charge for that service, we don't have any negotiation in it because we are buying a service, so they set their budget. There's a formula that works I know for what we do.

Just as an example, in the town of Alberton, they are paying 15% of their fire budget and

the Alberton fire district, Northport, Greenmount-Montrose, we pay the other 85% of the fire budget for the town of Alberton. We are contributing quite well to that and that's why we have excellent fire service. In the rural communities the fire departments provide just absolutely outstanding service.

Again, and the point I'm trying to make there is; what we pay nobody minds because you are getting a valuable service that is excellent. My point I'm trying to make is – further on – I'm going to add a tax increase but I'm not going to give you any defined service other than administration, which is a very hard sell.

Chair: Bradley Trivers.

Mr. Trivers: I just wanted to clarify, these are volunteer fire departments, is that correct?

Dave Pizio: All firefighters on PEI are volunteer I think, except for two.

Mr. Trivers: I just wanted to clarify that.

Dave Pizio: Yes, absolutely.

Now, with the new MGA, most of the aspect of it is very much more complex administration. But the two main things that are going to occur in that (Indistinct) transition is the development of land use planning and emergency planning.

My question on one of the points because they talked about – I saw in the paper that somebody could build or put something up in your community, you won't have any say and it's going to be terrible. I find that very concerning because my question would be: Are there any examples where an area or a community or a municipality that resulted in unwanted consequences when the current regulations, policies and guidelines were used? There's things in place right now with IRAC and other agencies that if, there's going to be something going up somewhere in PEI, has there been something occurred that when the current policies, guidelines were used that it ended up with bad consequences? If that is the case – in other words there was none – why can it not remain the same way, passing it down to a

very small community and land use planning when it's all agricultural.

My question is: Is there a necessity to do this because it's at a great cost? Emergency planning, again, my aspect to question (5) would be: What should be the regional level of coordination? I have a very small community, I have 258 people. All the communities in fact – St. Louis has roughly 70 people. So emergency planning, you're going to make an expense of some sort and I understand there is great synergy by bringing people together in a community when you talk about emergency planning.

But my question is: For the coordination, there's a push and a pull. Meaning, they put the information there and I pull it down or they push it out. Possibly, what I recommend, is maybe EMO, an excellent organization, they have lots of documentation to help – but them being a lead bringing the leaders of the different small municipalities and forming a team with them as a lead because of their expertise to see what's really needed there – instead, of each individual community, or trying to get together to understand what needs to be done for emergency planning. One of key things of emergency planning would be a warming – if there's an emergency needed – a warming place for people to gather. Very expensive, but again, that's all part of that planning.

But with the new MGA, it just says: You will have to have a land use planning in place – emergency planning, we're talking a five-year – but there's a lot of coordination. Professional expertise is required; 258 people trying to find the expertise. Again, I see EMO, also land use planning, the agencies, are very accessible; they have information, they want to help. I know that but people have to be able to have an understanding of what you're going to be doing and that's not there right now in the small communities.

Chair: Peter Bevan-Baker.

Dr. Peter Bevan-Baker: Thank you, Chair.

Dave, I want to go back to the middle bullet point there, the land use planning –

Dave Pizio: Yes.

Dr. Peter Bevan-Baker: – element and you asked a question of the committee and I've known typically that's not the way things go, but that's fine. I would like to respond. You asked a question about: have there been instances in the past where there have been issues with land use planning and I can speak to at least two in my own district. Where, due to the fact that there was no mechanism – oh firstly – that we have no integrated coherent land use plan for the Island in unincorporated areas which represents the vast majority of land on the Island, that we open ourselves up for situations where developments can occur without the opportunity of the community to be involved in that decision. That's one of the big concerns that I have with the status quo. I know you're here to point out issues with (Indistinct) Dave, but I think it's only fair that we also bring up some issues that exist with the status quo and perhaps reasons why we do need to look at the way that land use planning is conducted on the Island.

I know once the MGA has worked its way through – and it largely has, and the water act works its way through – then the Department of Communities, Land and Environment, as far as I understand, that their next big project is to develop an integrated coherent land use plan for the whole Island, which I look forward to. But I can tell you of at least two incidents – both of which were pushed back – but not because of fine regulations or processes that were in place, but because people in the community got wind of it and just did not like what they saw and gathered around.

Dave Pizio: In response to that, Mr. Bevan-Baker, is if the mechanism was, as you said, only because the people heard that it was going on – but a proper mechanism would be that anything that's going to occur in a particular municipality – because in order for anything to happen, they must go to Access PEI, building permits, all these kinds of things – a mechanism would be to the chairperson that this is going on.

Now, case in point, there's an application that I saw in the paper. They're changing; they're rezoning and such like that. Well, I think what should be done is that the chairperson or the admin officer, whoever it is of that community, immediately notify:

This is going on in your community – because right now anything that goes on, if it's in a city or a town, the permits have to go through the council; through the administration and such like that. But, for the small municipalities or the unincorporated, it's through Access PEI. So all it would require was an immediate notification to the chair or the admin officer of the small community: This has been applied for, which is in your area. Then that person has to make a decision. They're not asked to say 'yes' or 'no' but they have now – information is power, so you now look at it. You bring your people: This is going on, what is your view of it? And that happens right at the base of the time before anything occurs.

I see that as a good mechanism and that's why I posed the question, if the current regulations, did something occur – if they failed inside within the guidelines and it's still – something bad happened, where in the current regulations did it fail? As you say, they're coming out with a new aspect of the land-use planning. So that would be – that's excellent, and maybe one thing would be to ensure that key people are notified that have the power to talk to the people of the community where it's going to be affected.

Chair: Peter Bevan-Baker and then I have Bradley Trivers.

Dr. Bevan-Baker: I appreciate your response, Dave.

The issue; however, is in both instances in my district, the proposed development was in an unincorporated area where there is no chair, there is no administrative person to approach, so that's where that mechanism breaks down. Absolutely in smaller municipalities with proper representation there is a proper path to take, but in unincorporated areas that does not exist and that, for me, is one of the huge problems with the status quo.

Again, I appreciate the mechanism that exists in smaller municipalities, but that safety – that process does not exist for a large part of the province and I think it's a big issue.

Chair: Thank you.

Dave Pizio: But there's something – I'm sorry.

Chair: No, sorry. I thought (Indistinct)

Dave Pizio: There's one answer to that is, is every fire district has a chair or a president of the fire district because they have to – they meet – the fire district council meets to set the rates for the fire district, so there is an entity of the fire district. They hold no power or anything like this, yet they do have the power to set the rate: So much for a home, so much for a farm – things like that because I know they do me.

So then, they would be the ones to be notified if anything is going on in that fire district. You tell that entity. That would take care of that.

Chair: Thanks.

Brad Trivers?

Mr. Trivers: Thank you.

I wanted to comment on this as well. Those are good suggestions, as Peter said, for areas where there is an admin or a chair. They should be notified so you know what's going on. For unincorporated areas, the key problem is there is no identified admin or chair; however, there is an elected representative in the form of an MLA. That's why when this act was on the floor, we were saying: We need to put provisions in the act so that the MLA is notified, as the elected representative, so they can communicate with the residents and as representative of those people, they can make sure that the proper steps are taken.

This is the sort of discussion that I think we need to have. We have 27 districts in this province. We have 27 MLAs, and we need to look at, really, what role does an MLA need to take in the unincorporated areas to make sure when changes are being made; whether that be small things like new businesses or buildings going up, or whether that be large things like annexation of whole unincorporated areas. Our suggestion, or our amendment to the act that was voted down, was that annexations actually should be brought to the floor of the Legislature for debate.

Anyway, I just wanted to make that point and thank you for your recommendations.

Chair: Great.

Dave, we'll turn the floor back to you.

Dave Pizio: This slide here – right now – and on your slide and the notes page, I've provided the empirical data of what the tax rates are for our six communities and I'm looking at just three basic aspects of the new MGA of the financial impact it's going to have on the small communities.

One: We all now have to have a certified audit. The first year, it's just a form. But see, right now if your budget is \$50,000 or less, you can ask for an exemption through the minister and that's not a problem. But, with the new MGA you must have a certified audit; not the first year, but the years coming. So I just basically said: \$2,000. And then it could be more, but that's my starting point.

The second one is: Within five years, every municipality, regardless of the size, must have an office and you man it 20 hours a week. I just based it at \$15 an hour, so that's \$15,000. Now, the other aspect – right now this community is looking at amalgamation; Afton, Meadowbank – that group there, and what was told is that there's \$60,000 of provincial money towards the study that's being done. Now, the municipal management growth study; it said that the province will provide up to 50%. Plus, there are possibly other funds to be available, but I just went by the \$60,000. The consultation is roughly \$120,000; very expensive. That can only be paid by municipal money. The province provides, but the other half is paid by the group of municipalities that want to join.

I looked at those three things, and it said that the money has to be paid and used within one year. So, if you look at \$2,000 for an audit; \$15,000 just for wages for the office, and \$60,000. In order for our communities to do that, if we – to pay that out – that's what kind of – would have to triple the tax rate at St. Felix; three-and-a-half times St. Louis, one-and-a-half to almost two for the commercial/non-commercial (Indistinct) – the reason North Port is a little bit less, they have a larger assessment. Greenmount

(Indistinct) two-and-a-half; Miminegash, twice, Tignish Shore, twice.

Now, raising those rates – what are the communities getting from it? Administration; no services. A tripled – in some cases your tax rate, but all you're getting is administration, no services. This is what the MGA is doing to the small communities.

Now, they say: Well, you can amalgamate. But, the trouble is when you're very small – I'll give you a point B. Afton and Meadowbank, that group there, \$60,000 – because of their assessment, they're looking at roughly two point three cents per 100 to pay the \$60,000. That's only two point three cents. That's what they would have to add to their tax rate. Because we're so small, this is the kind of money we're talking about. How would I ever be able to say to my residents: I'm going to triple your tax rate. Okay, what am I getting for it? Well, we're going to have more administration. But, what am I getting for it? I have to say: Nothing; nothing in the way of services other than administration.

Chair: Thank you.

I have a question from the hon. Pat Murphy.

Mr. Murphy: Thanks, Dave.

Just wondering – those numbers, is that just – is that what that \$60,000 for the study is what that's for?

Dave Pizio: Yes.

Mr. Murphy: So that wouldn't be ongoing costs; that will be just the one time?

Dave Pizio: A one-time, yeah. But, it all has to be done in one year. But, don't forget I only said the 2,000 for audit and 15,000 for the office, or for the wages. I would have to have an office. I will have to increase because it's demanded that you have liability insurance, which a lot of us don't have because we operate on good faith, but they're saying: You're going to have to have that.

Other aspects are you're going to have to train your admin officer that's going to be doing all of this, and – now all that training

is probably going to be provided by the province, but you have to pay per diem on these things for those people to do it. There's a very unfortunate aspect. You're asking somebody for 20 hours a week. You'll get somebody. How long are they going to stay? They (Indistinct) somebody else.

We asked: Okay, why not? Maybe I'll have just one office. I know I'm ahead here a bit – but why don't we just have one office and all of our communities will go to that one office? I was told: No, each community must have your own office and that person there 20 hours a week. I could have – no, I would talk with Christine and that's what I was told, but I'm understanding there is a possibility that may be changing. Right now, that's what's in the MGA. I could have one person 20 hours a week here, and the same person be my admin all 20 hours here, and that's fine. That's 40 hours. But as far - each municipality must have an office and man it. That's what's in there right now. Maybe that is going to change and I think it should. One of my aspects here is why couldn't I go and sort of do an as-per-use basis; use an admin office already; the town of Alberton, the town of Tignish, but Access PEI, too.

There is a great cost for just administration.

Chair: Peter Bevan-Baker, did you have a question?

Dr. Bevan-Baker: I was going to make a comment. I'm not here to defend the MGA nor the department for goodness sake, but I think that's a misinterpretation, Dave, and I don't know exactly the conversation you had with Christine, but there are certainly potential savings to be made by consolidation and the whole point, as I understand, not the whole point; one of the issues or one of the aspects regarding potential savings was the fact that in the new municipalities – and there would be less than there are now – only one officer per new municipality would be required and not one in each of the previous municipalities that go to make up a new municipality.

I think that there is a conversation to be had there. Again, I'm not defending anyone here. I'm just saying I think that's a misinterpretation.

Dave Pizio: No, you are absolutely correct. What I'm saying is, unless you amalgamate then you remain as a separate. You must have an office.

Dr. Bevan-Baker: Yes.

Dave Pizio: The St. Louis, Miminegash, St. Felix, Tignish Shore, there are only three of those of our six communities that actually touch each other so you'd be dispersed. That doesn't stop you from amalgamating, but the thing is, to amalgamate that's a whole different thing; requires everything else.

What I'm saying is, if a small community wishes to remain, this is what kind of money you're talking about. I look at it as a backdoor push to force amalgamation and annexation. I'm not saying amalgamation and annexation is bad because it has merits, but the communication and the information that has been provided has created more concerns than positives. As we see, how many different communities have started and have backed out? I believe because it's a lack of communication.

If you want buy-in provide examples that show the merits of these things to be done. Right now, all it is: it's good for you. Bigger is better. There is nothing what I consider actually empirical evidence that a \$100,000 consultation is going to provide good things or amalgamation and annexation other than people feel: I'm going to pay more taxes with no more services. That's a hard sell.

What we're seeing is a failure of communication of what these things can do. I'm here at the committee with these questions. Hopefully, the productive dialogue that's going to occur after is going to see, okay, let's look for where there was annexation, amalgamation, where all the participants became happy. Is that possible? Probably not.

However, we look at the percentages of when these things were done. Right now there have been no examples.

I still feel we're simply adding another level of bureaucracy in the way of administration when we already have things in place; Access PEI. The other thing that's occurred right now, like I say, this level we're going to duplicate things, but the new Regional

Economic Advisory Council, you'll see, this is on slide 11, and it's in your notes on the notes page. The new Regional Economic Advisory Councils, I went through here just seeing what their mandate is. Lo and behold I find it very similar to what I would want a consultant to do; the information that's going to be produced.

If the government is establishing a Regional Economic Advisory Council, whose mandate; enhance population growth, ensure labour development; youth entrepreneurship, identify platforms and clusters in each region, food, energy, technology, develop economic growth strategies. Why would I want to take municipal money when provincial money is already put out in the development of these, why don't we put people with them, meaning the regional economic, as the lead and we have people from our communities to go on these councils, not to be paid, just simply to be part with the lead and work in synergy to find out what is the best aspect for a rural community.

Again, my point here is: why are we doing this provincially, yet we're pushing for it, because it says right in the new municipal management growth study; in order to get money, but they're saying: they want you to hire a professional consultant to produce the information that we've – the province had said: developing and started the Regional Economic Advisory Councils. I'm a little bit repetitious here, but I just find it so unproductive financially to have one entity doing it that's being paid and then asking at the municipal level to pay out money to produce the same results, that I see as the same results. I could be wrong.

That's why I say, question 7 was: Why is the government requesting the expensive use of private consultation firms and agencies as part of the application process for the municipal management growth studies?

Chair: Dave, I have a question from Peter Bevan-Baker, but I did notice that our next presenters have arrived –

Dave Pizio: Yes.

Chair: – and so, Peter I'm going to allow you to ask a question, then I'm going to turn it back to Dave –

Dave Pizio: And I'll finish –

Chair: – to finish up his presentation.

Dr. Bevan-Baker: Sure, thank you. I appreciate that.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

Dave, I'd like to, because when we were up west and we spoke at the meeting a few months ago, you brought this up and I remembered it and I've mulled this over since. We have the Minister of Rural and Regional Development with us this morning and I'm wondering whether Pat can provide us with any clarification on this because the roles of the – the roles of the Regional Economic Advisory Councils seem a little woolly to me. The mandate is not terribly clear, from the website anyway.

The councils, as it says: provide advice to the Premier and economic hub group of Cabinet on guiding, developing and helping to drive economic growth across Prince Edward Island. I'm wondering whether these rural – you talk about overlap between their mandate and that of new municipalities.

I'm assuming you don't imagine that these Regional Economic Advisory Councils will provide planning skills and things like that.

Dave Pizio: No.

Dr. Bevan-Baker: Where do you see the overlap between municipal roles and responsibilities and that of the Regional Economic Advisory Councils?

Dave Pizio: It's not a question of the roles it's the fact of the result of a consultation process, which is part of the management growth studies. What they produce, I see as being very the same as what I would do hiring a consultation firm or agency to produce the information. Again it's not for planning, it's to say: you should – we're looking at this, this would be the best way to develop economics, business, entrepreneurship, all these things, and I'm paying a big price when I see that council has to provide the same information, not the

planning. It's because, at the end, the idea is that either an individual, or an amalgamated aspect of municipalities, or the unincorporated areas, if you want to – economic development this is the best way to go about it. That information marries itself together why are there pots of, what I call taxpayers' money, provincial and municipal, to arrive at the same conclusions? That's what I'm saying: Why would I want to spend my municipal money when the province has already put money towards to come up with the same type of information? Not planning, but information as to take this is a road and a path to go through.

Dr. Bevan-Baker: Chair, could I just have – and I don't know whether the minister wants to be part of this conversation or not, I just wonder, since you're here, Pat, whether you would like to make a comment or not?

Mr. Murphy: I don't really see the –

Chair: Yeah, let's talk through the Chair.

Thank you.

Hon. Pat Murphy, do you have a clarification?

Mr. Murphy: I don't know exactly what he's asking me to clarify, but I think the mandate is quite clear of the economic advisory councils, and these are volunteer people that are business people in the community that have their ear to the ground in the community and government is tapping into that resource for them to advise.

Of course, that's what an advisory council does. They have access to a lot of the resources that Mr. Pizio is referring to, but I don't really see that as their role. They're there as an advisory council, really, to advise government on what direction to go in each independent region in the province.

Chair: Thanks.

Dave, I'll turn it back to you to continue with your presentation.

Dave Pizio: The only aspect here of the municipal funding is, I have requested at different levels for the mandate because they'd talk about a new municipal funding

plan, development of a new municipal funding. I've asked about the mandate because this started in 2010. I've asked the minister and I was told there was none. I sent an email to the finance; I got no response back.

My concern is, if there is a group of people – and I also sent it to the Federation of PEI Municipalities because I was told they are part of the group in this development – my concern is there's a great request of the province to the small municipalities who are amalgamated, RFPs and everything else, to get money for the management growth studies. Yet the funding model that they're developing, there is no mandate or left to right arcs.

My question is: How do the people that are developing this know what they're supposed to be doing? So my question to the committee is: Where is the terms of reference for this? I have not received it to date.

The working examples, we talked about that already. I'm asking can they provide working examples where amalgamation, annexation was a plus and a positive for all the participants.

The wording concerns: Minister Mitchell said he would not force amalgamation or annexation on anyone. Yet in the new MGA, section 13.1 talks about amalgamation, annexation and also the minister's discretion.

If he is not – says I will not force – why is there wording in there that says that he can? He's not going to be the minister all the time, somebody new coming in, so all of a sudden there's a fear here that the unincorporated areas, because annexation is, you're taking a current municipality, they draw a new boundary, and that's annexation.

It reads, 13.1 (2): “The Minister may, in the Minister's discretion, propose a restructuring of boundaries as set out in subsection (1) if in the Minister's opinion the restructuring is appropriate based on the principles, standards and other criteria set out in the regulations made pursuant to subsection (3).”

My question here is: Does the level of discretionary power promote one of the fundamental aspects of good governance, which is ensuring a “voice” is heard and true accountability is rendered? If I say I won’t force it, why do I have something in a legislated document that says you can? Take it out if you don’t think it’s a good thing.

And Rewording: As part of the new MGA is to reflect a more democratic realization of municipal restructuring which is all municipalities are not the same, yet part of the intro is regardless of size, the new MGA is going to be adhered to for all municipalities regardless of size. So there’s no recognition of the smaller communities.

Chair: Sid, if you don’t mind, there’s only two pages left of his presentation and then I’ll come to your question.

Thank you.

Dave Pizio: I’m looking, again, not for answers to the questions today, but I would like the MGA to be amended – I’m sorry, I went one too many.

These are the options for the small, rural communities. We stay the course but it’s going to be very costly. Amalgamation requires buy-in, which is information. Like I say, amalgamation and annexation are not evil words. They have great merits; but how do you have buy-in if there’s great concerns, because nobody’s been able to say other than it’s going to be good and maybe it’ll cost less, yet everything points in the people’s minds I’m going to pay more money for nothing other than administration.

The last is we dissolve our charters and we become part of the fire district. That’s the only options that we have.

Chair: Sid MacEwen.

Mr. MacEwen: Thanks, Chair.

Thank you, Dave. I just wanted to comment on your question 12 there about: “Is the minister prepared to remove or reword this part of the new MGA to reflect a more democratic realization for municipal restructuring?”

We brought that up a number of times when the act was on the floor for debate. I can tell you that the minister said no, he was not willing to do that. We brought those same arguments that you did, and the answer that we kept getting over and over was: No, just trust me, trust me. Our thing was: Listen, you might have the best intentions as the minister and you can swear that you’ll never do it again, but in the act it is there, as you say.

When you spoke earlier about the level of trust, if there was trust there maybe we could trust that discretion; but it’s not there, so the easy answer to that right now is that no, the government is not willing to touch that, unfortunately.

Chair: Thank you.

Mr. MacEwen: Thank you, Chair.

Chair: Dave, thank you for your presentation and your representation of the municipalities that you represent. Our committee is a recommending body, and when we prepare a report to the Legislature we will take your presentation into account when we’re making our recommendations to the Legislature.

Today, on behalf of the committee, I would like to thank you for your presentation and –

Mr. MacEwen: A few more questions, Chair.

Mr. Trivers: (Indistinct)

Chair: Oh, sorry. I didn’t have anybody else –

Mr. MacEwen: I think there’s questions over here, too?

Chair: Sorry, I didn’t have anybody on the speaking order.

Mr. MacEwen: No, but you asked us to wait till the end, too.

Chair: Yeah, sorry. I thought you were the last.

Mr. MacEwen: Okay.

Chair: You were the only one I had, sorry.

I have Brad Trivers for a question and Pat Murphy.

Mr. Trivers: Yes. My question is along the lines of what the Chair was just saying.

Obviously the model that's being proposed through the MGA has some serious –

Unidentified Voice: Concerns.

Mr. Trivers: – concerns, and perhaps deficiencies. I was wondering if you had a recommendation for how you would like to see, for example, land use planning put into place across the province, and then some of the perceived benefits that the MGA is supposed to address. Is that something you've thought about?

Dave Pizio: The most important aspect, and I go back, is communication. When we take the current structure of everything – land use planning, emergency planning, all these things – excellent work has been done in these things to this point, but again if we see there's little loopholes or things that are failing the residents of the Island, whether it be incorporated, unincorporated, then it seems that if the communication to the specific points – and again, a chair of a municipality – I mean, nothing goes on inside a city without the council members, and I think that was an excellent point from Mr. Bevan-Baker about the MLAs.

Mr. Trivers: I think it was my point.

Dr. Bevan-Baker: (Indistinct)

Dave Pizio: I'm sorry, Mr. Trivers, that was yours.

But there are people in positions that if they are notified when there are things that are occurring, they have the ability to talk to the people in the immediate area, because people who live and are there know the people who to talk to.

I think that, again, there's a failure of communication, either at different levels, but we have to see where, if the current regulations are failing in certain aspects, the new MGA is simply putting the monkey on somebody else's back who are not prepared because there's an aspect of professional

knowledge and understanding that takes a while to know, and that's why we have excellent people in municipal affairs advisory councils that are there.

Yet the new MGA is pushing all of these down that are now going to become responsibilities of small communities, admin officers who have no training in these kinds of things, and it can over time; but again, my own personal feel, it's a backdoor push to force amalgamation and annexation.

If that is going to happen, there needs to be better communication of what are the merits of these things; not just the fact that it's going to be good, it's going to save money, those are all fine, but give me empirical data, exact examples that show this is proof that this is a good thing to be done. It has not occurred at that this point.

Chair: Thank you.

The hon. Pat Murphy.

Mr. Murphy: I don't really have a question, I just want to say thanks to Dave for coming down and giving us this presentation. I've had several conversations with him. He's very passionate about this and I mean, he's a very reasonable individual and I'm sure this committee will take all of his points into fine consideration before we make any recommendations to the Legislature.

Chair: Thank you.

Hal Perry.

Mr. Perry: Thank you, Chair.

I, too, have to echo what Pat has said. It was a very passionate presentation; very well researched. He came in here very well prepared and we do appreciate that.

Just picking out of what you were saying, communication seems to be the number one thing and I know I've been approached by two of these community chairs with questions, so I thought the best way to deal with that was to have the minister and his staff meet with him, and that was at one of these – turned out to be the six came to that one particular meeting, which I saw that day too, was the lack of communication.

Are saying that's more driven from the federation?

Dave Pizio: I'm not sure –

Mr. Perry: Communication level should be more from the federation to the municipalities?

Dave Pizio: Well, the communication – the Federation of PEI Municipalities, they're constantly saying they're speaking on behalf of the smaller communities and all the communities of the Island. But the thing is, when I read the report and listened to the presentation to this committee in November from the Federation of PEI Municipalities, their whole aspect is the incorporation of the entire Island; meaning fewer municipalities.

So, their mandate or their emphasis is not for the smaller community, other than they say: Bigger is better combined. They talk about 4,000 people for a municipality with a minimum of 250,000 – I'm sorry, \$250 million of assets; in assessment value to make it viable. So, that just tells me that they are not speaking, even though they're saying for the smaller communities, especially when they do not communicate to the communities that: This is what we're thinking about to get input. The communication is at all levels. It's not just from up-down, but from the smaller communities as well and that's why the six communities asked that I would come and speak with their concerns – so I'm speaking for six communities with all the same concerns wanting to adhere to the legislation that is being presented through the new MGA.

However, there are parts of it that, unless they're going to change or a new recognition, it's going to financially cripple to the point that the small communities, unless something drastic changes, are going to end up dissolving because you cannot go to your residents and say: I'm going to triple your tax rate for no additional services. It's just not a viable thing to be done.

Chair: Thank you.

Dave Pizio: Madam Chair, committee members; thank you so much for this privilege to present to you. Again, thank you

on behalf of our six communities for West Prince.

Thank you.

Chair: Thank you for your presentation on behalf of your six communities that you represent. It's opened our eyes to some other questions and we'll certainly take them under consideration when we prepare our report to the Legislature.

Thank you.

Dave Pizio: Thank you very much.

Mr. Murphy: (Indistinct)

Dave Pizio: (Indistinct)

Chair: Hon. members, we're just going to take about a two-minute, brief recess. I don't want you to go anywhere. We're just going to change up the presenting table and we'll continue on with the presentation.

Thank you.

[Recess]

Chair: Good morning, members.

Welcome back to the communities, land and environment committee meeting. We have our second presentation on the agenda today and the topic is of land speculation and real estate prices. Representative with us today is the National Farmers Union of PEI, Doug Campbell, the district director and Reg Phelan, the national board member and region one coordinator.

What I'm going to do this morning, is I'll turn the presentation over to our presenters and then we'll continue on with questions. If you have a question, just indicate through the Chair. I would be happy to add you to the speaking order.

Gentlemen, I'll turn the floor over to you. If you could introduce yourselves while you're speaking, because there's two of you, it would be helpful for our translators to know. We want to be able to attribute the comments to you – to the proper person. So if you could say your name before you speak each time, that would be great.

Thank you.

Doug Campbell: Thank you, Madam Chairperson.

My name is Douglas Campbell and I am from Lot 16. Good morning, Chair, or committee members as well. We would like to thank you for the invitation for being here.

The National Farmers Union thanks the standing committee for the invitation to speak with you today. This being the last opportunity for you to hear from us before you go to the Legislature, your invitation raises our expectations. We expect that you intend to take our deeply-felt concerns and recommendations to the Legislative Assembly.

Through this short presentation, you will hear us indicate more than once that many other Islanders share our alarm about land transfers. This is not only an NFU issue. Threats to the land awaken the eerie of Islanders. It is the same with water. In reference to the land, people from their knowledge of our history, quickly use the phrase: Absentee landlords. What is upsetting for us, and for many other aware community groups, is the lack of transparency about how ownership and control of farmland can take place under the radar.

Item number one, the land – the letter of the law in the spirit of the law: In 1982, then premier Angus MacLean made it clear that the spirit and intent of the act was to keep farmland in the control of Island farmers.

Control of the land was premier MacLean's overarching theme. Part of this was that individuals and corporations must be prohibited from amassing large land holdings. The act also put tight restrictions on non-resident purchases of land. It is clear to anyone who is keeping an eye on land transactions that PEI policymakers have allowed amassing of land.

The selling of vast acreages to non-residents and have permitted corporations to take control of land even without legal ownership. This, as we pointed out many times, is accomplished by controlling the producers through keeping them in debt to

the corporation by making most production decisions by supplying the inputs and by administering all aspects of the sale of agricultural products.

Number two, what the community observes: There are three main points of concern in the community. One is situated mainly in Prince County where we have a gigantic transnational corporation with unimaginable power, which has its continuous threat to PEI land. This entity has free reign on the Island as elsewhere and has a successful history in continuous thirst for expanding its dominance until it surpasses the government of the jurisdictions in which it operates.

In southeastern PEI there is another phenomenon. It seems, in that situation, that there is another form of taking over Island land. It follows the land-grabbing patterns in effect worldwide, including other parts of Canada.

It amounts to investments in land for the purpose of future returns to be gained by the increased value of land. The source of the investment capital is understood as being Asian financial interests.

Sprawling out over Kings and Queens County is an accumulation of well developed farm operations. The source of the money seems to be a mega corporation of European origin with the capacity to offer high dollars for farm operations.

Number three, what the NFU knows: In all three cases of big money available for ownership and control of the land, the National Farmers Union is learning the following; the value of land per acre is raising to the point of being non-accessible to beginning farmers. An ordinary expanded family-owned operation was bought for \$6 million.

Many established farmers are easily convinced to sell given the high price offered and given the fact that most farmers have no retirement fund. With the generous offers, land sales can provide this.

The European based corporation is so assured of the righteousness of their expansions they make no attempt to hide their accumulations. Their logos and brand names are on many former Island-owned

operations and we have photos of a number of these.

The Asian-based financing seems to be used to acquire numerous small farmland holdings scattered through the country. It is not clear what their current acreage is. It is also not clear if the new owners are individuals or corporations.

In this latter situation, there is also a question of how the residency requirement of the act is being enforced.

Number four, those responsible for the administration of the *Lands Protection Act, PEI*: Currently, the Minister of Communities, Land and Environment is responsible for the administration of the *Lands Protection Act, PEI*.

For the past 26 years, the Island Regulatory and Appeals Commission is appointed by government as an arms-length entity responsible for monitoring land holdings and new land purchase proposals.

IRAC recommends actions on these proposals to the minister, who must bring them to Cabinet for approval or rejection. The NFU sometimes is shocked by the lack of knowledge that we find in those who make serious and irreversible decisions about the land. Once the land is gone it is gone for good.

It is not sufficient to base decisions so vital to the future of Prince Edward Island merely on the advice of lawyers and accountants, who are quite active in all the deals in question, finding loopholes wherever possible. Decision-makers must know for themselves both the letter and the spirit of the act.

It is disheartening that over the years a number of premiers have had little interest in the *Lands Protection Act, PEI*, sometimes this may be simply a lack of understanding of the land and farming, at other times there appears to be too great a kinship with the corporate giants and too little respect for diversified production.

A person with a high position in government circles told us that Irvings have a unique relationship with government. This does not

increase our confidence in getting a good hearing.

Number five, what we have discussed with IRAC: The National Farmers Union has met with IRAC on various occasions. The past year has not been one of our finest with that body. We feel that IRAC has the authority and the resources to investigate the situations of all three land acquisition models, which we outlined above in item three.

We found them nervous about some of the information that we had to offer from our research. On February 10th, 2017 we wrote IRAC a letter asking them to investigate the massive land transfers in which the European-based corporation was involved. We requested information on the source of the financial capital; the identification of the decision-makers, and the interconnectedness of the various corporations of this empire.

On February 24th, we asked for details about another situation on various corporations run by one family and for jurisdictions for considering to be more than one corporation. The point of reference was section 1 (d) of the *Lands Protection Act, PEI*, which seems to prohibit the arrangement of interlocking corporations. As yet, we have received no reply to our letters to IRAC.

Six, our conclusion about IRAC: The following are some of our observations about IRAC. This commission seems to be a weak monitor with too little leeway to research and make available vital information about land transfers. They need to be the eyes on the ground to see how corporations are forming and how many are over acreage limit.

They seem to be lax in the requirements for residency. They have little means of tracking the farmer-to-farmer land transactions, and they cannot operate in the interest of PEI land if the political will is not behind them.

Number seven, the community is on alert about the land: The National Farmers Union is seeing and hearing an increase in the anxiety of the wider community about the land. We get a lot of positive response when we publish our opinion pieces.

CBC Toronto did an interview with us recently. People in Saskatchewan identify with the land-grab situation on PEI, and we are seeing an increasing number of book-face followers expressing their concerns.

A filmmaker from Saskatchewan produced a film called, *Islanders and the Land*. Generally, people feel that they have a right to know what government and IRAC is doing to protect the land.

Number eight, the role of MLAs and what we ask of this committee: As we complete our submission to you, to Standing Committee on Communities, Land and Environment, we are not only asking you to hear our point of view, and then just tuck it away as part of your report, we address you as MLAs about your serious role as policymakers in this critical time for the land.

We expect you to be protectors of the land and to do all in your power to uphold the spirit and the intent of the *Lands Protection Act, PEI*. We challenge you to become experts on the act and to promote ways to tightening it up.

We ask you to do all in your power to stop the rapid disappearance of Island-owned and controlled land.

The National Farmers Union, together with our backers, ask you to bring the following to the attention of the November 2017 Legislative Assembly:

That PEI land, more than ever, needs protection from massive corporate takeovers;

That the damage done by giving up ownership of, and control over, our land cannot be reversed;

That the loopholes in the *Lands Protection Act, PEI* must be closed;

That the PEI government give to IRAC a strengthening mandate to investigate the source of investor capital and finally;

That the PEI government practice utmost transparency in any land transactions so that communities are kept up-to-date on all land issues.

Again, thank you for inviting us today and respectfully submitted by the National Farmers Union, Region 1, District 1.

Chair: Great, thank you, Mr. Campbell, for your presentation.

I have a few people on the speaking order that have questions. The first is Sidney MacEwen and then I have Brad Trivers.

Mr. MacEwen: Thank you, Chair.

Thanks, Doug, for the presentation and Reg, for coming in, too.

Last week we actually had the Minister of Communities, Land and Environment into a committee and it wasn't necessarily exactly on this topic, but we veered in that direction and one of the first questions I asked him is that: Is Cabinet concerned that the spirit of the *Lands Protection Act, PEI* is not being followed? We had a little bit of back and forth on it, but in the end I think – the summary of the answer was that the government was not concerned right now, but they're monitoring the situation.

I brought two examples forward that Reg, in our area, you would know all about and one is a young farmer who's right around the age of 30, a potato farmer, and the land that he used to lease from a farm is now sold to a larger organization or someone that's connected to a larger organization. He's struggling to find land to farm and it's two-fold.

One, that farmer that sold his farm and land to a bigger organization deserves to retire and deserves to get a good price for that land, but it goes to show that this young farmer now is struggling to find access to other land. The minister hinted at the time about some sort of an announcement on the horizon of a land bank or something and I look forward to that, if it's going to come this fall or not.

The other example is a dairy farmer who's – so that's an example of a larger organization taking over smaller farms.

The second example I talked about was a dairy farmer who's looking for hay and extra land and that person is finding that the

price of land is being driven up by off-Island people buying up land. But, the other thing is just less access as that land that's being purchased is being taken out of production, period, and that's a concern for him to be able to buy land.

We, at the time, requested a number of things, but not the least, of which all of the land that's being bought by off-Island owners; over five acres for the last 10 years. So, we share that concern for sure and I just wanted to bring that up that he's promise to bring back that information and if there's questions that – you've got some similar questions to IRAC as well, and if you want them submitted to the government as well we can do that as well. That's more or less my question and trying to echo that and just trying to get this stuff out in the open.

As we discussed that time, just the more information people have, the better. Let's discuss where this is going in the future and what exactly do we want for a small farm in PEI. That was the conversation we had. I hope that comes back to committee and we'll go from there, that information, but I thank you for coming in.

Chair: Thank you.

Doug Campbell: (Indistinct)

Reg Phalen: Yeah, sure –

Chair: Can you state your name first?

Reg Phalen: Reg Phalen.

Yes, Sidney, I think that is quite a concern and I think probably the person you're talking to, I have a good idea who it was. I may have had conversations with him, also.

Mr. MacEwen: Definitely.

Reg Phalen: I've had some phone calls from people in that situation. It's very unfortunate –

Mr. MacEwen: It is.

Reg Phalen: – to see that happen, and that company that's doing it, supposedly most people in the countryside now are saying they've put together about 20,000 acres. We're supposed to be 3,000 acres, or 1,000.

It's very unfortunate that that's happening and it's making it very difficult for younger farmers, as you said, to be able to continue farming and for others to do it and we just can't compete with that type of price and that type of situation and that's why we're so concerned about it.

Chair: Thank you.

Bradley Trivers and then Peter Bevan-Baker.

Mr. Trivers: Thank you so much for your presentation.

It's a tough subject to talk about because it has various implications, both social and political, so thank you for bringing that forward.

The big phrase that you used that really concerns me the most is this idea of absentee landlords; that we've experienced in the past on Prince Edward Island. Indeed, it's how the Island sort of got a start in many ways, but we need to really make sure that doesn't happen. In the case of non-residents owning land here or corporations that are headquartered off-Island with, indeed the profits from our Island and the hard work of Islanders, going out of our economy is one of my primary concerns.

I have two questions for you. The first one is you mentioned various entities in your presentation and referred to them in an abstract form; a European-based corporation, Asian organization and these sort of things. Are you willing to name who you're talking about specifically there, what corporations and individuals?

The second thing is: Do you feel that that is happening today? Like, there's a funnel of money where the hard work of Islanders and the profits that Islanders are working so hard to make are actually leaving Prince Edward Island?

Doug Campbell: Do you want me to start?

Reg Phalen: (Indistinct)

Chair: Mr. Campbell.

Doug Campbell: To answer your first question with (Indistinct) giving out names

publicly, I guess we have been on the record as doing that. Is that something you want today?

Mr. Trivers: Well, I mean this is an official record here at standing committee as well and maybe even if you want to give examples when you say mega corporation of European origin. I think it would be useful for the committee in determining who else we need to have come in and present to the committee and in making our recommendations.

But, I understand completely. I mean, that's up to you whether you want to name them or not.

Doug Campbell: Well, it's certainly no secret out in the country where this European-based farm is operating out of and it's Vanco Farms. They are big in Queens, part of Queens and Kings, and this is where they are working under the *Lands Protection Act, PEI* to use different identities to set up corporations and it's quite known out there that they are well above their land acreage, whether they own it or whether they control it. That's a word we have to remember when we're talking about the *Lands Protection Act, PEI*, is control.

If I could just go back a minute to what Mr. MacEwen (Indistinct) said about the minister, and when he was asked if he was concerned about the land and I think that is a very signal of a red flag right there when he said: Not concerned, we're just monitoring the situation. But, that's where the understanding of the act comes in. Because if you understand the act and what it means, the spirit and the intent, then you would know – he would know – that there is need to be concerned out there for the land.

So, that's where we're saying everybody that sits around that Cabinet table should be very well aware and very well understanding of the *Lands Protection Act, PEI* to know that the spirit – maybe following the letter of law – but the spirit and the intent on what the act was actually meant to do is not being followed.

I can't remember your second question.

Mr. Trivers: My second question was: Do you feel that a lot of the profits that are

being produced by the hard work of Islanders are actually leaving our Island economy?

Doug Campbell: I don't know that that's so much the issue there because of the cost of running the operation, but when we talk about land grabbing and foreign investors, it's them putting the money in here to accumulate the land. What's done with it after that would be between the people that are using the land and the investor themselves, so whatever kind of an arrangement they would have is more than I could tell you.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

We're all acutely aware of why land is such a touchy issue here on Prince Edward Island. I really appreciate you, Doug and Reg, both being in here and also the editorial that you wrote a couple of weeks ago, Doug.

I want to start by talking a little about IRAC. We have, here on Prince Edward Island, the mechanisms by which we shouldn't be here talking about this; we have a *Lands Protection Act, PEI*, which, as the name suggests, should offer some pretty strong protections for these sorts of accusations you're talking about. We also have IRAC, which is an arms-length independent body.

The last bullet point you have on your conclusions about IRAC says: they cannot operate in the interest of PEI land – I would actually say, in the interest of Prince Edward Island – if the political will is not behind them.

That suggests to me that you're questioning the objectivity and the independence of IRAC. Are you suggesting that might be the case?

Doug Campbell: Yes and no. When we meet with IRAC they are telling us that for any changes to be made within the legislation, within the act, has to come from the politicians. When we meet with the politicians, when we were finally able to meet with Premier Wade MacLauchlan, Mr. MacLauchlan stated to us: any changes that need to be made to the *Lands Protection Act, PEI* comes from IRAC.

IRAC gets their mandate from the government so it's up to the politicians to understand the *Lands Protection Act, PEI*, to understand what is meant by intent and in spirit. In order for IRAC to legislate – or to do their thing, it has to come from the politicians.

Does that answer your –

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

It certainly illustrates the complexity and convoluted nature of the situation that we currently have –

Doug Campbell: I don't know if Reg has anything he'd like to add to that.

Chair: Reg Phelan.

Reg Phelan: I think in the past IRAC has operated, and I mean, we've known in the past where IRAC has asked Irvings to sell a certain amount of their land. They have been doing a fair bit of monitoring in terms of that responsibility. But in the last while we can't seem to get a positive response for them to act. I really think they really want to do something, but they're saying that their hands seemed to kind of be tied in terms of doing that. It's very unfortunate because we have presented them with pictures of all these farms with Vanco's name very vividly right in front of it, there. They're not hiding it.

In all their farm machinery, and where they operate and the fields they have the names and stuff like this, but they're supposedly in someone else's name besides them. They're going out with this there.

It's pretty obvious that this is happening and everybody in the country seems to know about it, and they tell us about it and where it's coming and happening, but they don't seem to want to move.

It's back in the winter, I think February, Doug, when we sent the letter to them?

Doug Campbell: Yeah.

Reg Phelan: And we still haven't got a response on it.

We've been meeting with a lot of people that are concerned about it, and people are coming to us and we've met with a lot of people that know a lot about the issue, but we're still not getting that response from IRAC. It's very unfortunate that they're operating like that. It's not their history. I think, in the past, they have done a fair bit of good work, I think of monitoring the situation.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

You use the terminology loophole a couple of times in the presentation you just gave, Doug. I'm just wondering if you can point me, specifically, to the parts of the *Lands Protection Act, PEI* that you considered to be the vulnerable loopholes that are being exploited.

Doug Campbell: The major one is 1 (d) that we referred to under the definition of a corporation. Now, I think under the original explanation of when the *Lands Protection Act, PEI* was drawn up, it identified what a corporation was; what the 15% or 5% shares that you were allowed to have.

What has happened is that lawyers and accountants have found a way around those to exploit the definition to bring it to the brink and therefore, because originally one person could own 1,000 acres, a corporation could own 3,000 acres. That was what was meant to keep from these mass buildups of land, but they have taken that and they have used family members to the point where they are able to go well beyond the 3,000 acres.

Now, even the chairman of IRAC gave the example to me; if I had 12 sons or 12 children, just think of the amount of land I could have, and that was not the intent or the spirit of what the act was meant to do.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: I absolutely agree with you, Doug, 100%.

Because of the nature of the global economy and access to capital from all over the world, and you talked about three different mechanisms by which land is being purchased by various organizations from off-Island.

Because these things are happening now and lawyers and accountants are very adept at finding or pushing legislation to the max, it sounds to me that we need to do something about amending our act because it clearly is you talk about interlocked corporations where families do, through creating corporations for siblings and for sons and daughters and then their wives and partners, that there is a way to sort of circumnavigate the – certainly if not the letter of this law, the intent and the spirit, as you like to put it.

I'd like though too, to look at all of the reports that we've had on land use over the last few years. Going back to the Thompson report and the Carver report and the Handrahan report, all of these direct government to do some very specific things to maintain ownership of the land and to make sure that these sorts of things are not happening.

Do you think that if government simply were to implement the recommendations of those reports that this would come to a halt, or do you think we need to go further than that? Do we need something more than the reports that have already been presented to government?

Doug Campbell: Land grabbing has been going on for centuries. When you said about the global, in 2008 when the global crisis came about and there was a shortage, or food prices started to go up, that's when the current situation we're in really started to become an issue. Then we had multinationals, we had foreign governments, individuals, citizens, corporations looking to invest money because there were no gains to be made off of the stock markets and stuff like that so they started investing in land.

Actually, the National Bank is one of the biggest land grabbers in Canada. They do that because of investments and investors and stuff. That's one of the reasons why it's the phenomenon it is now.

For protecting our own, the loopholes that could be closed up in the *Lands Protection*

Act, PEI, I, at one point, thought the definition of a corporation had to change. As I got to understand it more, I realized maybe, not so much that as it is understanding what the word intent and spirit because it's already in there. Going back to the political side in talking with a now retired government employee who is very close to the *Lands Protection Act, PEI*, when we talk about the political will, the interference that these corporations have with the politicians and the decision-making that is having a big impact in what is going on with our land issue right here now on PEI. That is one thing that would have to be – government has to work for the people, not the corporations.

Chair: Thank you.

I have Sidney MacEwen. I have Brad Trivers, and then I have the hon. Heath MacDonald on the speaking order.

Mr. MacEwen: Thank you, Chair.

I spoke earlier about talking with the Minister of Communities, Land and Environment, and as I mentioned my first question was: Is Cabinet concerned? We have two Cabinet members right here; and I know, Brad, we talk about it in caucus a lot about this issue because as MLAs it comes to us and we say: What can we do about it? How are we going to bring it up?

So let's put the question to the Cabinet members here today. As a Cabinet, do we talk about – do we feel that the spirit of this act is being circumvented? Is it a concern right now? Or is it more are we monitoring it? There must be some discussion that's going on. What is the motivation right now?

To the Cabinet members, we're lucky to have Cabinet ministers at this committee. It's a perfect chance to talk about it. I don't want to put words in your mouth, but the other minister talked about it the other day. What do you guys think? Is the spirit of the act being circumvented or are we comfortable with it right now?

Mr. MacDonald: No, I think –

Chair: Hon. Heath MacDonald, do you have a clarification or an intervention?

Mr. MacDonald: I'll answer it to the best of my ability.

First of all, I've been here for two years and I take exception saying that we're not very concerned about land use. I'm surrounded by farmland in my own riding – potato, beef, dairy – so I'm very well aware of, and Cornwall developing the way it is right now there is a concern over land use.

We take very serious land use. We take very serious the corporations that are purchasing land. We review it at Cabinet all the time. I don't think there's a Cabinet meeting that we go to that land use doesn't come up. So if that's answered your question? I think the minister responsible is extremely engaged in this, and we're very well aware it's a changing dynamic on Prince Edward Island.

I did have one question for Doug or Reg. We talk about loopholes and things like that. If there's something very, very specific, and I know you talked about one farm and it could be a son buying additional land or a daughter buying additional land and putting the same sign up or whatever, if there's something else in those loopholes that Mr. Bevan-Baker commented on that we should be aware of that we're not aware of, if it's a matter of engaging more in IRAC, we'll continue to do that. They operate as a separate identity and we don't always see eye to eye with them as well, to be quite honest with you.

But is there anywhere in the world, like Belgium or Denmark or any place like that, that has a best practice that we should be following? Someone's got to be having the same issues that we're having around the world. Is there somewhere else, someone else is obviously doing something right that we should be either looking at that model or investigating from the National Farmers Union.

Is there somewhere else in Canada, even? Maybe there's another province that's doing something quite different than we are that is having the same issue; because this is global, you've spoken of it, and it is happening around the world, and land use, it's not just land use, it's land and environment that's having major effects on this.

There's got to be another place or solutions out there that working together and communicating that we could come to a conclusion on how to go forward.

Chair: Mr. Phelan?

Reg Phelan: It is a big issue but our *Lands Protection Act, PEI* has been taken as kind of an example worldwide in terms of what was happening.

There is a film that we mentioned in here done by that. You can download it on YouTube if you'd like to look at it, it's about a half-hour film looking at the land issue on PEI in terms of what's happening there and it does relate to situations internationally and what's happening in Saskatchewan and others.

Many of the other jurisdictions have brought in legislation or tried to keep non-foreign or foreign ownership out and try to control it somewhat, but it's been a big issue. In Saskatchewan it's incredible. The Canadian pension plan is fairly big in terms of buying a lot of land in Saskatchewan.

Doug Campbell: Teachers pension.

Reg Phelan: Canadian Pension Plan, our pension money – not only here, but in Brazil. I was at a meeting last week. There was some people from Brazil were at it. Canadian Pension Plan was one of the largest buyers in Brazil in terms of buying up large tracts of land there. They're having the same type of similar situation happening there.

But when we talk about the company that we mentioned here before, Vanco Farms, they're not just on PEI. They've owned land in the states, they've owned land in California, they've owned land in Georgia. They're quite involved with a little potato company. They have a lot of land and processing operations in Idaho and all the way through there, you know?

So it is a big international, and their CEO is from Holland. It's an international operation in terms of what's happening on it. I think when we mentioned earlier where we had so many commissions and studies on it here, and I think if you go back and look at all the

presentations on that, people on the Island are very concerned about it.

There's been some great recommendations to do, and they think that our act, when we had it, then they wanted this part to stay there. There's been no – all the pressure was on them quite a bit to remove those restrictions in terms of the 1,000 and 3,000 acres. They always recommended that that stay there, and that was quite important to be able to do it.

They have looked at other places internationally, in terms of it happening, but it's something that's – I mean, you could look probably wider than we have, but we've had that information and meeting with farmers in different countries of the world and we try to gather as much information as we can, but it is a world situation, what's happened on it.

It's pretty important. As Horace Carver says, when he wrote his commission report, we just can't let PEI be sold to the highest bidder, that type of situation. It's a –

Chair: Thank you.

Do you have a follow-up?

Mr. MacDonald: Yeah, just saying –

Chair: The hon. Heath MacDonald.

Mr. MacDonald: It's interesting; in my portfolio we're seeing around the world the demand on food. I think that can't be forgotten when we're in these discussions, is if you take Asia for example, because we've talked about Asia, their population is growing at an astronomical amount. They used to have the one child. Now their families are having two and three and four. Food demand is going to be a major, major issue in society in the coming years. I think that shouldn't be forgotten, too, in this discussion.

I appreciate all the comments, don't get me wrong; and we'll certainly – it is something that we are concerned about as well. We are the small Island, so we certainly understand the dynamics of land use to some extent, but hearing – it'll be interesting that we will take back as members and as minister, having

these discussions with you gives us even more information and I appreciate it.

Chair: Thank you.

Sidney MacEwen.

Mr. MacEwen: Thank you, Chair.

I appreciate hearing the minister say that it comes up at pretty near every Cabinet meeting, land use; but I guess my question is: You guys have the power, the full resources of government – have you requested that information? Have you requested to say – and don't get me wrong, there is strong business, there's new products. There's tons of employment, tons of investment by these major companies. There are workers in our own districts that rely on that as well.

But my question is: Have you done the research? Have you asked for the data to say: this is how companies are able to farm much more than the limit? What data do you guys have? You're concerned and you talk about it, but what are you doing? Do you monitor it? Is there a way to monitor it? Do you ask this corporation, this is how they're doing it with subsidiaries or relatives? Surely that question's been asked I guess.

Can you clarify that?

Mr. MacDonald: No.

Unidentified Voice: (Indistinct)

Mr. MacEwen: No you haven't asked that, or no you can't clarify it?

Mr. MacDonald: What we –

Chair: Gentlemen, let's come through the Chair so that we're not talking across. We have the presenters who are here. If we have questions for each other, maybe at a later time you can ask the minister that in another meeting when we're preparing our report and he could probably expand on it a little more.

Sidney MacEwen.

Mr. MacEwen: Thank you.

I had asked the presenters about this very topic, and the minister has said that it does come up at Cabinet, at nearly every Cabinet meeting.

So I'm looking for clarification from either minister that sit at the Cabinet table: Have they requested this information and what data have they received? Because I think our presenters would be very interested. That's exactly what they're asking for. We're lucky to have the ministers here.

Chair: Thank you.

Thank you for asking through the Chair.

The hon. Heath MacDonald.

Mr. MacDonald: Could you be specific on the information you require?

Chair: Sidney MacEwen.

Mr. MacEwen: Yes.

Have you done or requested any research on how large corporations are attaining farmland?

Chair: The hon. Heath MacDonald.

Mr. MacDonald: There is legislation now. Those corporations are not going outside that legislation. We'll likely leave it to the minister to depict if there's an issue or not, which you've asked the question and he's answered it, and I think he answered it. If you want to repeat it, I forget what you said now.

But if there's an issue relevant to that – but we all have concerns. The MLAs in the areas are asking the questions as well. So we'll continue to monitor that situation; but if there needs to be more legislation that has to be implemented or there has to be changes to the mandate of IRAC, it's something our government will look at.

We're all Islanders. We all have concerns about land use and the environment. We're going to continue to push forward on these decisions that are being made, whether it's be IRAC or coming to the Cabinet table, but I can tell you that land use comes up almost every Cabinet discussion.

Doug Campbell: If I could respond to that.

Chair: Douglas Campbell.

Doug Campbell: Thank you.

What leaves us with a bit of concern is when we talk to Minister Mitchell, who I have great respect for, we've talked to him quite a bit. But when he says to us, when we ask him that very question: What do you discuss when it comes to land issues around the Cabinet table? When he says to us: most times I look at it, I see it's great; somebody is buying 200 acres, I sign-off on it and that's as far as it goes. That's why it leaves us with a bit of lack of – those are his words. He's not here to defend himself, but when he's telling us that, that leaves us with the assumption that there is not a whole lot of discussion going around the Cabinet table when it comes to land issues.

Chair: Thank you.

Sidney MacEwen.

Mr. MacEwen: Thanks, Chair.

Just one final clarification from the minister: The Cabinet is concerned about, the Cabinet is monitoring the situation, I'm guessing I'm wondering when, at what point, will you be so concerned that the Cabinet would decide to act? Are we close to that?

Chair: The hon. Heath MacDonald.

Mr. MacDonald: We have an agriculture minister and we have a land minister, okay? There are two ministers that would be partaking in these discussions continuously. You're asking the economic development minister, that's fine, but you're asking questions that I –

Mr. MacEwen: I'm asking the rural development minister, as well.

Mr. MacDonald: – clarify who you're going to ask then.

Mr. MacEwen: Both, please.

Mr. Murphy: I can see (Indistinct) part of the committee that we ask the questions –

Chair: Yeah.

Mr. Murphy: – and then we –

Mr. MacEwen: I think we stated first –

Chair: Gentlemen.

Mr. Murphy: I don't mind asking questions –

Chair: We're –

Mr. Murphy: – if you have –

Chair: I'll allow you to answer the question, minister, but we've got a great discussion going here and we're going to actually have all kinds of time for us to discuss it as a committee as well. Because we have limited time here it would be great if we could ask those questions when we're preparing our report. We'll have all kinds of time to do that.

I'll allow the hon. Pat Murphy to intervene.

Mr. Murphy: I don't know how much more emphasis I can put on the importance of land use to the province. I represent one of the probably more rural part of the province up in Alberton Roseville.

These are concerns that have been going on since the first plow was ever put into the soil here on Prince Edward Island. I think they're ongoing and for anybody to imply, I'm not saying that you did imply, but for anybody that questioned that Cabinet's not concerned with this. I think we are concerned with it. I have been on Cabinet since February and I don't think there has been a Cabinet meeting yet that we haven't dealt with a land issue. It's a part of the ongoing agenda. I don't know how much I could say about Cabinet with Cabinet confidentiality.

We go over each land transaction at Cabinet. I mean, I haven't had this here information that has been presented to here us today in front of me before, but it's a great concern and we don't make the decision softly.

There's IRAC, I think we put quite a bit of confidence into IRAC and they're the ones that really recommend whether it be denied or approved. We discuss it and then a decision is made.

Chair: Thank you.

I have Brad Trivers and then I have Peter Bevan-Baker.

Mr. Trivers: Thank you, Chair.

My question really has to deal with the loopholes or perceived loopholes in the *Lands Protection Act, PEI*.

You had mentioned specifically 1 (d) and it talks about: "...for the purposes of this Act a corporation and other corporations directly or indirectly controlled by the same person, group or organization shall be deemed to be one corporation." Of course, within the act it limits the amount of land that can be controlled by one corporation.

I was wondering if you can give some examples of how loopholes would get around 1 (d) and perhaps slide by the Cabinet table without due diligence.

I hear this myself in my district, and of course, I had the opportunity to travel across the Island this summer, as well. You say: oh, that person owns the land, but they're actually being backed by so-and-so or such-and-such a corporation.

Can you give some practical examples of how those loopholes would allow the 1 (d) in the act to be worked around?

Chair: Mr. Campbell or Mr. –

Doug Campbell: Reg, do you want to try that one?

Chair: Mr. Phelan.

Reg Phelan: Seeing some of them, it's not just individual names, but for instance, in Pisquid area where they bought out Jay's and they were probably about 3,000 acres at the limit.

They have it now in some other name, it's called is it – Do you remember that name, Doug? Indian River, or, not Indian River, but –

Doug Campbell: Black river.

Reg Phelan: Black River Farm. There are names like that appearing on land and issues. Like, you drive into the yard there. They've taken down, there is no such sign of Jay's on any of the buildings or Black River Farm anywhere, it's all Vanco Farms; on the buildings on the farm machinery and even on the little posts they put out. Because a lot of them have (Indistinct) land all over the country and they have to go out and put these little stakes on it. That's the name on them.

They say it's not contravening the act because they have it in some other name. However that gets passing the radar, it's mysterious to us, you know, and to most people in the country. We go out and people can pretty near tell you how many land that the Asian interests were loaned, that Vanco was loaned and the others. It's pretty common. People have quite an interest in terms of what's happening because they can see what's going on there.

There is also another issue and in terms of it, what's happening is they're kind of hiding of – when they're supposed to – if land is for sale. If somebody has it for sale, some of the real estate agents then have interests from a foreign buyer, they try to not let that land be – they're supposed to have it open to the public so PEIers can bid on it and otherwise. There is some restriction in the land in terms of that, but the sign is even hidden in an old back road sometimes if the land is for sale, or not in an open place, and there is a –

Mr. Trivers: Wow.

Reg Phelan: Yeah.

But most people don't know that until the sale has already taken place, you know.

Chair: Thank you.

Brad Trivers, do you have another question?

Mr. Trivers: I do.

Chair: Sorry, Peter. Peter Bevan-Baker, I had you on the list, but it wasn't actually your name. It was the hon. Heath MacDonald that was next. Do you want to be added to the list?

Dr. Bevan-Baker: I have a motion to make –

Chair: Okay.

Dr. Bevan-Baker: – but no further questions.

Chair: I'll put that there, okay.

Brad Trivers.

Mr. Trivers: Another loophole that I've heard of is, of course, if you're buying land under a certain threshold as an individual then there's really no red flags raised necessarily, even if you are a non-resident on the Island; if it's under five acres that doesn't go to Cabinet review. You can buy the land, it's not problem.

One of the loopholes I have heard is that you can have individuals, many, many individuals buying say, one to five acres so they're not over that limit, but, in fact, they may be affiliated with an organization that allows that organization to then control a large amount of land even though it's owned by those individuals. They may, with an agreement between themselves, it might even be a word-of-mouth agreement, say we're going to give control of that land, to the larger organization.

Is that something you have seen on PEI?

Doug Campbell: That could pertain to what's going on in the eastern end of the Island where we have, under the *Lands Protections Act, PEI*, religion and charitable organizations do not have to abide by some of the rules.

We're finding a lot of that. They don't have to show who is part of the organization or part of the corporation that is making up where this money is coming from. That's where it gets difficult tracing the money content.

Under those rules when it comes to religion and charitable – companies and stuff they don't have to supply that information, so that could be a loophole.

Mr. Trivers: All right.

Chair: Brad Trivers.

Mr. Trivers: You had mentioned that it's hard for new farmers to afford to purchase farms. Again, that's something I've heard well outside of the standing committee. Especially, because there is a large amount of down payment required; 20% to 40% of the value is what I've heard.

Do you feel that the land prices themselves are artificially high as compared to what they should be if there wasn't, say, land speculation going on?

That's really one of the things we're trying to get to the root of at the committee is: Is there land speculation, i.e. people buying land only as an investment just because it's inexpensive on Prince Edward Island, in particular, off-Island residents?

I wanted to know: Do you think land prices are artificially high based on our local economy as opposed to the global economy?

Doug Campbell: Do you want to start?

Chair: Reg Phelan.

Reg Phalen: There has been quite an increase in land prices recently, I think, because of those transactions. It's hard to say an estimate, but I would say it's probably doubled in the last year – to that much (Indistinct)

Mr. Trivers: Wow.

Reg Phalen: Those things are happening and it's going on there. It does make it difficult for younger – to people that are renting land, as Sidney mentioned, like some of those cases earlier that came up and it's no doubt there's land in other places that are a lot more expensive than here. So it's hard to make some comparisons in terms of it, and it's very difficult to make a living, somewhat, in terms of land operations now and the way agriculture is organized. It's not the same situation that we've had in a number of years where you had more diversified farm operation and farmers were much more independent in terms of operating and doing it, and you were able to take care of the land.

But, when you've got such a monoculture out there now, it's pretty difficult because

there's hardly anymore manure being produced on some of the farms. The hog producers on the Island, we can count on our both hands, probably, that are left here.

Where do you get the basis to keep the land in good shape in terms of that? It's a more complicated case in terms of it, and it's making it more difficult. But then when you get into that bigger operation it's harder for the young person to be able to operate within it because of the controls that's there. I think, as Doug mentioned or we might have mentioned in the brief here earlier there, where so much control is out there that (Indistinct) -

Chair: Thank you.

Doug Campbell.

Doug Campbell: You could say yes to that, even with the farmers that are coming here. If you look in Ontario, for instance, the speculation of land driving the prices up there to 18 and \$20,000 an acre for farmland, they're coming here buying it, paying 4 or \$5,000 for land here; looks pretty good when they're getting 20,000 for it up there.

So what's happening in another province when it comes to land speculation, is having an impact on our prices here because it's driving producers out of there and bringing them here. Then if you look at processing companies that are already here, they have the money behind them to pay the prices which is why we're seeing 5 and \$6,000 prices in Kensington and Bedeque area, and there's not a potato farmer out there that will say there's no way they can grow potatoes and pay that kind of money and get a return.

So, yes, it's having an impact.

Chair: You good?

Mr. Trivers: I have a question.

Chair: Brad Trivers.

Mr. Trivers: The next question I had had to do with the crop rotations act and when I've talked to some farmers, they say they want to expand their operations and they're right at that limit, so they may only have a certain amount of acreage, say, in potato production

but in order to abide by the crop rotations act, they need to purchase more land to expand their potato acreage.

I just wanted to get your opinion on that. Do you think that's an issue? That's sort of a flip side of the argument, and they're saying: We think we need to have the amount of land a corporation can own expanded, because as a corporation – these aren't big multi-national corporations, these are Island corporations. They're saying: We can't comply with the crop rotations act unless we're allowed to purchase more land. I just wanted to get your opinion on that.

Doug Campbell: I think Horace Carver tried to cover that a little bit in his report when the arable acres, when there was a change in the definition of that, to be able to take your woodland and your wetlands and stuff out of your total holdings and then you could play around with the numbers on that side of the bit. I think he was trying to understand the position that we're in here on the Island when it comes to our land, but at the same time, trying to appease some of those concerns as well.

When it comes to the different crops that are being grown and then wanting to increase their acreage so they can keep the potato crops the same, it all comes back to the land. Doesn't it? Even the presenter before us when he was talking about municipalities and stuff and the problems – why, because it all comes back to the land and the land that we all hold. So, these producers that are wanting to expand so they can grow more crops and stuff, the thing is in the rotation whether it's growing beans, soy beans, lentils or whatever, there's certain management there that still has to be followed in order to be looking after the land.

I don't really buy the argument that having to have more land is going to make them more profitable and the land better, so there is that side of it.

Mr. Trivers: Thank you.

Reg Phalen: I'd just like to make a comment. I think it's a very important part of the *Lands Protection Act, PEI*, is three-year rotation and it's not really enforced, and we all know that, as it should be. But,

it's fairly important to be able to do it because we have a crisis coming up in terms of – we have such a monoculture here that when it rains heavy, just wondering if there's going to be a fish kill response the next morning. It's getting pretty serious in terms of it and that's because they're pushing our land to the limits in terms of what it can do, without having introducing more organic matter and more compost, and more manures and other stuff into that, and that's what a crop rotation is kind of intended to do so we can have green manures and other aspects to it, so you can hopefully have some control in terms of that quality issue that we're facing.

Mr. Trivers: Chair, just one more.

Chair: Thank you.

Brad Trivers.

Mr. Trivers: Another scenario that was brought up to me sort of on the flip side was when you have a family made up of, say, three people or more and each one of them has an individual corporation that they own, but they want to keep the land within their family. So, say one of the persons passes away, but if they take the land that they have in their corporation and they give it to their family members, then their corporations have too much land in them and they're in contravention of the act.

Again, these aren't big multi-national corporations. This was just an issue that was brought up to me, and so I'm, again, just interested in your take on that.

Doug Campbell: If I'm not mistaken, I think there's a provision there within the act and with what IRAC told. In a scenario like that there is, I believe, a forgiveness there to allow them to be within those land – to keep their land holdings, if I'm not mistaken.

Chair: Thank you.

The hon. Pat Murphy.

Mr. Murphy: Thank you, Chair.

Just wondering, on the loophole thing there; I mean, if there are loopholes I'm sure government would be interested in closing. But in your opinion, is it just the out-of-

country corporations that are taking advantage of those loopholes, or is the local farming community taking advantage of those loopholes as well? I'd also like to have your opinions on what we could do to close those loopholes, because there has to be a balance there, too, between the spirit of the act, as you referred to, and the intent of the act and of course, there's all the legal issues around that as well.

Doug Campbell: Do you want to start?

Mr. Murphy: I don't mean to put you on the spot, but you can just say in general; you don't have to identify any organization or anything like that.

Reg Phalen: There are some certain ones we know that are putting it in family names and stuff like that, and you can just even go in and you Google that stuff and you can find that out where it's on. But, really those that are really abusing it seems to be from the outside interest that have that connection with the money to do it. It's the ones that we had mentioned earlier.

Mr. Murphy: Right.

Reg Phalen: But, there are some that have got special concerns and they're told they have special concerns with government and they are buying land, I think, in the Kensington area and around there, also. We know that they're right at the limit. I don't know if you can say they are local; it's the Irvings. I mean are they local? I wouldn't say so. The real abusers, I think, are the much larger operations in terms of – that have the financing to do it.

Doug Campbell: I guess the only way I can think of an answer for that is to ask you the question of: When you're sitting around the Cabinet table, if you were following the act, as it is written, and understanding the spirit and the intent, and intent can – that's a word in itself. If you understood the act would it change what you're doing now at the table?

Mr. Murphy: You're asking me the question?

Chair: Are you asking the question?

Doug Campbell: Yes.

Chair: Okay.

Doug Campbell: We're talking about an act. I don't want to sound ignorant: Do you understand the act sitting around the table?

Mr. Murphy: I think I understand the intent of the act, yes.

Chair: The hon. Pat Murphy.

Doug Campbell: Yes, so if the spirit and the intent, if we were following the act, I think you would answer your own question, would you not?

Mr. Murphy: But we have the legal issues around it, too. I mean because somebody is a farmer, a son of a farmer, can they not own land because they're the son of a farmer?

Doug Campbell: That's where the definition in the (Indistinct)

Mr. Murphy: I guess that's why we rely so much on IRAC because they do all that work. They make the recommendations.

Doug Campbell: Okay, there is where we have a problem. IRAC is telling us they can make the recommendation to Cabinet, it's up to Cabinet to decide whether or not to go forward. That's where we're saying Cabinet needs to understand what the act is; what it means by spirit and intent. You can't pass it off on IRAC. You guys have the final say.

Mr. Murphy: I think there is quite a bit – there has to be a balance there –

Doug Campbell: But you have to know what you're voting on, too. You have to understand what, by losing the land, or it contravening the act, what that means; once it's gone it's gone.

Chair: The hon. Pat Murphy.

Mr. Murphy: What you're saying basically, or what – the gist I'm getting what you're saying from me is that IRAC doesn't always do a good job in the recommendations?

Doug Campbell: No. What I'm saying is IRAC can only do what they're mandated to do. They take the recommendations to Cabinet. It's Cabinet that has the final say, but for you guys to understand what the final say means to the land, you have to

understand what the act means. You can't put it off on IRAC –

Mr. Murphy: I think –

Doug Campbell: – IRAC will say the same thing.

Mr. Murphy: No, but I think that is IRAC's role –

Doug Campbell: It's their role to take it to Cabinet –

Chair: Let's come through the Chair, minister.

Mr. Murphy: Sorry, Chair.

Chair: Thanks.

Mr. Murphy: I think that's IRAC's role is to make those recommendations to Cabinet.

Doug Campbell: Do you – sorry.

Chair: Thanks.

Doug Campbell: I'm going through you.

Chair: Douglas Cole – Douglas Campbell.

Doug Campbell: They're making the recommendations to the politicians, so basically you're relying on IRAC to – whether this is right or wrong.

Is it a fair question to ask how many transactions you guys would turn down? Or how many proposals that IRAC brings to you that you would turn down or overturn?

Chair: The hon. Pat Murphy.

Mr. MacDonald: There's some, I can tell you that.

Mr. Murphy: There's some, but I mean I don't know how liberty I can take to – Cabinet confidence, solidarity and confidentiality, I don't know how much I can say about that.

Doug Campbell: What would be the biggest –

Mr. Murphy: But –

Doug Campbell: What would be the biggest reason for turning down a land deal?

Mr. MacDonald: Out-of-province owners.

Chair: The hon. Heath MacDonald.

Mr. MacDonald: Oh, sorry, Chair. We're into a good discussion.

Chair: Yeah.

Mr. MacDonald: Out-of-province owners; not being advertised properly, in the right amount of time, those are a couple of recent ones.

Chair: Hon. members, the reason that I'm pretty strict on who's speaking is if somebody is watching or reading the context of the meeting in the future, they're not going to be able to attribute who's asking the question and who's answering it if you're following along. That's why I'm being pretty strict about that. It's for future reference and who is speaking and if you have something intelligent to say I want to make sure that you're being attributed those intelligent remarks.

Thank you.

The hon. Heath MacDonald.

Mr. MacDonald: I just wanted to go back to Mr. Trivers' comments on crop rotation. There is new company in Summerside that, New Leaf Essentials, are doing peas. They're doing actually crop rotation with approximately 5,000 acres of potatoes on PEI, which is good because they don't damage the land as much as some of the vegetables that we grow do. I just want to throw that in for a comment, but it's good. It's good for PEI.

Chair: Great.

Did you have another comment, hon. Pat Murphy?

Mr. Murphy: No, I was just wondering if –

Chair: No. Okay –

Mr. Murphy: – they're going to be able to answer the rest of my question about suggestions for closing the loopholes.

Doug Campbell: The corporation one, at this point, and as I said when we talk to IRAC and when we talk to former government employees, accountants, and actually when you talk to real estate brokers and agents they will say that accountants and lawyers are a big part of what the problem is going on here.

Accountants, there are certain accountants and there are certain lawyers that are willing to work the law to the limit. We are being told from IRAC and from real estate agents that not everything is going through IRAC.

There are out-of-province buyers, dairy farms in particular, that IRAC never sees and they're supposed to.

Chair: Thank you.

Peter Bevan-Baker, you're the final person I have on my list so far.

Dr. Bevan-Baker: Thank you, Chair.

I have one comment and then a motion.

The comment is regarding, and Doug talked a few minutes ago about certain exemptions for, I think, we were referring to religious institutions. There is, indeed, an exemption in the act, subsection 1.1 (c) which refers to what are called cooperative ventures. That can be co-ops, but it also refers to religious institutions and organizations.

My office went back to 2003 and looked at all of – by the way, they also have to be approved in Cabinet by an Order in Council. There have only been two co-operatives approved for that exemption since 2003.

I don't see that loophole being, if you want to call it that, or that exemption being used by the institution that you're talking about, but it's certainly there. I was surprised to find that there were only two in 14 years. That particular exemption doesn't appear to be being utilized at the moment.

Do you want me to go on to my motion, Chair?

Chair: Sure, yes.

Dr. Bevan-Baker: My motion is to the committee to call in representatives from both Vanco and the Great Enlightenment Buddhist Institute Society to tell us about the nature, the amount and the nature, of their land holdings.

Chair: Great, thank you.
Is everybody in agreement for that?

Mr. Trivers: Chair? (Indistinct) add some discussion to the motion.

Chair: Sure. We'll deal with this motion first. Everybody –

Mr. Trivers: I have discussion on the motion.

Chair: Oh, discussion on the motion.

Brad Trivers.

Mr. Trivers: I was wondering, just in the presentation today they mentioned Vanco and I'm assuming it was G-E-B-I-S but –

Doug Campbell: There are three different (Indistinct) –

Mr. Trivers: There were three, what was the third one?

Doug Campbell: Everybody talks about the Irvings, but when we're talking about the Buddhists there are three different organizations there?

Reg Phelan: There could be more.

Doug Campbell: Yeah.

Reg Phelan: It's complicated. We don't really know enough on it. I think IRAC has done some studies on it and they'd probably have a fair bit of information on what's happening there.

Doug Campbell: It's all the information that's available.

Reg Phelan: That's available. We know that it's not really the monks that are doing the buying, it's interest from – they come here at 13-years-of-age, I mean, they don't have any basis or (Indistinct) in terms of doing or having – an understanding.

One of the head ones there, what, Nancy Lin is it? She says that its business interests in Taiwan that is doing the purchasing. She herself is quite connected with the business interests there. I think she is heiress of the largest food chain in Taiwan. From her comments we suspect that that's where it's interest there.

It's other Asian interests that's doing it, it's not just there. There are other situations that we know of, you probably, in terms of people buying their citizenships and ways of getting into the country in terms of doing things like that.

The Chinese and others are big in Africa and many other places, too, buying land.

Chair: Thank you.

Brad, before you go on with your next question, the clerk has asked if Peter could repeat his motion.

Dr. Bevan-Baker: Sure.

That we ask representatives from, and I should say, before I get into (Indistinct) that the reason I did not include Irvings in this is it appears to me that the most active land acquisition is happening through Vanco and GEBIS.

That's my thought, but I mean if you want to expand it to include Irvings –

Mr. Trivers: No.

Dr. Bevan-Baker: – I would consider that a friendly amendment.

The motion is to ask representatives from Vanco and the Great Enlightenment Buddhist Institute Society to come to speak to the committee about the nature of the land holdings associated with their companies, or organizations, maybe, is a better word.

Chair: Thank you.

Any further discussion on the motion?

Mr. Trivers: Yes.

Chair: Brad Trivers.

Mr. Trivers: The one I hear about most is probably Cavendish Farms –

Dr. Bevan-Baker: Okay.

Mr. Trivers: – as opposed to Vanco or –

Dr. Bevan-Baker: Okay.

Mr. Trivers: – GEBIS. So I don't know. I think it'd be useful probably to have all three. If we're making a motion, we may as well include all three.

Mr. MacDonald: But the motion has been on the floor, so –

Chair: Yeah.

Mr. MacDonald: – (Indistinct) to address that motion? So do we need a new motion?

Chair: Is that an amendment?

Mr. Trivers: I would like to amend the motion to include Cavendish Farms as well as Vanco and –

Mr. MacDonald: (Indistinct) that first motion (Indistinct) –

Mr. Trivers: – GEBIS.

An hon. Member: Then we have to go back and –

Chair: No.

An hon. Member: – ask the Chair.

Chair: No, we don't.

An hon. Member: (Indistinct) amend (Indistinct)

Clerk Assistant: (Indistinct)

Chair: We have an amendment to the motion and then we'll vote on the amended motion.

Mr. Trivers: This Chair is all about efficiency.

Chair: Yes, exactly. Let's have the clerk explain what we're going to do.

Clerk Assistant: Yes. Mr. Trivers, can put forward an amendment, and so the vote would be on the amendment to the motion and then the vote would be on the motion as amended –

Some hon. Members: (Indistinct)

Clerk Assistant: – for as first presented, so we'd just move backwards on that.

Chair: You have an amendment?

Mr. Trivers: Yeah. I would like to amend the motion to include Cavendish Farms as well as the other two entities.

Chair: Any discussion on the amendment? Are we all in agreement with the amendment?

Thank you.

Now we'll go back to discussion on the motion as amended.

Any further discussion? Are we all in agreement? Great.

Mr. Trivers: Aye.

Chair: Thank you.

We're going to have a vote on it. Could I have a voice vote?

All those in favour of the motion as amended, signify by saying 'aye'.

Some hon. Members: Aye!

Chair: Contrary minded?

The motion is carried as amended.

Thank you.

All right. Thank you.

Well, gentlemen, you can see that your presentation has generated lots of passion for land around the table, and we will no doubt in our further discussions while we're preparing our report to the Legislature, I know we'll be having lots of further discussion on your presentation, and thank you so much for that.

We're a recommending body, and we'll be making recommendations to the Legislature. So on behalf of the committee, I'd like to thank you for your informative presentation. Enjoy the rest of your day.

Thank you.

Doug Campbell: Thank you for having us.

Chair: Thank you.
Hon. Members, is there any further business?

Mr. Trivers: Do we need to talk about our next meeting or –

Chair: I'm going to have the clerk provide an update as we go forward.

Clerk Assistant: Thank you, Chair.

In preparation of today's meeting on this topic of land speculation and real estate prices, I had also contacted three other organizations that had been put forward as potential presenters. It was the PEI Real Estate Association, the federation of agriculture, and the PEI Potato Board, who are all interested in coming in to meet with the committee. It was just that today didn't work with their schedule. So they are prepared, and I received favourable responses from all three.

There was a group I had asked for additional clarification, and I had sought some additional clarification from Mr. Trivers, so just maybe put that forward to the committee so that I can give our presenters the best information possible while they make their presentations. So that it would be their take on land purchases and/or development by non-residents of PEI, and if it's causing real estate costs to be artificially inflated with respect to the local economy, and in contravention to the letter and spirit of existing legislation and regulations, for example the *Lands Protection Act, PEI*.

Is that something that I can provide to these groups while they're making their preparations for their presentations?

Mr. MacEwen: I wonder if we should include something like availability of land for agricultural purposes or something like that.

Mr. Trivers: Perhaps. Well, and – Chair?

Chair: Brad Trivers.

Mr. Trivers: When I was communicating with the clerk, I had broken that down into a series of sub-questions, as well, that included: How much land is owned by non-residents? How much land has been purchased in the last three years by non-residents? What percentage of subdivision and development permits have been issued to non-resident landowners as opposed to residents? Are rising real estate prices having an impact on the ability of residents to purchase homes? Are rising real estate prices having an impact on the ability of residents to purchase farms?

But to your point, it's not necessarily just the ability to purchase farms, but the availability of agricultural land for purchase. Is that –

Mr. MacEwen: Yeah.

Chair: Mr. MacEwen.

Mr. MacEwen: That's fair. I guess I just, rather than 100% real estate, more on the availability of land as well. I know some of those groups that we're inviting in would be very interested in that as well.

Chair: Let's hear from the clerk.

Clerk Assistant: Sure. I can take what we discussed here and I'll circulate to the committee and then email following this meeting and we'll have a good kind of explanation for those three groups that I had mentioned earlier to come in and present to the committee on.

Mr. MacEwen: Okay.

Chair: Great, thanks.

The hon. Pat Murphy had an intervention.

Mr. Murphy: I'm just wondering about the procedure. I've been on these committees for 10 years and we've never – when we have presenters here, the presenters don't usually ask the committee members questions and the other committee members don't usually ask the committee members –

like, there's always been a place, this part of the meeting, where that discussion takes place after the presenters are gone.

Is that a change from format or is it just because now we have Cabinet ministers on the committees that it's happening like this now or –

Chair: No.

Mr. Murphy: Just a –

Chair: There's been no –

Mr. Murphy: I don't have any problem with it. I'm just –

Chair: There's been no change. It's – we have more Cabinet ministers on our committees now –

Mr. Murphy: (Indistinct) the media shaking their head over there.

Mr. MacDonald: What?

Chair: – so the questions were appropriate –

Mr. Murphy: Look at the media shaking their head.

Chair: – to ask to you in the context in which they were asked.

But normally, we're also going to have another meeting where we'll have our own discussion on the report where we'll have ample opportunity to talk back and forth on the report as it goes forward.

I'm going to turn it back to you, Emily.

Mr. MacEwen: Chair?

Chair: Sidney MacEwen.

Mr. MacEwen: Thank you, Chair.

Two things: One, I think it's fantastic. I think that's one of the reasons the Premier gave as why putting Cabinet ministers on the committees, so we could have that insight and we can – it's not Question Period, but as the questions that I was asking or anybody else was asking today, the presenters were obviously keenly interested

and wanted to ask them and we appreciate you guys' involvement as well.

I wonder if IRAC should be on that invitation list as well. I was just wondering what your guys' thoughts are about that. They've submitted a number of questions to IRAC on this. IRAC is part of the process. The ministers referenced the back and forth between Cabinet and IRAC on it, too.

What do you guys think with regards to this question?

Clerk Assistant: So to invite IRAC regarding their role –

Mr. MacEwen: Just to add to your list of witnesses –

Clerk Assistant: Yeah.

Mr. MacEwen: – in this discussion on that subject.

Chair: Everybody in agreement with that?

Some hon. Members: Yes.

Chair: Thank you.

Brad?

Mr. Trivers: I just wanted to thank the clerk because you do a fantastic job taking on the notes and all the different things we throw out there.

I know the traditional approach to our report of recommendations to the Legislature, is the clerk comes up with a list based on what we've heard from witnesses and points made by the committee and then we review it in that in camera meeting.

Given that there was a lot of information that has come out in this meeting and past ones, and I don't know, clerk, if you're willing to do this, but would you be willing, instead of having that all come out as one sort of summer report at the end that we review, maybe have a list of potential recommendations just from each meeting come out? That way we could start thinking about them ahead of time, if that works.

I don't want to add additional work to you that's outside of proper procedures.

Clerk Assistant: Would the committee be looking for the recommendations ahead of the report, or how would the committee like to see that? It's certainly something I can provide.

Mr. Trivers: Well, thank you.

For example, with this meeting, there was a lot of information that came across. It might be – I would like to see a list of recommendations out of this particular meeting, perhaps, or a running list as we go along.

I don't know if that makes sense. You know what I'm saying?

Mr. MacEwen: Yeah, typically we put forward our recommendations but the clerk will also have some recommendations that they've heard through (Indistinct). So if those were summarized per meeting I guess is what you're asking for, and then we can also bring our recommendations at the time and then discuss it as a committee.

Chair: Absolutely.

Hon. members, here is how the clerk and I, as Chair of the committee, how we work together. We have a running list of – if somebody makes a recommendation during a presentation, the clerk is keeping a running list of those, so that it's more organized when we come to our final meeting before, that we have the recommendations.

You'll notice the last time we did that there was a list. We can't give you the recommendations, basically, ahead of time because they're basically confidential until they go to the – you know we'll discuss them. But we do have a running list of recommendations that are going to be presented to our committee when we prepare our final report.

Mr. Trivers: I guess that's exactly it. I mean, is there a way for us to just view the running list and review it as we go? Confidentially within the committee, it doesn't have to – if that's required.

Chair: We'll take that under advisement. I'll take that under advisement hon. member,

and we'll discuss it and see what we can come up with.

Mr. Trivers: Okay, thank you.

Chair: Thank you.

Mr. Trivers: Much appreciated.

Chair: Great, thanks.

Any further business?

Motion for adjournment.

Clerk Assistant: (Indistinct)

Chair: Oh, sorry, the clerk has just indicated –

Clerk Assistant: Sorry –

Chair: – she wants something.

Clerk Assistant: To seek further clarification with the invitation to IRAC. When I contact them, I'll ask them to come in to meet with the committee to discuss their involvement regarding the *Lands Protection Act, PEI*. That's how I would explain that (Indistinct) committee (Indistinct) okay perfect. That's great. I just wanted that clarification for when I speak with their representatives.

Chair: Great, thank you.

Thank you everyone for your input today. It was very valuable and interesting.

Motion for adjournment.

Dr. Bevan-Baker: Certainly.

Chair: Thank you, Peter Bevan-Baker.

Thank you, have a great day.

Dr. Bevan-Baker: Thank you, Chair.

Mr. Trivers: You too, Chair.

The committee adjourned