

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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The Legislature sat at 2:00 p.m.

Resolution of Sympathy

Speaker: The Hon. Premier.

Premier MacLauchlan: Mr. Speaker, I believe it's appropriate to begin our proceedings this afternoon with a motion of condolence that I'll move, seconded by the hon. Leader of the Opposition, calling on the Legislative Assembly to express our shared grief in honour of the Humboldt Broncos Hockey Team.

Speaker: Shall it carry? Carried.

Clerk: The hon. Premier moves, seconded by the hon. Leader of the Opposition, and also by the Leader of the Third Party, the following motion:

WHEREAS our entire country was shocked by the passing of 15 members, both players and administration, of the Humboldt Broncos Hockey Team;

AND WHEREAS the survivors of the accident and families of the deceased continue to suffer and mourn the passing of their teammates, coaches, administrative staff and friends;

AND WHEREAS the City of Humboldt and the Province of Saskatchewan need the support of all Canadians and Islanders to make it through this difficult time;

THEREFORE BE IT RESOLVED that this Legislative Assembly honour and remember those who have lost their lives and those who continue to suffer and mourn during this time of tragedy.

Speaker: Thank you.

Hon. Premier, as mover, would you like to speak to the motion?

Premier MacLauchlan: Briefly, Mr. Speaker.

First, I thank the Leader of the Opposition and the Leader of the Third Party for taking this initiative and providing us, as a Legislative Assembly, with the opportunity to express and to reflect the support and

condolences of Prince Edward Islanders in the aftermath and an aftermath that will continue of the weekend accident and this time of heartbreaking loss, and shock for the families, for the billet families, for the colleagues and teammates, for the community of Humboldt and the Province of Saskatchewan.

It's been evident over the past several days that that feeling of loss and shock is shared here in Prince Edward Island and that Prince Edward Islanders, along with other Canadians, come together in supporting, in feeling grief, and in feeling our own vulnerability at the same time as we count our blessings.

Again, I thank colleagues here in this House for sharing in this opportunity on behalf of Prince Edward Islanders to send these messages to Humboldt and to Saskatchewan.

Thank you, Mr. Speaker.

Speaker: Thank you, Premier.

The hon. Leader of the Opposition, as a co-second, to speak to the motion.

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

I truly wish that I didn't have to rise and speak today on this event. Words are very difficult to capture what so many across our great nation are feeling, especially the close connectiveness to the families in Saskatchewan and other provinces that many of these athletes hail from.

Last weekend's tragedy with the Humboldt Broncos has gripped our nation in a collective grief. I don't think I've been to an event or an outing at all since this tragic event happened that people haven't come up to me and explained how they're having a difficult time grappling with the severity of the tremendous loss our nation has faced.

Speaking as a parent of a young man myself, I mean, it's literally every parent's fear, that something as tragic as this could happen and it's also a community's worst nightmare as well. Tragedies like this test every part of our community; students, families, first responders, health care workers, teachers, coaches, and volunteers.

In the aftermath of a tragedy like this, families, communities, and minor sports teams across Canada are coming together to offer help. We've seen an incredible outpouring online to GoFundMe campaigns that have already raised millions to support the victims and survivors when the initial intention of this fund was to raise upwards of \$1,400, I believe. They've certainly surpassed that well into the millions. I applaud Canadians for that.

I'd like to mention that Hockey PEI has set up a display at their offices in support of the Humboldt Broncos at 40 Enman Crescent here in Charlottetown. They're inviting the public to show their love and support beginning daily today from 8:00 a.m. to 9:00 p.m. Visitors are invited to stop by, sign a book of condolences, or a banner as well that's there, as well, as drop off a note, a card, and in books of hope and encouragement. These items will then be forwarded on to the Broncos hockey team to show the support and the compassion that PEI has to offer.

Just in a closing note, I just saw on social media a short time ago – and this will speak volumes of the tremendous character of these young individuals, these athletes that were involved in this tragic accident: One of the injured hockey players actually just came through, I believe, a seven-hour surgery on his back, but yes he has been informed that he's going to be paralyzed, essentially, from the chest down. From my understanding, he looked at his parents and said: Well, you know what? This is what I have to face, but now I have an opportunity to try out for the Canadian Olympic sledge hockey team.

That speaks volumes of what these individuals are all about. So, again, thank you very much, Premier for bringing this motion forward and it's an honour to second it.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Third Party, as a co-seconder, to speak to the motion.

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

I, too, would like to thank the Premier and the Leader of the Opposition for this opportunity for us to express our grief and our solidarity for those who are directly affected by this awful calamity.

What happened in Saskatchewan last Friday was an unspeakable tragedy and it's deeply impacted our whole nation. As the Leader of the Opposition just said: Sometimes finding the words to express the enormity and the significance of certain events is almost impossible and for me, this is one of those times. Suddenly we get jolted by a horrifying reminder that life is fleeting and that life is temporary and that those goodbyes that we say each morning to our loved ones, or our neighbors, or our colleagues, could be the final goodbye.

This tragedy represents the shattering of so many communities. The community that was that hockey team itself and as strong and as tight as a community as exists anywhere, with the special bonds that exist between players and their coaches and staff, made tighter by countless hours on a team bus.

Also, the home community of that hockey team – in this case it was Humboldt, Saskatchewan, but it could so easily have been Edmundston, or Truro, or Summerside. That community that supports them: the billets, the staff that work at the rink where they played, the fans that show up week, after week, after week to support their young heroes. That community, too, is devastated. And also, the community of Canada – where, of course, hockey is such a deep and an important part of our nation's character and where the suffering of this heartbreak is being felt in some very real and personal ways from coast to coast to coast by so many Canadians.

The loss is almost unimaginable, except that it isn't, because we all feel so close to what happened. It's hauntingly familiar and that, I think, is why it stings so severely. And as, perhaps, the greatest hockey player of our day, 21-year-old Connor McDavid said, and he put it so poignantly: We've all been on that bus.

Thank you, Mr. Speaker.

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

Mr. Dumville: Thank you, Mr. Speaker.

I, too, would like to thank the Premier and Leader of the Opposition for the honour of being able to speak here today. We are a hockey community and now here on Prince Edward Island, we're fast becoming a ringette community and we are a sports community. I've played on hockey teams here on the Island and we've taken bus trips with the busses and the provincial government – we do supply our busses to help these sports teams. I just find it absolutely unimaginable what happened out there and to think that that young man that the Leader of the Opposition was talking about, he told his father that he's going to play on the sledge hockey team – I think that just says tremendous amounts to our spirit – our Canadian spirit.

As a parent that has my daughter and her family and my grandchildren traveling – in fact, they travelled on a bus to New Brunswick for ringette this past weekend, and my thoughts were; what happens if, you know like, I guess I was thinking about them the whole weekend because of this tragedy.

You don't have to go too far. The Leader of the Third Party was talking, it could happen here, well it did happen here. It happened in Edmundston, New Brunswick, three or four years ago, and it was a terrible tragedy. That reminds us it's in our backyard and all across our great nation.

Thank you for the opportunity to speak here today. I hope our nation heals as fast as it can.

Premier MacLauchlan: (Indistinct) my intention, and the intention of the leaders to call for a moment of silence, Mr. Speaker.

Speaker: Shall this motion carry? Carried.

[Moment of silence]

Speaker: You may be seated.

Hon. members, we just want to make note that we have, in our visitor's gallery, today the brand new leader of the New Democratic Party, Mr. Joe Byrne.

Some Hon. Members: Hear, hear!

Speaker: Also Leah-Jane Hayward, President of the New Democratic Party.

Some Hon. Members: Hear, hear!

Matters of Privilege and Recognition of Guests

Speaker: The hon. Premier.

Premier MacLauchlan: Thank you, Mr. Speaker.

Of course, to welcome back colleagues here for the beginning of our second week of the sitting; to welcome those in the galleries and watching from home, or by Internet and to follow on your words of welcome to Joe Byrne as the newly-elected leader of the New Democratic Party of PEI.

And Joe, to wish you well, and know that from many associations, your contributions will be good natured and collaborative, and, indeed, you'll put the very best of public service and energy into all of your contributions.

And to welcome Leah-Jane Hayward as the president, and others, who are with you today. And to thank – we got off to a good start – Joe helped me get this daffodil attached today, so we're – it's a great example of how we can work together and look forward to that.

I recognize in the gallery a group, who are the leadership of Amalgamated Dairies, Ltd.; John Wood, who is the new board president as of yesterday, Abe Buttimer, who has been the president for a number of years, and given great leadership, and is now the past president; Casey VanDiepen, who is vice president; Gail Ellis, who is the corporate secretary treasurer, and Chad Mann, who is the business development manager.

It's a great occasion, yesterday, or this year, really, is the 65th anniversary of the establishment of Amalgamated Dairies, indeed, through an act of this House. Yesterday, we took part in a major event, which was to confirm, together with ADL a major, one of the biggest business investments that we've seen in recent times

with the federal and provincial governments jointly contributing almost \$10 million ADL doing that again. It's a great indication of the health of our dairy community. There will be a ministerial statement to build on that. But certainly want to acknowledge ADL as a company, farmers who are part of the cooperative, and indeed, the total community that contributes that great prosperity and innovation to communities throughout our province.

I also want to recognize Ken Murnaghan and the many contributions he has made, and continues to make, in the area of brain injury in the province.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

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

It's a pleasure for me to rise as well and recognize a good friend of mine Mr. Joe Byrne, and again, congratulations on being elected the new leader of the New Democratic Party; of course, to Leah-Jane Hayward, the president of the party, congratulations. I understand you had a wonderful turnout and a very well-attended leadership this past Saturday. Again, congratulations to you.

I'd also like to recognize the individuals that are here from ADL today. I did have the pleasure this morning of attending part of the annual AGM for the Dairy Farmers of PEI. There were many members from ADL that were represented there. The room was literally abuzz about how well the dairy industry is doing here on PEI. A lot of that credit not only goes to our tremendous farmers here on PEI and our dairy producers, but of course, to the corporate support that they have from such a great organization as ADL and I congratulate you for that.

I'd also like to recognize Ken Murnaghan who's joined us today. As the Premier said, he's done a lot of tremendous advocacy work here on PEI for brain injury awareness.

Last but not least, I'd also like to recognize a member of the media that's joined us here

today, Mr. Colin MacLean, he's down from Summerside. I understand that we're going to see some different individuals with the print media cycle through the Legislative Assembly in the media area this week. I believe we have some individuals that maybe looking to fill the position that was left void when Teresa Wright moved to Ottawa. It would be great to see that position filled so that we can send Ryan Ross back to court.

Thank you very much, Mr. Speaker.

Speaker: The hon. Leader of the Third Party.

Dr. Peter Bevan-Baker: Thanks so much, Mr. Speaker.

I'd also like to make special mention of my friends Joe Byrne and Leah-Jane Hayward; welcome to the gallery here today. Congratulations to Joe on winning the leadership and to Leah-Jane for shepherding the party through what could be a difficult process. Good for you; it's a great event.

I'd also like to recognize Ken Murnaghan and also Jamie Larkin who are with us today. Three more of my friends, Lynne Lund, Trish Altass and Susan Hartley, who are also joining us in the gallery today.

Also, the folks from Amalgamated Dairies Limited; I guess sometimes amalgamation does go fine.

Thank you, Mr. Speaker.

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

Ms. Biggar: Thank you, Mr. Speaker.

I, too, would like to welcome Colin MacLean to the gallery, the media gallery, in fact. Colin is one of my constituents from Lot 16. I know he does a great job reporting. He always does a lot of balanced reporting, so it's great to see you, Colin, in the gallery today, and hope to see you there more.

I would be remiss if I didn't mention Gail Ellis who hails from Northam and her parents from Tyne Valley, Vick and Doreen Redmond, also Trish who is from the Slemon Park area and my constituent as

well. I'm very pleased to see you there today and hope you all enjoy the proceedings.

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Mr. Speaker.

It's a pleasure to welcome everyone to the gallery here today, but I wanted to point out a few people like Dennis Halliday, who is a regular attendee. Look forward to getting some advice from Dennis later on, perhaps.

I wanted to welcome Kenny Murnaghan as well and thank him for his work – particularly, I ran into him on the street the other day, he'd like to see us focus more on injury prevention. So, thank you for that, Kenny.

Also, I wanted to recognize Abe Buttimer who is one of my constituents from Abelaine Farms. A real community leader, especially on the 4-H side; it's great to see you here today with the ADL contingent.

Mr. Trivers: – and thank him for his work. Particularly, I think I ran into him on the street the other day and he'd like to see us focus more on injury prevention – so, thank you for that, Kenny.

Also, I wanted to recognize Abe Buttimer, who's one of my constituents from Abelaine Farms – a real community leader, especially on the 4-H side. It's great to see you here today with the ADL contingent.

I'd like to recognize Ryan Ross, who's also a constituent of mine. He does some excellent work, of course, with *The Guardian* and I don't know Ryan, I'd be very happy if you stayed with us here in the Legislative Assembly.

I also wanted to recognize Jamie Larkin who – this is the second time joining us here this session, but it's great to have you here. And I really wanted to recognize Kent Dollar. It's his first time in the Legislative Assembly. He's another person who I'd call a community leader. You might see him on the roads delivering for (Indistinct) for Metro, or maybe driving the school bus, also a ringette coach, I believe as well – a

ringette dad, anyhow. So, welcome Kent. It's great to see you here today.

Thank you, Mr. Speaker.

Statements by Members

Speaker: The hon. Member from Tignish-Palmer Road.

Shanna Perry

Mr. Perry: Thank you, Mr. Speaker.

It's an honour today to congratulate a constituent of District 27, Shanna Perry of North Cape, for being recognized as one of Canada's outstanding principals. She is one of 40 principals from across the nation to be recognized. Shanna began teaching at the Alberton Elementary school in 1998 and she has been a principal there since 2005. From the beginning, she has been making a difference in the lives of all of her students day-in and day-out.

Her main goal as an educator has been to focus on improving literacy scores among all students and as such, has implemented a guided approach program where students and teachers spend at least a half hour per day together reading. Through her initiative and dedication to student life, she has also been able to replace many of the old library books with new ones.

For the past 14 years, The Learning Partnership's Canada's Outstanding Principals program has been recognizing principals who bring unique and make vital contributions to their schools and can be nominated by parents, colleagues, and community members.

It is without a doubt, Mr. Speaker, that Shanna deserves this award as she has proven to be such a caring and approachable principal, for not only her students, but her staff as well. At the end of February, she attended a gala award ceremony as well as a five day leadership training program at the University of Toronto.

It is educators like Shanna that strengthen our schools and our communities and I commend her for her efforts.

Thank you.

Speaker: The hon. Member from Kensington-Malpeque.

Charlottetown Islanders

Mr. MacKay: Mr. Speaker, I'm pleased to rise today as the Charlottetown Islanders get set to take on the Halifax Mooseheads in game three of the second round tonight. This is the second year in a row the Islanders have advanced past the first round and their following keeps on growing.

The Islanders are proving to be formidable opponents. They go into tonight's game with a commanding 2-0 series lead. The first two games did not disappoint. The first game took overtime to decide the winner and the second game the Islanders commanded most of the game. Islanders' net minder Matt Welsh stole the show in game two, stopping 47 of Halifax's 51 shots. I imagine he will be just as hot tonight.

I also want to recognize the Summerside Western Capitals on their playoff streak, which will see them facing off against the Edmundston Blizzard in game seven at the EastLink North Division Final. Backed by three point nights from Cam Roberts and TJ Shea as well as a spectacular performance in nets from Alex Bishop, the Summerside Western Capitals defeated the Edmundston Blizzard 4-1 in game six of their best of seven series.

All Islanders should take the opportunity and take in the Islanders and Western Capitals for some exciting playoff hockey. It won't disappoint.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Third Party.

Citizens' Assemblies

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

As government passes the mid-point of its mandate, much work promised by this administration remains incomplete: electoral reform, *Conflict of Interest Act* amendments, FOIPP review, election finance reform, and the issue of amalgamation, which continues to plague rural communities. I look forward

to debating these issues, and many others that are important to Islanders during this sitting.

One mantra that we have heard repeatedly from this government is their commitment to openness and transparency and a willingness to listen to Islanders through consultation. For many Islanders, however, the depth of that public engagement has sometimes felt lacking. Some Islanders would like to see a process of engagement that is far more collaborative and empowering, one that will actually bring Islanders into the decision-making process.

One mechanism that could facilitate this deeper level of engagement is a citizens' assembly. A citizens' assembly is a body formed from randomly-selected ordinary Islanders to deliberate on an issue without the participation of politicians.

Citizens' assemblies were used to great effect in crafting the referendums in British Columbia and Ontario on electoral reform about a decade ago. I have little doubt that giving Islanders legendary engagement in politics that they would be equally effective here.

I think we should consider a citizens' assembly to finally reach the consensus on rural governance which Ralph Thompson spoke of so longingly in his benchmark report of 2009.

The current process has clearly failed. Trust has to be rebuilt and damage repaired. I look forward to debating the merits of this proposal when I present a motion on citizens' assemblies later today.

It is critical that we continue to consider the complex and the contentious issue of local governance in rural Prince Edward Island. I look for ways that are inclusive, democratic and bring the best governance possible to an area that accounts for fully 70% of our province's landmass.

Thank you, Mr. Speaker.

Responses to Questions Taken As Notice

Speaker: The hon. Minister of Finance.

Mr. MacDonald: Thank you, Mr. Speaker.

As Friday, I was absent for Question Period, there were questions relevant to procurement of acts good from the hon. Leader of the Third Party. And also questions, written questions response to Borden-Carleton member from March 2nd.

Speaker: Thank you.

Questions by Members

Speaker: The hon. Leader of the Opposition.

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

On the weekend, the Premier publicly announced that he has no plans of calling a snap spring election. He also appeared publicly to announce, or that he didn't rule out an election this summer, but certainly he was a little bit more coy on that end.

Fixed election date legislation

My first question is to the Premier: Premier, under a fixed-election date laws the next election should be held the first Monday in October of 2019. Will the Premier publicly commit here, today, to honouring our fixed election date legislation?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, the entire point of the remarks that I made on the weekend was to, I'll say, quell the discussion that started not with me or on this side of the House of a pending election. Indeed, we finished up business here on Friday, and the opposition finance critic, the Member from Rustico-Emerald was pretty close to calling an election.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

Mr. Myers: Ask him the price of gas (Indistinct)

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

The reasons for having fixed election dates are quite simple: to provide certainty and

consistency to the public and to prevent one political party from manipulating the legislative timetable to their own advantage.

Again, I will ask the Premier, and hopefully, he will answer the question this time: Will you commit here today publicly that you will adhere to the fixed-election date that is law here on PEI?

Mr. Trivers: Easy question, easy question.

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I think a lot of the talk about election that has been in the air, again, not initiated by me, started with this same question being asked by the Leader of the Opposition before Christmas as we were coming to the end of the fall sitting, and indeed, in the year-end interviews. The Leader of the Opposition further fed that speculation of an election that could have been, at that time, within a couple of months.

I think, I encourage all hon. members of this House is to recognize we have just brought forward a great Budget to be considered later today, and further bills that will be presented today. We've got work to do.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

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

Oh-for-two from this Premier. I've asked him twice now if he will publicly commit here in this Legislative Assembly today to adhere to the fixed election date, which is law on Prince Edward Island. Oh-for-two.

Next question to the Premier: What is it about the idea of fixed election dates that you have such a problem with?

Mr. Myers: You can't control them.

Speaker: The hon. Premier.

Mr. Myers: You can't control them.

Premier MacLauchlan: Mr. Speaker, I don't have a problem. We're here to do our

work as legislators in this Assembly on behalf of the people of this province, who elected us to be here for that purpose.

Let me point out, as I have before, that the *Election Act* does include section 4.1. It says, “Nothing in this section affects the powers of the Lieutenant Governor...” and further that the *Election Act* on this very point about the fixed election date directly contemplates what might arise or what – that there might be some concern if there’s a federal election and a provincial election at the same time.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Opposition.

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

So we’re now oh-for-three, I guess.

It’s political games like these that frustrate Islanders. Municipal governments use fixed election dates. Many provinces including; New Brunswick, Ontario, British Columbia all use fixed election dates. It’s not that difficult to understand.

Question again to the Premier: What is so unique about our situation that you think fixed election dates are unworkable?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, with any legislation, what the hon. Leader of the Opposition refers to as what may be workable or not, there are always factors that need to be taken into account.

I might call to his attention section 4.1 sub three of the *Election Act*, which says, directly that the Legislature, when it passed this law contemplated that might be something that Islanders would have some concerns about to be asked to vote in a provincial and federal government election at the –

Mr. Myers: No, it says right in the legislation –

Premier MacLauchlan: – same time –

Mr. Myers: – six months, either side –

Premier MacLauchlan: – Mr. Speaker, that’s it –

Mr. Myers: – you know that –

Premier MacLauchlan: – that is something –

Mr. Myers: I can read legislation, too.

Premier MacLauchlan: – that Islanders might be concerned about, Mr. Speaker, and it’s in the legislation.

Thank you.

Speaker: The hon. Leader of the Opposition.

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

Some days, you know, I wish Robert Ghiz was back here because, at least, he understood the legislation.

To many observers; the games over fixed election dates seems like another example of good policy and common sense that take a backseat to partisan considerations. A referendum on electoral reform is to be held in conjunction with the next election. That, of course, takes time to organize and educate voters. It’s becoming obvious that the Premier is trying to stack the deck in his favour, yet again –

Mr. LaVie: (Indistinct)

Leader of the Opposition: – instead of allowing a democratic process to properly unfold.

Fixed election date and referendum

Question, again, to the Premier: Premier, are the games you’re playing with election timing an attempt to undermine the referendum question?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, if there are games being played, and I rather that were not the case, they are coming from directly across the floor.

I spoke directly on the weekend, and frankly, I was prompted to speak because of the, I'll call them games, to use the language of the Leader of the Opposition, that are coming from the opposition.

We were elected to serve here in this Legislature. We formed a government. We have a plan. We are working on it in this sitting. That will continue.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

Let's get away from the games, then and we'll get to the straight talk. Island Abbey Foods is looking to hire a COO.

Premier's ties to Island Abbey Foods

Question to the Premier: Can you explain to this House, your ties with Island Abbey?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I'm not sure that I have any. I'm aware of Island Abbey Foods and Island Abbey Foods is a good operation and I may have had some investment in Island Abbey Foods in an earlier time, but we make our disclosures and as far as I know, I don't know anything about the COO. Maybe the member opposite would like to say something about that.

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

Mr. Myers: Thank you, Mr. Speaker.

And you guessed right, I actually do want to say something about that. The Premier is invested quite heavily in Island Abbey Foods, but we'll get to those specifics a bit later.

The job posting states that: Dorilton Capital is looking for a COO for Island Abbey Foods. Dorilton Capital is a New York venture capital firm – the actual owners of Island Abbey Foods. They came in the company only months after this Premier invested in them.

Question to the Premier: Is Island Abbey run out of New York or Charlottetown?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, this is not something I have knowledge of as Premier, but as far as I know – well I do know – that John Rowe is the CEO of Island Abbey Foods, he's also a chair of the board of the Island food partnership and as far as I know, that's how Island Abbey Foods is still run, but it's not something, frankly, that I would know more about than I do from his involvement in the public sphere in the province.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

So, since 2012, Island Abbey Foods has been run out of Bermuda. Bermuda has been called the 'worst tax haven' by Oxfam International.

Off-shore tax havens and personal business

Question to the Premier: Why are you using offshore tax havens to conduct your personal business?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I thought we were here to answer about matters within our present knowledge. I have no present knowledge of that, Mr. Speaker.

Thank you.

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

Mr. Myers: Thank you, Mr. Speaker.

Well, I'll help enlighten you then Premier – I would love doing it. Bermuda's corporate registry shows Island Abbey Foods International Limited, IAF Holdings Limited, and IAF Science Holdings Limited – all current companies that were registered 48 hours before the PEI registered company

was dissolved. The Island business is actually owned by New York City venture capitalists and the Premier has big dollars in it and everything is washed through Bermuda. Are you getting me now?

Question to the Premier: How is it that the Premier of Prince Edward Island is doing private business this way?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, the member has just referred to a number of corporate transactions or names and registrations that I can't help him with.

Thank you.

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

Mr. Myers: So, Bermuda's a tax haven. They have zero income tax and they have zero corporate tax. Could it be that this was the mighty Island that the Premier has been talking about all these years because he has his money all hidden there so he doesn't have to pay corporate tax, so he doesn't have to pay income tax to Prince Edward Island? Boy, cause – not like he doesn't need the money here to run Prince Edward Island.

Question to the Premier: Why are you tangled up in offshore tax havens and how many offshore schemes are you involved in?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, in response to the earlier questions from the Leader of the Opposition, I indicated that we presented here on Friday a very strong budget, one that reflects capacity that we have as a province and as a government because Islanders are doing well, Islanders are making good investments, they're taking initiatives, they're leading and growing companies and to my knowledge, Island Abbey Foods is one of those companies that employs a lot of Islanders. I think that's exactly the kind of thing – we recognized ADL here earlier and there's a good reason why our economy is doing as well as it is, because we have good companies that are doing well.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

So I'm talking about your involvement in the company and how you're sheltering money in Bermuda through that company. Your very first disclosure in April, 2015, you revealed that you got a dividend exceeding \$5,000 from Island Abbey.

Premier: How much did you take home from that that actual dividend?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, that was in the year prior to my coming into public life and I'd have to go and look, but if the member has the information – it sounds like he just gave the number. I made an investment in Island Abbey Foods when they were an up and coming company – it goes back –

Mr. MacKay: He didn't know anything about it two minutes ago.

Premier MacLauchlan: – a number of years prior to my getting involved in public life and I assume they continue to do well.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

So, the Premier knows full-well that in his disclosure, all he has to report was that he made money exceeding \$5,000 in the dividends, so he made way beyond \$5,000. He could have made \$100,000 on the dividends – all because he's sheltering money down in Bermuda.

Government crack down on tax cheat setup

Question to the Premier: Why has your government never cracked down on this particular tax cheat setup that you're personally involved in?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I don't really see there's any point in me trying to respond to that kind of language or to the line of questioning that's being advanced here. I'm very proud of the good companies that we have in our province, of the work that they're doing to grow the economy in all parts of our endeavors, whether it be in the primary sectors or in the newer sectors and certainly there are many great examples of that. I don't think it helps their work or our confidence in business, which leads the region, to be using this kind of language.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

I thank the Premier for his great advice. Let's go back to what we were talking about here – how he's apparently using Bermuda to shelter money.

Your own government published this recruiting document – it was right around the time – right a month before, actually, Island Abbey changed and started doing business out of Bermuda, and this is what it says – this is a recruiting document – it says: Most companies set up subsidiaries of the parent and flow revenue and cost through an offshore operation, limiting the tax implications in Canada. So, this is a government document that you guys put out.

Payment of taxes to PEI or Bermuda

Question to the Premier: Yes or no. Is it in the best economic interest of Prince Edward Island that corporations are located in Bermuda and pay no taxes to Prince Edward Island, or located on Prince Edward Island and pay taxes to Prince Edward Island?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, I think the question of that publication referred to by the Member from Georgetown-St. Peters has been dealt with two to three years ago and we acknowledged at the time that we didn't think that was a

suitable way to be promoting Prince Edward Island as a business destination.

Let me say, that I have, from the time I became Premier, and we continue to believe that an economy where the resources and the benefits and the partnerships are as local as possible in terms of the benefits to Prince Edward Islanders is indeed a healthy and sustainable economy for our province.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

This document that I spoke of, it's been tabled in the House here before – everyone has it. This document was floating around just weeks prior to this transaction happening that the Premier was involved in because he was a shareholder – which he has told the House that he was and we know because we have his disclosure. So, we know for sure that the Premier was directly involved with preferred shares. So, he wasn't just a basic shared holder, he had preferred shares in the company, which means he was just there to make money – just there to make money. Premier, you were also finance minister at the time when you first came into government.

Question again: How many millions of dollars in corporate income tax has PEI missed out on because of these tax havens that you allowed businesses to develop here in Prince Edward Island?

Speaker: The hon. Premier.

Premier MacLauchlan: Do you want to take that?

Mr. MacDonald: Yeah, sure.

Premier MacLauchlan: Go ahead.

Speaker: The hon. Minister of Finance.

Mr. MacDonald: Thank you, Mr. Speaker.

Prince Edward Island, we've just released a balanced Budget here in the province and we were at the Chamber of Commerce this morning in Summerside and sitting with a

bunch of business people and many of those business people were small companies, large companies like ADL that's here today.

The way Prince Edward Island has been performing over the past two-and-a-half to three years has been extramental in the basis of how we do business in PEI and what it contributes to the economy in Prince Edward Island. If it's Honibe or the Abbey company or John Rowe and his wife who started that company in the basement of their home; if they expand with venture capitalists out of New York or Washington or whatever it is, the bottom line is they're paying taxes in Prince Edward Island and they're hiring people on PEI.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

I think we just saw a little preview of things to come. When the actual leader of that party gets sick of answering questions, the next leader gets up and answers it for him. I guess they're not that big of shoes to fill, actually. You're doing quite well. You're doing quite well filling in when he won't stand up to his feet.

Premier investments in Bermuda

Question to the Premier: Do you knowingly have investments hidden in Bermuda?

Speaker: The hon. Premier.

Premier MacLauchlan: No, Mr. Speaker. I do not.

Speaker: The hon. Leader of the Third Party.

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

The party I represent values active citizenship and grassroots democracy. Plebiscites are one mechanism for Islanders to express their democratic will and we've had a large number of them, of course, on Prince Edward Island over the decades. But, not all plebiscites are created equally and the rigour of the process by which they are held

is what determines, at least to a large extent, their legitimacy.

Legitimacy of plebiscites in Three Rivers

Question to the Minister of Communities, Land and Environment: Several plebiscites have been held in the Three Rivers area surrounding the amalgamation process underway there. How does the minister rate the legitimacy of those plebiscites?

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

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

I want to thank the Leader of the Third Party for that question.

First of all, I want to send out a great thank you for the community leaders in Three Rivers, the mayors and the municipal councils of the area. They're elected by the people in those areas to represent the people in those areas and they do a tremendous job.

As you know, the process is laid out in the *Municipal Government Act* and that process is not proceeding through IRAC and I will allow IRAC the opportunity to fill its mandate under this process and bring back a recommendation to the government.

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

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

I saw no connection between my question and the answer I just received.

The final approval in the municipal restructuring process happens when the minister makes a recommendation to Cabinet.

Order of impartial and inclusive plebiscite in Three Rivers

Will the minister order an impartial and fully inclusive plebiscite covering all of the Three Rivers area to legitimize his final recommendation to Cabinet?

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

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

Thank you for the question.

Rural PEI is growing at a phenomenal rate. Rural PEI population is being renewed all through Prince Edward Island. Permits in the rural area are already up over 35%. Rural PEI is growing. Rural PEI is a great contributor to the economy of Prince Edward Island.

As I said earlier –

Mr. LaVie: (Indistinct)

Mr. R. Brown: – the process is in IRAC and if IRAC chooses to make certain rulings and recommendations to the Government of Prince Edward Island, we'll take them into consideration when we get those recommendations from IRAC.

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

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

Indeed, IRAC will make recommendations, but it's up to this minister to go to Cabinet and make a final recommendation on what the process will be.

If the minister will not order a plebiscite for Three Rivers, how exactly does this government propose to determine the will of the residents in the Three Rivers area?

Mr. Myers: (Indistinct)

Dr. Bevan-Baker: Or, will the decision simply be dictated from the fifth floor?

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

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

I want to thank the Leader of the Third Party for that question.

A process in place and IRAC is in that process. I want to also thank the people that participated in putting this proposal together. Those individuals came forward on their own to make their community better and to make Prince Edward Island a better place. I think we owe it to them to offer the process

that we set in place to play itself out before we make runoff and undermining their ability and their work they put into this process.

Again, community leaders came together. Community leaders had meetings. They worked extremely hard, volunteered their time. I think we owe respect to those community leaders, those citizen groups to come back with a recommendation through IRAC.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Charlottetown-Parkdale.

Ms. Bell: Thank you, Mr. Speaker.

Judge Ralph Thompson in the 2009 report of the commission of land and local governance recognized that in order to reform rural governance on PEI, it would be essential to conduct a thorough public engagement exercise in order to determine the consensus of Islanders. With a series of failed attempts at rural amalgamation behind us, and no shining example of a truly democratic and inclusive process, it is clear that this consensus has not been achieved.

Failed process of rural amalgamation

Will the minister of Minister of Communities, Land and Environment admit that the process of rural amalgamation to date has been a failure?

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

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

I want to thank the member for the question.

This discussion has been going on now. There were reports back to 1988, the Boylan report, the new foundations report. Community groups have been engaged and Islanders have been engaged. As I said earlier, community leaders have come together. People within the community of the Three Rivers area wanted to make their place a better place for them, their families, their grandchildren, and future generations.

We owe it to that group that the process be followed, that's outlined in the *Municipal Government Act*. I implore the people of this Legislature, there is a place – there is a formula in place. Let's honour that formula and let's get the recommendation back from IRAC, who will be having public meetings into it.

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

Mr. Roach: Trying to reinvent the wheel.

Some Hon. Members: (Indistinct)

Ms. Bell: Thank you, Mr. Speaker.

I'll take that as a no, then, from the minister.

Public policy failure doesn't always have to be a bad thing, however, if we can learn from our mistakes.

Lessons learned from failed amalgamation attempts

A question to the minister: What lessons have been learned from the failure of the Three Rivers process that will be applied to future deliberations on rural governance?

Mr. LaVie: (Indistinct)

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

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

Is the hon. member – and I honour the hon. member – is the hon. member saying that the district that she represents in the City of Charlottetown that went through an amalgamation process in 1995 – is she indicating that that was a failure? Is she saying that Charlottetown is a failure? Charlottetown went through amalgamation. Stratford went through amalgamation. Cornwall went through amalgamation.

Ms. Biggar: Summerside.

Mr. R. Brown: And Summerside went through amalgamation.

I think that they were tremendous successes and I'll stand by that.

Thank you.

Speaker: The hon. Member from Charlottetown-Parkdale, your second supplementary.

Ms. Bell: Thank you, Mr. Speaker.

I would agree that there have been examples of successful amalgamation, including the ones for Charlottetown, Cornwall and other areas, but in this case for Three Rivers, the amalgamation process has not been successful. The one thing that has been made clear by the various public meetings, plebiscites and municipal council votes on the Three Rivers amalgamation is that there is no consensus on the issue.

Will the minister commit to reviewing lessons learned and a citizens' assembly concept with his staff and bring back a discussion paper to the House?

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

Some Hon. Members: (Indistinct)

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

There are citizens' assemblies in the area. They're called councils; Montague, Lower Montague, Brudenell, Cardigan, Lorne Valley –

Mr. Myers: (Indistinct) Islanders.

Mr. R. Brown: They are community and they are citizens' assemblies, duly appointed and duly elected by their citizens in their area. They're the citizens' assemblies, and they have an opportunity to now bring their plan forward to IRAC. IRAC will open the process to the public. The public will have a period of time to discuss this and to comment on it. I'm not going to break the rules that are outlined.

For years people have been saying: Put a process in place so we can look at rural PEI and see how we can make it better. That process is in place. We should honour it.

Thank you.

Speaker: The hon. Member from Vernon River-Stratford.

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

My question is for the Minister of Transportation, Infrastructure and Energy.

In Dromore, in an area near my riding, there's a road there, Route 214, formally known as the Jimmy Hughes road, that has a stream that crosses the road. On a good day, that stream goes under the road. In the spring of the year or after heavy rain that stream goes over the road as well as under the road.

Infrastructure dollars for roads and bridge replacements

My question, I guess, is to the minister, now there was an announcement of some extra dollars for bridging and infrastructure, is it possible that we can get this crossing fixed?

Thank you very much, Mr. Speaker.

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

Ms. Biggar: Thank you, Mr. Speaker.

Actually, the Budget we tabled, our balanced Budget last week, did refer to federal-provincial contributions since 2015 in the amount of \$360 million. Those investments went into communities right across PEI improving safety on our roads. Our Capital Budget that we tabled last fall also outlines \$53 million for roads and bridges.

In our current project list for the upcoming season includes six bridges being replaced in eastern PEI for a total of \$6.2 million. So, you can see we are doing work on bridges.

Mr. McIsaac: Great.

Speaker: The hon. Member from Vernon River-Stratford, your first supplementary.

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

Thank the minister for that, but this road, which is a – it is a seasonal road, but our farmers and we have a good group of farmers with us here today, travel on that road from the spring to the fall. There's a lot

of equipment goes over that road. There are plenty of fish that go under that road.

We need this road repaired. The watershed groups in that area have been asking for this for several years. Just wondering if the minister can give us a timeframe on when this might happen.

Thank you very much, Mr. Speaker.

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

Ms. Biggar: Thank you, Mr. Speaker.

We certainly appreciate the great work that the watershed groups do all across Prince Edward Island. We understand the importance of these areas to the agricultural community and we will continue to work with them.

Speaker: The hon. Member from Vernon River-Stratford, your second supplementary.

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

There was a box culvert in this road. It was replaced by two 36-inch culverts that are now not doing it right. We need a five-foot box culvert under there. The watershed groups have talked about this. For the sake of the farmers and for the sake of the fish, can you give us a timeframe on when this may get fixed?

Thank you very much, Mr. Speaker.

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

Ms. Biggar: Thank you, Mr. Speaker.

We will be going out this summer. I want to assure that area, the watershed groups, and the agricultural community out there. We will have a look at that; review it, to be determined by those who are certified to determine the needs of an area, but we will certainly be out there and have a look out it

–

Mr. Myers: Oh, burn.

Ms. Biggar: – to see what needs to be done.

An Hon. Member: Great.

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

Mr. Dumville: Thank you, Mr. Speaker.

My question is to the Premier: During the strategy planning with Liberal members and others on January 6th, 2017, Robert Vessey stated: the Premier wants e-gaming put behind him. Next, Spencer Campbell stated, and I quote: We are the government lawyers on this file.

Legal counsel providing legal advice at meeting

Question: Were you aware that legal counsel, Spencer Campbell, was in attendance and providing legal advice to the committee?

Some Hon. Members: Hear, hear!

Speaker: The hon. Premier.

Premier MacLauchlan: No, I was not, Mr. Speaker.

Mr. Myers: Yeah, right. I see him coming to your office all the time (Indistinct) Sergeant Schultz.

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

Mr. Dumville: Thank you, Mr. Speaker.

Were you aware that at other strategy meetings, and I count 10 meetings in 2017, some with lawyers, two on some occasions were a central part of these discussions?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, as I've said before: committees do their work, and I don't have any oversight or control of —

Mr. Myers: Who pays the lawyers?

Premier MacLauchlan: — those committees. But let me say, that — out of the question that was asked here last week, it was subsequently said that that had not been the case. I can tell the House that it was reported in the public media that I was to

have told the Member from West Royalty-Springvale something very specific about his chances of his getting into Cabinet, and I can assure the House that I did not and would not have said those words.

Thank you, Mr. Speaker.

Speaker: The hon. Member from West Royalty-Springvale, your second supplementary.

Mr. Dumville: Thank you, Mr. Speaker.

I assure the Premier, I stand by everything I've ever said.

Payment to lawyers

Question to the Premier: Did the Liberal Party pay for these lawyers provided to the Liberal committee members, or were they paid for by the taxpayers of Prince Edward Island?

Speaker: The hon. Premier.

Premier MacLauchlan: Mr. Speaker, as I said, in response to the previous question, I'm not aware of who would have attended those meetings, but I might say —

Mr. Myers: (Indistinct)

Premier MacLauchlan: — that we do have people who serve as volunteers and it may well have been in that capacity, but I have no direct knowledge of that.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Mr. Speaker.

The health and safety of our students is critical to positive learning environments.

Environmental health concerns at Three Oaks High School

Question to the education minister: When were you first briefed on the environmental health concerns at Three Oaks High School?

Speaker: The hon. Minister of Education, Early Learning and Culture.

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

I can say that early in my term as minister, I did attend the Three Oaks renovation, which is a great renovation. It's a – as my recollection serves, a \$23 million project that we're very happy to have announced and have nearing completion.

Sometime, in the couple of weeks after I was appointed as minister, and I was happy to get an update on the project from the Minister of Transportation, Infrastructure and Energy and her staff, Mr. Speaker.

Thank you.

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Mr. Speaker.

There have been ongoing environmental issues with this project. In 2016, there was an oil tank leak that spilled over 11,000 litres on school property. The Public Schools Branch flagged several breaches in protocol with removing lead paint and asbestos ceiling tiles in a March 2017, internal email obtained by our office through freedom of information.

Environmental safeguards for students and staff

Question to the education minister: What stepped-up environmental safeguards were put in place to protect students and staff on these incidences?

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

Ms. Biggar: Thank you, Mr. Speaker.

I want to, certainly, clarify that before any work was started in the school with any students in there, all remedial efforts were made to remove any hazardous materials –

Mr. LaVie: Oh!

Ms. Biggar: – and that was done, actually, in the fall, I believe, of 2016, early 2017. So, when we started to go in to look at the project it was found out to be that we had to do some other remediation first. That was

totally completed before any other work was started on any other part of construction.

I want to assure everyone that that is a safe working environment strictly adhered to by workers compensation, but environmental officers.

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Mr. Speaker.

As far back as last fall some students began to report having issues with nausea, headaches, and breathing issues. In that internal email PSB staff wrote that: Hopefully, the risk to students and staff is low. Hopefully; key word 'hopefully.'

Question to the education minister: How can students have a good learning environment if they are having health issues while construction goes on around them?

Speaker: The hon. Minister of Education, Early Learning and Culture.

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

Our department takes the health and safety of students very seriously. Together, working together with the Department of Transportation, Infrastructure and Energy, I'm very happy to report that there has been air quality management and testing going on at Three Oaks during that time. Great efforts have been undertaken to ensure that, to the extent possible, all of the construction areas are sealed off to the rest of the school.

Students have undertaken their classes in different portions of the school while those construction projects are going on. There's a daily meeting with the principal of the school while this is going on.

Thank you.

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Mr. Speaker.

Students and staff were sequestered and evacuated from the school during an evening grad activity last month due to a potential

environmental safety risk. Dust and vapours from removal of the floor tiles escaped the construction into the rest of the school.

Environmental test results for TOSH projects

Question to the education minister: Will you publically release all the air quality, water, and other environmental testing results for Three Oaks during this project?

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

Ms. Biggar: Thank you, Mr. Speaker.

Again, I want to assure everyone that's listening: parents, staff, and students that the air quality at the school is safe. It's monitored through environmental services every day. All abatement is taken place to ensure that as little possible dust is infiltrated into the area. I believe there was a bit of a breach on one occasion and so we had followed up with that, working with the school staff, working with workers compensation to ensure everyday at the school, whether there are students there, that it is a safe environment.

Mr. Speaker, anything that I have – I'll certainly find any other information that may be available.

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Mr. Speaker.

Last week a letter was sent to parents said extra measures are being taken to deal with this issue, but that school transfers would be considered if it were in the best interest of students' health and learning.

Changing schools due to environmental risks

Question to the education minister: Do you think uprooting students in the middle of the school year and changing schools is a solution to these issues?

Speaker: The hon. Minister of Education, Early Learning and Culture.

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

Mr. Speaker, this email was sent out by the principal of the school and the –

[audio malfunction]

Mr. J. Brown: – has been working together with the Department of Transportation, Infrastructure and Energy to make this renovation – a \$23 million renovation of a high school as seamless as it possibly can be. They've done great work to do that.

With any construction project there are unforeseen events and the Public Schools Branch and the school staff have committed to working together with parents to ensure that where there are students that feel that they aren't as comfortable as they possibly can be in that learning environment, they'll work with them to ensure that they are comfortable in whatever learning environment suits them best.

Thank you, Mr. Speaker.

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Mr. Speaker.

When this project began in 2016, just before the District 21 by-election, the cost was \$15 million. Two years later the cost was projected to be over \$23 million, which the minister has stated twice.

TOSH project 50% over budget

Question to the education minister: How did this project manage to go 50% over budget?

Speaker: The hon. Minister of Education, Early Learning and Culture.

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

I must say we are very proud of the capital projects that we are undertaking in this department and last year we announced a \$50 million capital program for the next five years and that's following on the heels of this capital improvement to Three Oaks High School.

This project first started a number of years back, before our economy went on a tear, and we've seen construction costs go up over the course of that time, which is an indicator of how well things are going in this province. We recognize that and certainly we have committed to that capital improvement to Three Oaks High School and we remain committed to it, and to the success of those students at Three Oaks High School, and that project will be completed in the very near future and the students will look forward to enjoying it for the next number of years.

Thank you, Mr. Speaker.

Statements by Ministers

Speaker: The hon. Minister of Finance.

Cannabis

Mr. MacDonald: Thank you, Mr. Speaker.

In response to the federal government's decision to legalize recreational cannabis, our government has created policies to reduce the illegal market and help Islanders make an informed choice while protecting their health and safety.

This major project involves almost every department in government and we continue to work closely with key partners and Islanders to ensure the decisions we make are in the best interest of everyone.

Later this afternoon I will table *An Act to Respond to the Legalization of Cannabis*. This bill includes four pieces of legislation: Cannabis Control Act, Cannabis Management Corporation, smoke-free places amendments, and the *Highway Traffic Act* amendments.

This bill is part of a larger regulatory framework for a legal, well regulated, restricted system to access cannabis. It includes provisions to: protect the health and safety of Islanders especially youth, reduce the illegal market for cannabis, clarify the rights and responsibilities of Islanders with respect to how and where cannabis may be purchased, consumed and cultivated, and establish the Cannabis Management Corporation as the authorized vendor for sale of cannabis in the province.

Although, a date for Royal Assent of federal legislation is not yet known, we are busy preparing and will be ready for the implementation date when it is determined.

I encourage all Islanders to visit our website at www.princeedwardisland.ca/cannabis to learn more and find the answers to any questions that they may have regarding the legalization of cannabis.

Our focus remains on reducing the illegal market, ensuring Islanders have information they require to make a fully informed choice, and protecting the public; health and safety of all Islanders.

Thank you.

Speaker: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Mr. Speaker.

Hearing the minister's statement today, it becomes pretty clear to me that this government is letting a major opportunity to help the economy of Prince Edward Island and the agriculture of Prince Edward Island slip by. It's slipping through their fingers.

The provincial government has the responsibility for areas like taxation, distribution and the wholesaling, the retail model, the retail locations and the rules, land-use and their zoning and public consumption.

These are all things that I've talked to Islanders about and there are so many Islanders that would love to be offering some of these services here on Prince Edward Island, but yet, this government has chosen three providers of cannabis. One is OrganiGram out of Moncton, New Brunswick; another one is Canopy Growth out of Smiths Falls, Ontario. The third one is Canada's Island Garden out of Charlottetown, but, wait, Mr. Speaker, it's 75% owned by a company in North Carolina.

Here we have a perfect opportunity where we could have diversified our agriculture; we could have built business on Prince Edward Island, but this government is turning it into a corporate product that is going mostly to off-Island companies, and

they're putting laws in place so that small businesses can't even take advantage of the fact that this will be offered on Prince Edward Island. It's not good.

I just have to say that this is a huge missed opportunity. You might say that it just went up in smoke.

Speaker: The hon. Member from Charlottetown-Parkdale.

Ms. Bell: Thank you, Mr. Speaker.

I'm very pleased to see the government moving forward with comprehensive legislation regarding the legalization of cannabis. Cannabis is, as my colleague mentioned, is the fastest growing industry in the history of our country, and presents an unprecedented economic opportunity for PEI.

Legalization also presents complex challenges including; keeping cannabis out of the hands of adolescents, educating Islanders, and dealing with drug impaired driving. I look forward to hearing about the details around public education, harm reduction initiatives, and the training of police officers.

Government-run standalone stores, accompanied by online sales are a good way to start. I am pleased to see that government has left the door open to create other options such as vapour lounges, in the future.

The government's cannabis policy framework indicates that cannabis store employees will undergo mandatory training. We are hopeful that the bill will also include cannabis training for physicians, nurses, nurse practitioners, and social workers, so they are able to provide the best guidance possible to their patients, whether they are medical cannabis patients or recreational consumers.

Thank you, Mr. Speaker.

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

Expansion to Amalgamated Dairies Limited

Mr. Palmer: Thank you, Mr. Speaker.

Yesterday, I was pleased to join the Premier, the Minister of Transportation, Infrastructure and Energy, as well as Egmont MP Bobby Morrissey, and federal Agriculture Minister Lawrence MacAulay in Summerside for one of the biggest federal-provincial cost-sharing business investments in recent memory.

A major \$18 million expansion to ADL's Summerside facility is now underway.

Mr. R. Brown: Great.

Mr. Palmer: Both levels of government, combined, are providing nearly \$10 million to this important project. Our share is \$4.47 million through an enhanced investment tax credit.

This project will allow ADL to expand its fluid milk and cheese production facility in Summerside. The company says expansion of the plant will create up to 25 new jobs and allow the company to expand markets and lower cheese-processing production costs.

I believe the investment in this company demonstrates that our government is unwavering in our support for Island business and primary producers. As Prince Edward Island's largest dairy processor, ADL truly is a province-wide cooperative enterprise owned by 165 dairy farmers and employing approximately 270 Islanders. Because of that it is important that our government work with Island companies like ADL to provide support when necessary to help them grow, expand into new markets and connect Islanders with jobs.

This also is reflected in our third consecutive balanced Budget. We have new supports that allow small businesses to grow including a 15% rebate on business investments up to \$25,000. We have introduced rebates on electricity and home heating. We've introduced free tuition for more than 1,000 Islanders that will give them better access to education and prepare them for the workforce.

Mr. LaVie: Is this a budget speech?

Mr. Palmer: When I think of the traits that make us a mighty Island, companies like ADL come to mind. By connecting rural

farmers, dairy farmers with manufacturing, processing and distribution in our cities, ADL exemplifies the integrated nature of our Island economy.

I'm happy to say that ADL is already among the province's top exporters with over 80% of products being sold outside the province. This brings new money into our province to help pay for things, like roads and hospitals, manors and schools. There are few companies as authentically Prince Edward Island as ADL.

I look forward to watching the company build on its success into the future as it brings even more fresh high-quality, Island-made dairy products to markets beyond our borders.

Thank you, Mr. Speaker.

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

Mr. Myers: Thank you, Mr. Speaker.

Noticeably absent from the thank yous was Lawrence MacAulay, who did all the dragging to get this down. Great for the government to be able stand up and say that they did something for farmers here, but we all know that Lawrence has been (Indistinct) farmers for years.

ADL is a great Island company. Very much, the fabric of Prince Edward Island is based on agriculture and our fishing and I think it's important that there's investments made to ensure the future exists for those people here on Prince Edward Island.

I think ADL is an important component to our overall structure on Prince Edward Island. They're based on Prince Edward Island. Corporate headquarters are here, not Bermuda. They're good taxpayers of Prince Edward Island and, of course, they deserve help, whenever help is available for them, if they are going to help us grow the economy and help 165 dairy farmers on Prince Edward Island ensure that they're going to have a market for their product. It's even better when it's right here local.

This government should be trying to do more of that: ensuring that there is a local opportunity for our local products and we

have local businesses who can do that, ones that are located right here, who have corporate headquarters right here and not in Bermuda.

I think that it is very important to note Lawrence MacAulay is the minister of agriculture. He has an incredible amount of pull in Ottawa. We're lucky to have at least one MP on Prince Edward Island that has some pull. We don't have any others. I personally would like to thank Lawrence for his work on this because I know that without Lawrence this wouldn't have happened. We know for sure the other MPs wouldn't have been able to make anything happen here on Prince Edward Island.

Thank you, Mr. Speaker.

Speaker: The hon. Leader of the Third Party.

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

I love ADL ice cream, but I particularly love ADL cheese, especially the three-year-old. I know it has only just come back online after that, the devastating fire, I think it was 2011, that happened in Summerside. I very much appreciate the products that ADL produces.

I also have to say that any time I make a trip to Montreal to visit my daughter there and her family, I have to take a block of the three-year old ADL cheese, cheddar cheese, with me and I do. If I don't, I'm in big trouble.

I love the products that this Island-owned co-operative makes, and I also really like the cooperative model of economic development. Of course, ADL has been spectacularly successful here on Prince Edward Island in that model supporting Island farmers, making local products, and just producing world-class winning products. I'm really pleased to see this government support.

However, last night we had a community forum in Emerald where there were many people there and we had tables. We broke out into tables, and one of the tables we broke out into was good governance; incorporated in that discussion was economic development, rural economic

development. The question came up from one of the people at the table: Why is government supporting a really successful business? Is this an appropriate thing to do?

It was a really great discussion around that and I'd bring that up. Government funding is not unlimited, and there are many other places we could go. For example, specifically with cheese makers here on Prince Edward Island, we have some beautiful cheese makers who work at a much smaller level, of course, than ADL. We have Jeff McCourt in New Glasgow producing beautiful Gouda. We have the folks in Rustico using sheep milk to make beautiful cheeses, and we have Julain Molnar producing fauxmage here.

All of these micro-producers who are not going to see a penny of government money, I don't think they ever have, but they could be part of the rural revitalization. I appreciate the fact that the minister said: We are unwavering in our support and I like that. I appreciate that. I just wish, perhaps, we were a bit more unfocused in our support and that we would spread this around a little bit and not forget about the little guys.

ADL is a great corporate citizen. They give fantastic support to so many community events across this province and I really appreciate that. This is great news.

Thank you very much, Mr. Speaker.

Presenting and Receiving Petitions.

Tabling of Documents

Speaker: The hon. Member from Kensington-Malpeque.

Mr. MacKay: Mr. Speaker, by leave of the House, I beg leave to table an email from Parker Grimmer and Susan Willis, correspondence on the breaches on the protocols for Three Oaks Senior High School and I move, seconded by the Honourable Member from Belfast-Murray River, that the said document be now received and do lie on the Table.

Speaker: Shall it carry? Carried.

The hon. Member from Kensington-Malpeque.

Mr. MacKay: Mr. Speaker, by leave of the House, I beg leave to table a letter to the Premier dated July 12th, 2017, by the Member from Georgetown-St. Peters on the protocols of the asbestos at the Three Oaks Senior High School and I move, seconded by the Honourable Member from Belfast-Murray River, that the said document be now received and do lie on the Table.

Speaker: Shall it carry? Carried.

The hon. Leader of the Third Party.

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

By leave of the House, I beg leave to table a background document on citizens' assemblies prior to debate on the issue later today and I move, seconded by the Honourable Member from Charlottetown-Parkdale, that the said document be now received and do lie on the Table.

Speaker: Shall it carry? Carried.

Reports by Committees

Introduction of Government Bills

Speaker: The hon. Minister of Justice and Public Safety.

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

I beg leave to introduce a bill to be intituled *Business Corporations Act*, and I move, seconded by the Honourable Minister of Family and Human Services, that the same be now received and read a first time.

Speaker: Shall it carry? Carried.

Clerk: *Business Corporations Act*, Bill No. 12, read a first time.

Speaker: The hon. Minister of Justice and Public Safety, would you give us a brief explanation as to what this bill is.

Mr. J. Brown: With pleasure, Mr. Speaker.

The *Business Corporations Act* will replace part one of the *Companies Act* dealing with for-profit companies. This legislation is modeled on the *Canada Business Corporations Act* and similar legislation in

other provinces. The act provides for incorporation of companies, capacity and powers of companies, corporate finance and governance, and shareholder rights and remedies.

Thank you, Mr. Speaker.

Speaker: The hon. Minister of Justice and Public Safety.

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

The next one I have here; I beg leave to introduce a bill to be intituled *Securities Transfer Act*, and I move, seconded by the Honourable Minister of Family and Human Services, that the same be now received and read a first time.

Speaker: Shall it carry? Carried.

Clerk: *Securities Transfer Act*, Bill No. 16, read a first time.

Speaker: The hon. Minister of Justice and Public Safety, would you care to give us an explanation as to what this bill means.

Mr. J. Brown: With pleasure, Mr. Speaker.

This bill amends the *Extra-provincial Corporations Registration Act* to repeal specified exemptions from the requirement for an extra-provincial corporation to be registered in this province.

Thank you, Mr. Speaker.

Speaker: The hon. Minister of Justice and Public Safety.

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

I think, if I can beg your indulgence for a moment, I think I might have given the Clerk the wrong bill the last time, but perhaps we can do this in the reverse order this time.

I beg leave to introduce a bill to be intituled the *Securities Transfer Act*, and I move, seconded by the Honourable Minister of Family and Human Services, that the same be now received and read a first time.

Speaker: No, hon. Minister of Justice and Public Safety, you just read that one.

Mr. J. Brown: Okay.

It would be the *Extra-provincial Corporations Registration Act*.

We're all right.

An Hon. Member: You're good.

Speaker: The hon. Minister of Justice and Public Safety.

Mr. J. Brown: Sorry, Mr. Speaker.

I beg leave to introduce a bill to be intituled *An Act to Amend the Extra-provincial Corporations Registration Act*, and I move, seconded by the Honourable Minister of Family and Human Services, that the same be now received and read a first time.

I think what I might have done is read the summary for the opposite act last time.

Speaker: Shall it carry? Carried.

Clerk: *An Act to Amend the Extra-Provincial Corporations Registration Act*, Bill No. 18, read a first time.

Speaker: The hon. Minister of Justice and Public Safety.

Mr. J. Brown: Mr. Speaker, I perhaps did this in the reverse order again, but if we could inverse these descriptions we'd be all good. This is the description for the *Securities Transfer Act*, which was the last one that was introduced.

The *Securities Transfer Act* governs the transfer of corporate shares and other securities in the same manner that has been adopted by other Canadian jurisdictions. This legislation is intended to operate concurrently with the proposed *Business Corporations Act*.

Speaker: Okay, just to make sure we're all clear, why don't you give us the description of the Bill No. 18?

Mr. J. Brown: Okay.

This bill amends the *Extra-provincial Corporations Registration Act* to repeal the specified exemptions from the requirement

for an extra-provincial corporation to be registered in this province.

Speaker: Okay, good.

I'll just wait until you're ready, minister.

Mr. J. Brown: No, I think I have one more here, Mr. Speaker.

Speaker: Yeah, okay.

The hon. Minister of Justice and Public Safety.

Mr. J. Brown: I think I've got this one right, Mr. Speaker.

I beg leave to introduce a bill to be intituled *Miscellaneous Statutes Amendment Act (Persons with Disabilities)*, and I move, seconded by the Honourable Minister of Family and Human Services, that the same be now received and read a first time.

Speaker: Shall it carry? Carried.

Clerk: *Miscellaneous Statutes Amendment Act (Persons with Disabilities)*, Bill No. 22, read a first time.

Speaker: Hon. Minister of Justice and Public Safety, just a brief description of this bill.

Mr. J. Brown: Sure, Mr. Speaker.

The House may recall that in Hannah's bill we made some amendments to particular legislation in relation to descriptions of persons with disabilities. This bill makes amendments to various acts to update the terminology used in the description of persons with disabilities across legislation.

Thank you.

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

Mr. Palmer: Mr. Speaker, I beg leave to introduce a bill to be intituled *An Act to Amend the Tourism Industry Act* and I move, seconded by the Honourable Minister of Communities, Land and Environment, that the same be now received and read a first time.

Speaker: Shall it carry? Carried.

Clerk: *An Act to Amend the Tourism Industry Act*, Bill No. 23, read a first time.

Speaker: Hon. minister, a brief explanation?

Mr. Palmer: Mr. Speaker, this repeals a section of the older act which is no longer operationally useful.

Mr. R. Brown: Great.

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

Mr. Palmer: Mr. Speaker, I beg leave to introduce a bill to be intituled *An Act to Amend the Tourism PEI Act* and I move, seconded by the Honourable Minister of Communities, Land and Environment, that the same be now received and read a first time.

Speaker: Shall it carry? Carried.

Clerk: *An Act to Amend the Tourism PEI Act*, Bill No. 27, read a first time.

Speaker: Hon. minister, just a brief explanation of this one.

Mr. Palmer: Mr. Speaker, it's to create a new industry-led policy board to help us grow the tourism industry.

Speaker: The hon. Minister of Finance.

Mr. MacDonald: Thank you, Mr. Speaker.

Mr. Speaker, I beg leave to introduce a bill to be intituled *Appropriation Act (Current Expenditures) 2018* and I move, seconded by the Honourable Member from Charlottetown-Lewis Point, that the same be now received and read a first time.

Speaker: Shall it carry? Carried.

Clerk: *Appropriation Act (Current Expenditures) 2018*, Bill No. 28, read a first time.

Speaker: Hon. minister, just a brief explanation.

Mr. MacDonald: This bill seeks approval for legislative authority to spend the moneys allocated in the Budget we tabled last week.

Thank you.

Speaker: The hon. Minister of Finance.

Mr. MacDonald: Mr. Speaker, I beg leave to introduce a bill to be intituled *An Act to Respond to the Legalization of Cannabis* and I move, seconded by the Honourable Member from Charlottetown-Lewis Point, that the same be now received and read a first time.

Speaker: Shall it carry? Carried.

Clerk: *An Act to Respond to the Legalization of Cannabis*, Bill No. 29, read a first time.

Speaker: Hon. minister, I guess it's self explanatory, but go ahead.

Mr. MacDonald: Mr. Speaker, the bill sets out the components of government's approach to regulating cannabis in the Province of Prince Edward Island in regards to the federal government's move to legalize recreational cannabis.

Government Motions

Orders of the Day Government

Speaker: The hon. Minister of Health and Wellness.

Mr. Mitchell: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the hon. Minister of Finance, that the 1st order of the day be now read.

Speaker: Shall it carry? Carried.

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

Speaker: The hon. Minister of Health and Wellness.

Mr. Mitchell: Mr. Speaker, I move, seconded by the Honourable Minister of Finance, that this House do now resolve itself into a Committee of the Whole House

to take into consideration the grant of supply to Her Majesty.

Speaker: Shall it carry? Carried.

I will now call on the Deputy Speaker, the hon. Member from Charlottetown-Lewis Point, to chair the Committee of the Whole House.

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

Hon. members, as we've done in other sessions, we are going to start with the Department of Agriculture and Fisheries. We're on page 24 and as in other times, what I will do is, I will read a section and carry the total and then I'll open up questions on that particular section so we can keep it organized.

Permission to bring a stranger onto the floor?

Some Hon. Members: Granted.

Chair: Thank you.

We'll allow her to get settled.

Mr. Fox: Chair? I do have a general question.

[Audio malfunction]

Chair: Good afternoon. Could you introduce yourself and your title for the record?

Mary Kinsman Director: Mary Kinsman, Director of Corporate Services, Department of Agriculture and Fisheries.

Chair: Welcome.

Minister of Agriculture and Fisheries, do you have an opening statement?

Mr. Henderson: Yes, thanks, Deputy Speaker – Chair of the Committee of the Whole.

From my perspective – and I've just become minister January 10th, – it's been a bit of a learning curve in trying to get a sense of all

the different programs of the two industries, in particular.

There are two predominant themes in our portfolio and they stem around the two recent signings of the Atlantic Fisheries Fund around the fishing industry and the Canadian Agricultural Partnership. Those are two fairly significant funding sources that were initiated and some of them are going to be funding our new initiatives and a lot of our new initiatives are going to be focused on innovation, public engagement of food, promotion of Island products.

The general themes of the industry that I talk to out there, there is certainly a great sense of optimism and promise in the food industries. You've seen this recently with the ADL announcement. The growth of demands for high-quality, traceable, safe food of the highest of quality seems to be paramount out there and we're very competitive in the world market around that.

Really the themes of our portfolio are to try to make sure that we're allowing our industries to evolve, and grow, and meet those challenges.

I think beyond that, I think you'll see issues around biosecurity. Our department has played a pretty big emphasis in having a veterinarian in our department now. We have a high degree of fish that's transferred on a regular basis in the province – in fish, specifically.

The other issues is around biosecurity around making sure that we're able to handle any of the trade issues that may confront us if there was ever issues around outbreaks and whatnot. Carolyn Sanford has been working hard on working with each particular commodity to try to help them address those biosecurity issues and needs.

I think, with that, I would say that our department is a very young, innovative department of staff. I've really mentioned to them— reminding it's important that we focus on customer service; that we make sure that we're providing the same level of customer service as the department of tourism does with its visitors that come to Prince Edward Island. We have to make sure that we're meeting their needs and handling

their questions and getting back to people in the timeliest of fashion as possible.

If I look at some of the issues that you've seen around the snow crab industry with the right whale issues, that's something that's an evolving issue. We're really hopeful that some of the mitigating strategies that have been put in place by the industry will seek the dividends that we require and not having any more unintended consequences of right whale deaths.

The other issues that are out there, obviously, is the NAFTA trade. I mean, I just met with the Dairy Farmers of PEI. You know, we're having to watch from afar on those discussions at this point, but hopefully, we'll be briefed whenever there is a hope of an agreement in principle and then we can get a better sense of that. Certainly, there's a bit of angst in the dairy industry just around that particular issue. Those are the two things that kind of keep me up at night worrying about things.

Beyond that, it's a positive industry, both agriculture and fisheries and we've got great, professional people out there that – and good organizations that represent those industries, too, so there, I'll turn it over to – back to the Chair.

Chair: Hon. members, we are on page 24. I have some people on the speaking order. What I'm going to do is if you have – I'm going to read the first section. I would ask you to direct your questions to that section. If you're on my speaking order, right now, and your question is related to another section, I would respectfully ask you to hold your question until we get to that section.

Mr. LaVie: Chair? I've got a question on the briefing.

Chair: The hon. Member from Souris-Elmira.

Mr. LaVie: Thank you, Chair.

Minister, I know it's been brought up before to the last minister and I hear it from industry and look at what happened to our last minister. Do you think there should be a minister for fisheries and a minister for agriculture?

Mr. Henderson: Well, from my perspective, I don't have a say in that decision. I've mentioned to both industries, I've met with the PEI Fishermen's Association, and you're right, that has been a request, for them to either have a separate minister of fisheries or a separate deputy. From my perspective I can only do what I can do, which it means is that if there is any particular event that either sector requires me to meet at, I do my level best to be at those meetings and represent them as best I can.

As far as a budget goes, it's not a huge budget. It's not a big Island as such. I mean, I'll do my best to get around. I do have a general background in both commodities, or both sectors. I'll say I have a good relationship; I don't mind picking up the phone and talking to any of those sectors and getting a sense of it. Like I say, that's really a question for somebody else than me. I can do the duties that I'm given.

I might add – I'll add one thing to that. I don't think there's any other provinces that don't have a minister of agriculture and something else. In most cases, agriculture and fisheries, or it could be agriculture and energy or fisheries and energy. They're all, sort of, different. I'm not aware of any that have any differences in that, too.

Chair: The hon. Member from Souris-Elmira.

Mr. LaVie: Thank you, Chair.

Let's not worry about what other provinces do. This is our main industries right here. We haven't got oil, we haven't got coal, we haven't got gas. This is our main industries right here. This question has been asked since it was shifted. If you don't make the decision, who makes the decision? The Premier? Who is above you?

An Hon. Member: (Indistinct)

Mr. Henderson: I'm appointed by –

Mr. LaVie: Just never mind over there.

Mr. Henderson: – the Premier appoints me to Executive Council and gives me a portfolio. This particular portfolio is called agriculture and fisheries. I've had tourism

and culture in the past and health and wellness. All of those portfolios have some commonalities in each perspective.

If you look at it as a department we've seen a really good integration within the department. As an example would be: Neil MacNair is the director in charge of labs and aquaculture. There's good cross-synergies that occur by having them together. We think it's cost-effective and if we're still meeting the demands and needs of both sectors – but, you know, that, like I say, it's not a decision that I get to make.

Chair: The hon. Member from Souris-Elmira.

Mr. LaVie: Thank you, Chair.

You mentioned that you have past experience in farming and fishing –

Mr. Henderson: Correct, yeah.

Mr. LaVie: What's your past experience in fishing?

Mr. Henderson: Fishing, I worked for shellfish leasing with the federal government back in 1985, something like that, 1988, in that range.

I also was working with Hutt Brothers and a number of other Four Ports Marine. I worked in doing steamship inspections for their boats. I have done all the design work on those particular fishing boats.

The aquaculture industry is every neighbour I have, I think, fishes oysters. I have a multitude of oyster shellfish pieces out in front of my house. My father ran Malpeque oyster cultures back in, I guess probably, the late 1960s, early 1970s. I picked my fair share of spat and made lots of oyster collectors and things of that nature.

I'm familiar with dories. I fished oysters in the past, too, with my father, Malpeque oyster cultures and with shellfish enhancement.

I say, I have a general knowledge, but I certainly wouldn't profess to be an expert. In the lobster industry I think I've a number of cousins and I've been out on fishing boats.

I'll say, I have a general knowledge of those subjects.

As a farmer, I have operated beef, blueberries and potato operations in the past too. I know a little bit –

Mr. LaVie: Thank you.

Mr. Henderson: – about both sectors.

Chair: The hon. Member from Georgetown-St. Peters, do you have a question on the minister's opening statement?

Mr. Myers: I do. Yeah, I do.

Chair: Thank you.

Mr. Myers: Generally, because there's really no place it fits in your broken-down Budget, but it's a discussion that's kind of, it's a hot discussion where I live. It has to do with the monks. I guess my question is: Are you getting direct concerns from farmers in your department on the monks down east?

Mr. Henderson: Well yes, I mean, I think it's more of, I don't know if I'll say, direct concerns in writing per se, but certainly throughout in the industry you do get people asking questions around that. The reality is, is that those purchases are compliant with the regulations around Island land holdings. They're not surpassing their limits as the situation is put in place there.

From my perspective as the Minister of Agriculture and Fisheries, we certainly are encouraging all Islanders, that if they have land that has a good use for agricultural use we'd like to see that land be available to Island farmers, whether it's the individual who owns the land or whatever. There are programs out there to provide tax incentives to do that.

Ultimately, we want to encourage more farmers on Prince Edward Island and if they're creating economic wealth that this province is well renowned for, more of recent note.

Mr. Myers: Thank you, Chair.

It's part of the issue, as I see it, is the ability to transfer land. It's basically what it comes down to. For a farmer, they're farming their

land is kind of what is their net worth. In order to get out there has to be some value in that when it's all said and done, or they have to have somebody to take it over.

In the case where they don't have somebody in the family who is interested in farming and they decide that they're going to move on, there isn't really anybody young who can put up that kind of cash. There are farms going for 7, \$8 million. If you were 21-years-old and you had \$8 million, why would you buy anything? You'd have all your money.

This issue, and I've been saying it for a long long time, is that we need to go back to the 1970s when we had a land bank. That land can be bought by government when somebody's trying to get out of farming and make sure that it goes in the hands of a young farmer who is looking to continue on farming, can't quite get into it. That's how a lot of farmers right across Prince Edward Island got into farming in the 1970s. They wouldn't have had the money otherwise and government was able to help them. Government had a land bank and it worked really, really well. It was part of our land protection strategy at the time.

Why is it that you've never really looked at having a full-fledged land bank like there used to be?

Mr. Henderson: The first issue I would say is that the government still owns land that it leases out to farmers, so that currently exists.

As far as the province purchasing land that's going for sale, you're talking big numbers today and land values are increasing and I would predict that they will continue to increase, and that's a good thing because it's providing equity for a lot of operators out there.

Our department has had discussions around the concept of a land bank. I think government has in general as well; but when you're talking large dollars, a million dollars doesn't but you a lot of land anymore.

Mr. Myers: No, it doesn't.

Mr. Henderson: I don't think it's any different than what you're seeing in the

lobster fleet, the oyster fleets, all of those situations; those values are increasing because these farmers, these fishers are in successful industries. They're making money and they're generating wealth, and the optimism within those industries is very positive. That percolates and these properties are going up.

It's very difficult as a Minister of Agriculture and Fisheries to say that we should depress the price of land. You want to let it go to a natural state of value. All I can say as the Minister of Agriculture and Fisheries, I want to see this land base be utilized for the creation of agricultural products, which creates wealth, and I'd say the same for the fishing industry. We want to make sure that they're not sitting idle as long as there's a product that they'll take a – the fishery as long as there are species to catch. We want to make sure that Islanders have a reasonable chance at accessing those fisheries.

It would really mean that we have very big commitment on large numbers of dollars for to purchase any sizable amount of land that would have any significant difference. That's my thinking on it, but it may be something that'll have to be discussed if this land gets too high in value.

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

Mr. Myers: Thank you, Chair.

You bring up a couple of interesting points. One is when you compare it directly to fishing – and I do know that the cost is going up, but there's no corporate lobster fishing on Prince Edward Island, it's all private. There's no corporate ownership, and what we have here on Prince Edward Island is a growing corporate farming – which is fine, I guess, because that's the only way you're actually going to be able to buy the volumes of land you require to farm.

I do understand; I'm not talking about depressing the price. I'm talking about paying the market value. You still have to compete with other people who are trying to buy it, so you'll have to buy it at what the going rate is. I do know that it's a big undertaking and I do know it's a big dollar value.

It is great for the people who are at the end of their farming career and they're able to walk away with seven or eight million dollars. It's great for them. It's the equity they've earned from years and years of taking care of the land. The issue is that seven or eight million dollars limits a 25-year-old from being able to farm because there's really no place for a 25-year-old to borrow seven or eight million dollars; and even if you did, could you pay seven or eight million dollars back right now farming? It would take you an awful long time –

Mr. Henderson: Well, I think when it comes to any lender; I don't think age is the predominating factor. It's no different from when I was at the Dairy Farmers of PEI meeting just recently. I mean there are lots of young individuals that are entering into that industry. We seen just recently with Newland Farms, the massive expansion that happened there that I think the MLA from Rustico-Emerald was at.

But you know if the lending principles are there – and I've met with a number of younger farmers that are looking at acquiring their family's property – it's just really a matter of how they put together the succession plan from one exiting the industry and one entering the industry. I know of a young individual that worked in my department that has now left the department to go work in the family farming operation and they are working on a succession plan to transition one generation out to the next.

So there are lots of examples of that happening. Does it suit in every situation and does it allow every farmer to exit the industry and the younger farmer to get into it? It just all depends on the price and the circumstances that everybody's into.

All I will say as a minister: It's not my responsibility to impact on what the price and value of the land, it's to try to provide them the arrangements that they can have succession planning, that they can have one transition from one generation to the next. We just do our best to try to do that.

I understand what you're saying. It's just tough to have a wonderful solution that had the amount of dollars that allows anybody to

enter the farming industry. I think we've seen in the organic industry – I know the Green Party's big on the organic side of things – but we've tried to put together programs that allow individuals to get into that particular industry; and those particular individuals, once they get a foothold and they get some stability and that, they may look at expanding their operations to bigger operations.

At the end of the day, it's all about whether you can minimize the risk of making profits from the commodities that you're growing or the fish that you're catching.

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

Ms. Biggar: Thank you, Madam Chair.

Minister, you mentioned earlier about the dairy farmers. I also had the opportunity yesterday to go have lunch with about 160 dairy farmers at the ADL meeting. I, in fact, have about 12 dairy farms in my own district, many of whom are going through that transition that you talked about, succession within family. It's great to see that continuing and the investments that have been made and are being made.

Now the leader of the Green Party mentioned that he didn't agree with the investments that are being made in ADL –

Dr. Bevan-Baker: (Indistinct)

Ms. Biggar: – which in fact are the 165 farmers that I had lunch with yesterday, one of whom had about 35 cows. Would you qualify that as a large farm?

Mr. Henderson: Once again, all farms – we have a complete diversity, but a 35-cow farm operation would be slightly below average, so it's not a real small farm. The other component of that is that this industry is making money. It's a supply managed system, and that industry has done some really good work in making sure that there is that ability to – they set aside quota for the younger farmers.

I know of two in my area, one in particular in my district that's just been assigned quota. They've gone to their banker and they've gone to Finance PEI to try to put

together a financing package to do that, and they've been successful in that and now they're evolving.

It certainly is able, there's a capability there for individuals to enter the industry at whatever size, big or small, and it's up to them to try to think about what their borrowing capacity is, the size of the operation, the business plan that they've put forward within that operation, and we've seen good successes in that. We're here as a department to help, like the ADL. The department has some support for that, as we do with other, smaller food processors in the province.

So it's really up to – it's the one thing that I have noticed in the industry as a minister, and I've been out of the industry for about 12 years now: There's a much greater emphasis on a real business-like approach to those that are getting involved in agriculture today. They crunch the numbers, they see the optimism, and they find wherever their size and niche would be to what they want to operate and the risks that they want to take, and they're going after it.

Like I said, even the organic sector, I've met with them and they looked at it as business. It's a business opportunity that they have that there's a demand for that product in an organic form or reduced input form, whatever way they want to do it, and they're meeting the needs of what the consumer demands.

Ms. Biggar: Just a follow-up question: Minister, of those 165 farmers that make up ADL, do you think the \$4.5 million that the province donated or contributed yesterday is a good investment?

Mr. Henderson: I think it's an extremely good investment. That's one of the larger companies in the Maritime Provinces. They've shown good bottom lines. They've represented their shareholders, which are the dairy producers of Prince Edward Island, and they are in tune with how to deliver and produce good, safe products.

Like I say, I've met with the CEO there and he sees great optimism for the future and we've had some discussions about future expansions, not just the expansion they have now. You take the issue around butter.

They're at complete capacity, and I think Mr. Chad Mann that was here, I was talking to him at the dairy meeting, they had an opportunity to process some cream from another province – couldn't do it; had to turn it down. So there was opportunity that they've missed.

I think for myself, as minister of agriculture, with the minister of economic development and innovation, we need to be working with companies like that to make sure that they aren't turning away business and not turning away opportunities for profit for our dairy farmers in this province.

Mr. LaVie: (Indistinct) the last minister (Indistinct)

Ms. Biggar: I guess just make a comment: Yesterday it was great to see there at the luncheon with the producers across PEI that many of them had their young daughters with them that are going into farming or are farming with them. They're university students but they're home on the farm in the summer farming with the families and that was great to see.

There was a great cross section of younger farmers in the room as well, and I want to commend them for the work that they do on behalf of Islanders and I think it's a great investment myself, that government has made.

Thank you.

Mr. Henderson: It all stems from opportunity and optimism, and that's what we're seeing in the food industries today, and specifically the dairy industry.

Ms. Biggar: Thank you.

Chair: The hon. Member from Borden-Kinkora.

Mr. Fox: Thank you, Chair.

Just three questions; hearing concern from – has the department ever done any looking into what the margins are that the farmer is making and what the potato buyer or the potato broker is making?

Mr. Henderson: Well, if you're talking specifically in the potato industry, we have

our marketing councils is one issue that sort of works on that side of it. We also have our negotiating teams that the potato board would have as it prepares for negotiations with the processors.

I would say that just about every farmer could probably tell you their bottom line and pretty well know it very accurately. I know when I was farming I pretty well knew my bottom line, what my numbers would be. We are seeing farmers that are signing contracts, so I mean, it's not a case where in the potato industry that there's a lot of open market – there is some, but not to the degree. They're signing contracts based on what they know their bottom line to what the offer is from the contractor. So, I think they have a (Indistinct)

But yes, our department would have some general cost of productions. We have potato specialists, as well as we have dairy specialists and every other commodity specialist and we would have some general numbers on that, and we can provide that.

Mr. Fox: So where the processor is basically – it's a negotiated contract with the processor and the farmers and the potato marketing board, but the farmers are basically at the whim of the brokers who call them up and say they want X amount of containers for table or seed going wherever.

Should we maybe be looking at – we're protecting the ag industry, we're protecting the dairy quota. Should we be looking at a one-desk sale?

Mr. Henderson: What you're talking back to the (Indistinct) issue in the province which was a conversation at one time that was implemented by a previous government. It did not succeed. I would argue that what you're talking is the open market.

Now, there is an organization called the United Potato Growers Association that sort of represents those open market potato growers. They keep pretty close tabs on what the potato industry, the crisis in other locations. Same thing, they tend to usually work with the potential brokers and buyers. We're seeing that happen for Hostess Frito Lay, WD Potato, all those that are out there.

Really, where the risk and the issue comes in the potato industry is the growing season. You can sign your contracts and do all the things you that you have, but if your crop isn't there or you don't get the bonuses that you anticipated, that's where the risk tends to occur.

Now, what we have in our department is our risk management program. So, crop insurance is the ultimate issue that we provide to try to take that out of the equation. But, it's still a moving target. At the end of the day, crop insurance doesn't mean that you're going to dictate a profit; it just reduces your potential of massive losses and being out of business.

Mr. Fox: I understand that.

But, specifically what I'm hearing from farmers is that they'll get a call from a broker and a broker will want X amount of containers and this is what I'll buy it from and the farmer sells it to him; agrees to it, and he later finds out that the margin that that broker is making is astronomical compared to actually what the farmer is making.

Is there any – do we research that or do we look into that?

Mr. Henderson: Well, I wouldn't dispute that per se, but once again that's the forces of free enterprise. I mean, people go out and they find markets and they negotiate a contract and they go out and try to find the product.

I would also add that there's sizable risk in those brokers. We've dealt with one just recently where a number of containers went to Puerto Rico and there was an issue because of the storms and all that stuff, the product didn't get there in time. There's sizable risk. Now, those brokers get insurance in some cases. We have the export development insurance program that the federal government offers for exporting to foreign countries.

You're also dealing with the risks of potential countries that maybe the bureaucracy and things that doesn't quite work the way that they do here and things happen on wars and things happen that can be a problem. The distribution of those

products, once they arrive where we send them to, can be an issue, so all of those people are taking sizable risks. We try to mitigate that too, but we as a department don't physically get inside and say, guarantee anything in that regard. There is making sure that everybody is doing business on the up and up and that they are being fair and provide a good quality product, and whether it's CFIA that inspects the products or the permitting issues that we have making sure that those products that leave our province are in good condition.

That's really all we can do.

Mr. Fox: Recently, down east within the last two to three months there was a land sale of 2,800 acres to a company in Quebec and apparently it's questionable whether or not the proper advertising as per IRAC in that transaction was taken care of, or actually followed.

It's my understanding that that went into the department or somewhere within the government. Why wasn't the advertising, the proper advertising criteria, followed with that land sale of 2,800 acres?

Mr. Henderson: On that particular issue, I'm aware of the situation. It's really more of an issue with communities, land and environment, but I will add to the issue. The first issue is that it was purchased by –

Mr. LaVie: Pass the puck.

Mr. Henderson: – Islanders. So, the names of the people on that corporation, they are shareholders that were Islanders. From that perspective, that's all we can go by.

Mr. Fox: So that land did not go to a Quebec company?

Mr. Henderson: That's correct. There would be people off-Island that are shareholders in that company, but not the majority shareholder. But, that would be a question more for CLE to be more specific.

Some Hon. Members: (Indistinct)

Mr. Fox: So why were the rules not followed as per IRAC in the advertisement?

Mr. Henderson: Well, to my knowledge, like I say, it was an Island company that purchased that land. It was the first issue is that land was owned by an off-Island company to begin with; that 2,800 acres was not owned by an Islander to begin with. When I say begin with, that transaction – I don't know how far back it would have been owned by an Islander so –

Mr. Fox: Four years.

Mr. Henderson: – from that perspective, it was a property that the company in question that's purchasing the property was looking at diversifying, at providing new crops to the province with the potential of growing, processing those crops off Prince Edward Island. As minister of agriculture, we promote diversification of agriculture. We promote Islanders purchasing property and in that particular case, we are taking out of an off-Island ownership and it's between the two, the seller and the buyer, I guess, as far as what the arrangements are.

As far as the advertising side of it, like I say, that's not really my issue whether it was advertised long enough or not. I don't have an answer to that, whether it was or it wasn't.

Mr. Fox: Okay.

Chair: Member from Borden-Kinkora, do you have another question?

Mr. Fox: Yes.

In regards to that, did you say a minute ago that the majority shareholders –

Mr. Henderson: Are Islanders.

Mr. Fox: – for the sale of that land are Islanders?

Mr. Henderson: That's my understanding, yes.

Mr. Fox: How many shareholders are from outside the province?

Mr. Henderson: I know of one, but I don't know –

Mr. Fox: Is that Dennis Bernard?

Mr. Henderson: I believe that's the name, yeah.

Mr. Fox: Okay.

Mr. Henderson: But, he's not the majority shareholder (Indistinct)

Mr. Fox: He's not the majority shareholder?

One final question for now; going back to what the Member from Souris-Elmira said, do you think a good fit – if we were to go with a separate department of fisheries, that a good fit for that would be with fisheries and rural development?

Mr. Henderson: I'm sure it would be fine, but that's not for me to dictate, I guess. I don't develop the portfolios in government. But, it may work fine. It had been in past, that was fisheries and rural development in the past.

Mr. Fox: Exactly.

Mr. Henderson: So –

Mr. Fox: Okay.

Chair: Thank you.

The hon. Member from Vernon River-Stratford.

Mr. McIsaac: Thank you very much, Madam Chair.

I had a question on the CAP, the new Canadian Agriculture Partnership that was officially signed last July but I hear there's another signing coming up this week. But just before I get into that, I just want to note on the comment from Souris-Elmira about sharing the departments there, just from my perspective on it.

I know there's a lot of departments that are together like economic development and tourism, there's education and justice, that sort of thing; however, when we put the – when agriculture and fisheries were put together – it was together before and then it was apart, and that sort of thing. If you look at the history, just over the last couple of years of what happened there when, I think, everyone in agriculture realizes that the Growing Forward program has worked

wonderfully well for agriculture – all the aspects of it – and knowing in that portfolio that that worked so well, when the fisheries was attached to it, the Island was one of the leaders on the fact that we tried to get a fund similar to that for the fishery. The fishery association actually recognized that and now they have the Atlantic Fisheries Fund for \$38 million over the next seven years, which was absolutely terrific. So, in that case, it worked very, very well.

But, to get back to my question on the cap, what is the signing coming up on Thursday, is that the bilats? What's coming up there?

Mr. Henderson: Yes. Well, it's just the signature on the announcement of what the criteria is for funding.

Mr. McIsaac: Yes.

Mr. Henderson: So –

Mr. McIsaac: I think we should (Indistinct)

An Hon. Member: (Indistinct)

Mr. McIsaac: Good to give credit to Lawrence MacAulay on that too, because he has sat at the table with regards to this and worked with all the different ministers across Canada to get a real good program in place there for the next five years; so, kudos to yourself and to Lawrence on continuing that program forward.

Mr. Henderson: Well, I think there should be some kudos to the Member from Vernon River-Stratford too, because he played a pretty significant role in negotiations of all the provinces in putting together the bilateral announcements. So, certainly, you need to be commended for your efforts on growing the agriculture and fisheries portfolio.

Mr. McIsaac: The program is absolutely awesome and it's vital to agriculture, when we look at the different programs built into that. I know you and I, we both see these industries as of vital importance to the province. I know the Premier and Minister of Finance does as well. They balanced the budget and a lot of that has to do with good years in agriculture and in fisheries and in programs such as the Atlantic Fisheries Fund and the CAP – Canadian Agricultural Partnership will continue to help in years to

come. So, for all that were involved with that, and again kudos to Lawrence as well and the federal government.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Yes. Thank you, Chair.

Chair: And is this on –

Mr. Trivers: Yes.

Chair: – the opening statement?

Thank you.

Mr. Trivers: The first thing: I was wondering if they have any handouts for us for this.

Chair: Good question.

Mr. Henderson: I'm sure my (Indistinct) colleague here has a few for you.

Some Hon. Members: (Indistinct)

Mary Kinsman Director: We have handouts on the salary, travel, and there's a combination here of the grants and professional services.

Mr. Henderson: There you go.

Real good reading – bedtime reading.

Chair: Are you good?

The hon. Member from Rustico-Emerald.

Mr. Trivers: I was just wondering if you have an online version of your budget that you were going to send us the link to so we can drill down into the details.

Mr. Henderson: (Indistinct) do that.

Ms. Biggar: Why do you focus on online?

Mr. Henderson: I don't think so.

Mr. MacEwen: He asked for something he could drill down in – not a PDF.

Mr. Henderson: Nothing specific – the budget book itself is online, I guess.

Mr. MacEwen: It's a PDF.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: So, just to be clear: I guess if we want a breakdown of any of the line items, we're just going to have to ask you on the floor here? You don't have anything else you can provide us with?

Mr. Henderson: Well, I mean as you go through what you get there, we'll go through it as I was saying: section by section, line by line and I can answer any questions that we have here, between Mary and I. I would think, ultimately; I'd have to say Mary is very thorough.

Chair: She is.

Mr. Henderson: I don't think there's anything we couldn't find an answer for here.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: I have a question related to mental health of farmers. I wasn't sure what section I should ask that in. Maybe you could direct me to wait.

Chair: If it's in a section, we'll get to it.

Mary Kinsman Director: It's coming up.

Chair: It's coming up, hon. member.

Mr. Trivers: Which section?

Mary Kinsman Director: It will be – farmers would be – it's in the policy and planning section.

Mr. Trivers: Thank you.

An Hon. Member: Agriculture and forestry.

Chair: You're welcome.

The hon. Member from Kensington-Malpeque.

Mr. MacKay: Thank you, Chair.

Quick question, minister. You had mentioned about the land holdings that government currently owns and they lease back to the farmers.

Mr. Henderson: Yes. We have land that we own and we do –

Chair: Is that in this section?

Mr. Henderson: That's more community, lands and environment.

Mr. MacKay: I'm just looking for the amount of land the government owns. I was just –

Mr. Henderson: Oh, how much we would own? I wouldn't – I don't think we would have that information. That would be, like I say, that's under CLE.

Mr. MacKay: I was just curious on your statement. I was just more curious to see how much the government is holding now.

I'm good, Chair.

Chair: You're good? Thank you.

The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Chair.

I just want to start off by –

Chair: Is it related to his opening statement?

Dr. Bevan-Baker: It's related to the statement that was made in the House about me just a few minutes ago –

Chair: Okay.

Dr. Bevan-Baker: – and I took exception to the Minister of Transportation, Infrastructure and Energy and the Status of Women who suggested that I was not supportive of the money that was granted to ADL.

I think I made it extremely clear in my statements that I'm a huge supporter of ADL and the work that they do and the statement that I made was to describe a conversation that happened last evening at an event in Emerald where there were 30 Islanders

talking about creating policy on PEI and the discussion that happened there. It was not my suggestion and I just want to make it clear for this House that I am an absolutely unashamed supporter of ADL.

Thank you.

Chair: Thank you.

The hon. Member from Morell-Mermaid.

Dr. Bevan-Baker: Sorry, I have another question.

Chair: Oh, sorry.

The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you.

Leader of the Opposition: That wasn't actually a question.

Dr. Bevan-Baker: That wasn't a question. That's absolutely true.

Leader of the Opposition: That was a preamble.

Dr. Bevan-Baker: I'm interested in the international trade agreements and the potential impact that they may or may not have.

I want to start off by talking about CETA, the Comprehensive Economic and Trade Agreement with Europe, which is, it's ratified, but there are certain parts of it that have not been adopted yet. I'm particularly – and this is prescient because of the discussion we've just had around cheese – do you have any sense of what the CETA agreement, the impact that it may or may not have on cheese producers here on PEI?

Mr. Henderson: I guess from that perspective, CETA is an opportunity for Canada to provide access into the European market. There are some changes in the tariff rate and the quotas that are going to be established in that. I've had some conversations with ADL, in particular, on what impacts that this might be having on them. At the moment, they're not seeing any significant impact, in fact, they're seeing that they're working out some arrangements with companies in Europe to use their

recipes and blends and processing it here on Prince Edward Island.

But it does limit the amount of – we have to allow access of some cheese products – I'm just trying to think of the percentage – 6.5%. So, it could have some impact, but at the moment we haven't seen that and the markets haven't been established enough to see that those European products are catching on here and that they would justify a volume that would mean that they would export them from Europe to Canada. So, it's a little bit of a wait and see; but I'm pretty optimistic because we have good quality products and we have the capabilities of food traceability and biosecurity that is second to none in the world and we can trace and target products that no other country can, really.

I think that's going to open doors and give you a higher, premium price in places like Europe, or in Asia, for that matter too. I don't know of any big, specific impact that's been had for a problem at this point, but we'd be certainly watching it.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Chair.

I hope this is okay because there is no real section whereby you can introduce questions about international trade agreements related to the budget.

One of the major focuses of this government, and particularly when it comes to commodity markets, is exports. We're currently in a very volatile world when it comes to international trade agreements, particularly the North American Free Trade Agreement. Are there concerns within your department, minister that the volatility and the unpredictability of current markets into the future are going to have an impact on farmers' wellbeing here on PEI?

Mr. Henderson: Good question and actually that was a question that was asked at the Dairy Farmers of PEI just recently. If there are two things that concern me as the Minister of Agriculture and Fisheries, one is the issue around the NAFTA and where that's going to lead.

In government and business, you like to have stability and currently in the US decisions seem to be made rather erratically and it gives you concern as a minister of agriculture – if NAFTA doesn't work out to the way we would – they might have some impacts on us here on Prince Edward Island. It concerns me.

The other is, like I say, the issue around right whales is a concern. We have to make sure that – as industries, and commodities, and sectors that we're making sure that we're keeping the concerns at bay in those issues so that we can keep those markets open because those are issues that they'll have impacts. We've already seen some issues around the sustainability fishery in the snow crab industry because of the right whale issues. So that's a concern. Then, that precipitates a protocol that's been put in place, if I said the snow crab industry. We hope. We just don't know how it's going to impact; once again, there are protocols around it.

If three whales are sighted within a certain quadrant then that's going to shut that area off from the fishery for a period of time. If there are a certain amount of whales that go in front of a – where a ship – shipping lanes, that means that lanes would have to change. It's something that we're monitoring. I don't know – the best minds have – did everything that they can in that particular case, no different than the NAFTA.

In the question that I had there today around NAFTA, is that we don't know, as a province, right today, how the negotiations are going. I don't know if anybody does. It's all pretty top secret. So, all we can do is that if there an agreement in principle signed then, as a province, like other provinces in Canada, we'll get an update on what those – what it looks like. Then, at that point in time, I guess we have to try to deal with the issue and make sure that as the final negotiations and agreements are signed then, that, you know, whatever concerns we might have would be addressed.

Volatility is bad in politics; it's bad in business and we'd like to see some issues that are much more stable. It seems that hasn't been happening in the US recently, anyway.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Chair.

I don't even think that the negotiators know how the negotiations are going –

Mr. Henderson: So it's hard thing –

Dr. Bevan-Baker: (Indistinct)

Mr. Henderson: – for us to predict.

Dr. Bevan-Baker: Is there anything, therefore, and not knowing whether those markets will even be available to us in the same manner they are now, a month from now, six months from now, a year from now. Are there any provisions being made within the department to look at alternative markets to replace if anything should go south–

Mr. Henderson: Well –

Dr. Bevan-Baker: – looking south.

Mr. Henderson: – I mean trade is more a federal jurisdiction. They've worked on, whether the Trans Pacific Partnership or CETA. I would say that there's – we're always looking at markets that might be established. I know US, Puerto Rico, places of that nature. Venezuela, we've seen that. Saudi Arabia, Qatar.

I mean, as a province, we're trying to support our business community that may identify a particular market. But, my department, agriculture and fisheries does not specifically go out trying to create those markets. That really would be more economic development and innovation, tourism, those kinds of things; identifying new markets.

The Premier has hosted a number of trade missions. We've seen trade missions to Europe. We've seen trade missions to Asia. I think there's one planned for China, maybe, in the coming –

An Hon. Member: (Indistinct)

Mr. Henderson: Yeah, you know, so when those things occur, businesses take the opportunity to tag along on those trade

missions and then try to create some business opportunities.

The Premier, and myself and Minister of Economic Development and Tourism were down at the Boston seafood show. There are business transactions get made there. There are contacts that become forge relationships and those relationships usually start off with a small purchase and then it eventually gets bigger and bigger all the time. We've seen our exports in this province increase and most of that is based on food.

Chair: The hon. Leader –

Dr. Bevan-Baker: I'm good for now.

Thank you, Chair.

Chair: The hon. Member from Morell-Mermaid.

Mr. MacEwen: Thank you, Chair.

Minister, you and other ministers have always been good to talk about trying to get this information online, and the whole open data cause. I know the member from Rustico is a constant pusher of it.

We've always been – when we asked those questions – we've always been received, by most ministers saying: do you know what? That's a great idea. We should really look into that. I've only been here now, for what? Three years. It happens every single year.

What conversations actually happen at Cabinet or is it just a: here, yeah, we'll think about it, and we don't ever think about it again until the next time we ask you on it. Like, you're a pretty progressive guy. You've been in a couple of departments now. What are you doing? What are you encouraging? What –

Mr. Henderson: Well from my –

Mr. MacEwen: – because, you know, we get a PDF, we get this stuff. We get all kinds of paper but there are good people out there that could dive into this stuff. I mean, you know, I'll let you –

Mr. Henderson: I guess from my end, we have our budget as a document that gets tabled whenever the Minister of Finance

decides to table a provincial budget. That provincial budget is in print. I'm pretty sure it would be online somewhere too, a copy of our budget. It's really a matter of how much detail you get into. We've got a fair bit of detail here in our staff, our particular budgets, our grants that we've issued.

I'm here to answer any questions. I'm not very technical on the computer side of it, so I'll have to say maybe some other departments, ITSS or some of them will have to figure out that formula, whatever works. I'm not opposed to it.

Mr. MacEwen: Perhaps, I spoke a little bit too soon on the progressive part there.

You say we have a budget book that's thick as anything and it's online. It's a PDF online. I'm sure you know this, but there are thousands of spreadsheets that go into making that budget book that is – actually it has to be changed from a spreadsheet into a document that nobody can manipulate or nobody can use the data for anything good.

Those spreadsheets are there. You probably have them in front of you. Your staff has them. They're electronic. That's the type of stuff that you could have. We could be sending that stuff out. I know we can't send it out, obviously, until it's tabled and all that stuff.

What is the initiative at Cabinet? How often does it come up? Yeah, let's get with the program, here. Let's get ahead rather than just doing it this old, old fashioned way.

Mr. Henderson: Well I guess from my end, I haven't brought it up to say that I think it all should be online. In the end of the day, to me that would be a decision that would be made by those, either the Premier, or whoever is in charge of the computer programs that issue those documentations and communications. Some of those things would make those decisions. From my end, I'm here to answer any questions that I can answer and to provide as much information as I possibly can to this Legislature.

Mr. MacEwen: Minister, will you commit to being the person that speaks up next time and says: why don't we stop these guys and girls from asking the same question every

single time and actually maybe move forward on it?

Mr. Trivers: Hear, hear!

Mr. MacEwen: Will you bring that up at your next –

Mr. Henderson: That's fair –

Mr. MacEwen: – Cabinet or caucus –

Mr. Henderson: – enough –

Mr. MacEwen: – meeting?

Mr. Henderson: – I will make that request that more openness for these documents be committed.

Mr. MacEwen: I think you'd be surprised at what people out there can do for you. Like you know, they –

Mr. Henderson: Oh, no doubt.

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

Ms. Biggar: Thank you, Madam Chair.

Minister, we did talk earlier about some of the small, craft cheese-makers across PEI and the great company, you know the great small companies that they have.

Is there anything within your department or any other programs that you know support them in assisting in their businesses or their production?

Mr. Henderson: The first one would be the Future Farmer Program. Some of them can be farmers and food processors, at the same time.

Most of the processes, that does tend to be more under economic development and tourism, but I'm quite confident that all those smaller operators, if they are organic, we have programs to help promote the organic industry and the organic agriculture. We're there to provide as many programs as we can. If you're getting into issues around developing a cheese processing plant, the equipment itself, that's really more economic development and tourism. That would be our side of it.

Ms. Biggar: Great. I'll ask that question to –

Mr. Henderson: Yeah.

Ms. Biggar: – the minister, later –

Mr. Henderson: – pass the buck –

Ms. Biggar: – thank you.

Mr. Henderson: – off.

Ms. Biggar: Great.

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

Ms. Biggar: Maybe you can answer that now?

Mr. Palmer: Thank you, Chair.

I can answer that now. We do have great supports for small business right across PEI. Any business that wants, or looking for supports, we're there through Finance PEI and through Innovation PEI.

Actually, in Finance PEI, 60% of our loan portfolio is held in rural PEI, which, I think, was a question that someone had asked earlier.

What I wanted to talk about was the volatility of the export markets that the Leader of the Third Party had mentioned, which I heard him talk about before. The world is a large market and by us selling to the market in the world kind of diversifies some of that risk for us. We can find new markets when we're there.

We just completed our fourth consecutive year of record-breaking exports. We're at \$1.4 billion, I believe, in international exports. We are selling across the world and it's revenues that are coming back into PEI are paying for things like schools and hospitals and roads and creating jobs. Those are really important.

As the minister had suggested, on a recent trip that we were at to the Boston seafood show, we know there was a lot of commerce happening there. There were new markets being found all the time. I think that the business community here is very resilient. They're able to understand their customers

and are able to find new customers. They're continuing to grow all the time.

While that volatility exists in all businesses, we know that our operators on PEI are really good at finding new markets and trying to minimize that risk. I just wanted to get that clarification in there on that export side.

Chair: The hon. Member from Montague-Kilmuir.

Mr. Roach: Thank you, Chair.

Minister, there was a question brought up about the markets that might be opened up through CETA, or have we seen anything, yet?

ADL, who was in here, today, they have some of the – and I know that they've received awards for some of the best cheeses, literally, in the world. Do you see that there's a tremendous opportunity for ADL to increase exports on those high quality and well-awarded cheeses in the future that would be opened up, perhaps, a little bit more through CETA?

Mr. Henderson: Definitely. That's part of what, you know, ADL has, is renowned for making a really good product. We feel that they can compete on the European market. Where we're seeing their benefits, currently, stems a little bit more around the issue of the fact that some of the European access that's provided to Canada, that they will work out some partnerships, ADL, and be able to make some of the blends and the recipes of those particular products for them over there because of the transportation issue.

Now, the concern, over time, does become – you wonder whether if that volume increases in those recipes whether those other businesses in Europe may want to be made more cost effective in delivering that. So, there's a concern, but I think you're seeing that the market is growing just even in Canada at a very rapid rate.

They do they have controlled access in the fact that it is a supply-managed system even though the door has opened slightly. We think – and that's why programs and investments like what we did yesterday, and what we will do, hopefully, in the future, will make that business be as competitive as

it possibly can be and it can be able to be strong enough to withstand those types of challenges that will be out there.

Ultimately, you know, the world is a capital system. It's out there for free market. We just need to be able to make sure that we make sure our businesses are as competitive as they possibly can be because we think we have good products. The second issue, we've got the food safety and traceability issues that I don't think anybody else can challenge on us.

That opens up the door from even a biosecurity issue. If you look at the issue of when the mad cow hit, the BSE hit back 2005, I think it was, or 2003, you know, those things haven't – won't happen now because we have the biosecurity measures to identify. Animals are identified now from ear tags so they can be traced within hours to where exactly the trail of that animal was. When you do have issues that happen, we're talking shutting down 10 kilometre radiuses versus the whole country. That's the key.

That's what our department is really making sure that, through Carolyn Sanford and our provincial vet, we're really making sure that, as we go through all the commodities, so we're not – we're just starting, but, you know, we've got, as we go through them and – we met with the cattlemen's association recently, and briefed them on some of the issues that's coming.

Another issue is antimicrobial resistance. That's an issue that Europe is really concerned about and we have to make sure that we're putting in the measures to make sure that they're okay with what we're doing here, so we can access those markets. So, ADL and others.

Mr. Roach: Thank you.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

Chair, this is a question for you, actually –

Chair: Sorry, for me?

Mr. Trivers: Yeah, for you.

I'm just wondering what order we're calling the departments in for the Budget. There are various people who are following along, they want to come and watch in the gallery, this sort of thing. Is that any information that you can give?

Chair: Yeah, sure. I think we're doing agriculture and fisheries, and then, I think, education, early learning and culture is next.

Mr. Trivers: Do you have a full list of –

Chair: No.

Mr. Trivers: – or is it day-to-day, sort of?

Chair: It's alphabetical.

Mr. Trivers: Alphabetical. That's very easy.

Thank you, Chair.

Chair: You're welcome.

The hon. Member from Borden-Kinkora.

Mr. Fox: Thank you, Chair.

Do you know of a – minister, was there a study or a report done on the different forms of irrigation and land that wasn't irrigated in how nutrients or fertilizers broke up? Was there a report done on that, or was there something come out on that?

Mr. Henderson: I don't know specifically, but you are very correct in saying that irrigation itself does not necessarily dictate an outcome. Irrigation is a science in itself, and timing, amounts, there is a lot of factors that go into having a successful outcome from irrigation, and a successful investment from the irrigation system.

I do believe we are doing something around that, but I'd have to get back to you on that to know –

Mr. Fox: If you could.

Mr. Henderson: – more specifics. I'll do that; I can get back to you at any time on that.

Mr. Fox: One other question: How does the department determine professional fees or

professional services? Who they contract them out to, is that done by a tendering process?

Mr. Henderson: I'd imagine we follow in all the protocols for all tenders. Mary, do you want to add anything to that?

Mary Kinsman Director: Yes. Depending on the amount, they would be tendered or a request for proposal would go out. In some cases, if it's a certain sector that we're going for we might send out – we might target a number of consultants in that area. If there are five on the Island, we'd send out a package to five of them, type of thing; make sure that they were aware of them.

If it's a small contract, we may still source it.

Mr. Fox: Last fall, I think it was, or maybe it might have been last spring, we learned that IRAC, basically, they just only call legal firms or professional firms within the City of Charlottetown, they don't bother going outside the city.

Here, I noticed, on page 3 of this Department of Agriculture and Fisheries, 2018-2019 Budget estimates, it says legal services –

Chair: Let's wait until we get to that. Can we wait until we get –

Mr. Fox: Well, I wanted –

Chair: – to that section?

Mr. Fox: – it's a general question about –

Mr. Henderson: Well, I spoke to that.

Mr. Fox: – tendering. Let's go to that.

Mr. Henderson: Skip over it.

Chair: Yeah.

Mr. Fox: Let's go to that.

It says: provision for legal services for whatever-the-word-is in Agri Stability, programs, appeals services provided by Carr, Stevenson & MacKay legal firm.

My question is: When we contract out to

legal services do we ensure that all legal firms within the Province of Prince Edward Island have a crack at it?

Mr. Henderson: I'll ask Mary to answer that.

Mary Kinsman Director: Legal services do not follow under the same procurement guidelines as goods and services. Legal services is separate. So, no, we don't have to tender legal services.

Mr. Fox: So, who makes a determination of who, what firm gets the contract?

Mr. Henderson: My one comment on that particular legal firm, my understanding is that they sort of have a specialty around that particular subject and that's why they tended to be the one that we deal with on that. Just because you're dealing with the AgriInsurance programs, crop insurance, so there's, you know, a little more particulars that are pertaining to that particular subject.

Mr. Fox: Have we ever gone to other legal firms and ask if they have any expertise in the subject?

Mr. Henderson: I'm not aware of that.

Mary Kinsman Director: In this particular one, as far back as I know, Carr, Stevenson & MacKay has always provided that service. They are the expert that works with that particular board.

Mr. Fox: Okay, thank you.

Chair: Hon. members, I'll direct you to the top of page 24.

Department Management

Corporate Services

“Appropriations provided for operation of the Minister's and Deputy Minister's offices and centralized administrative functions for the department.” Administration: 57,100. Equipment: 3,000. Materials, Supplies and Services: 44,500. Professional Services: 15,600. Salaries: 385,900. Travel and Training: 65,400. Total Corporate Services: 571,500.

Total Department Management: 571,500.

Shall the section carry?

Mr. Trivers: Question.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

I might be doing the math incorrectly, but I'm looking at the permanent position staff list and I'm adding up the salaries for corporate services and even if I take the top end of the salary range, again, maybe I'm doing this incorrectly, but it's not coming out to 385,900.

Mr. Henderson: I can give you the explanation of that. As you'll see –

Mr. Trivers: Yeah.

Mr. Henderson: – a little later on, is that we now have a provincial vet position that's been established and that will be under another budget line. Last year, that position was put in just in our departmental management side of it, we've now got a permanent position there. So there will actually be two positions there. So that will be created in – I don't know what section is it, but it's coming up.

Mr. Trivers: You've added – you've taken the vet position –

Mr. Henderson: We've taken –

Mr. Trivers: – out of corporate services.

Mr. Henderson: That's right. We've taken it out of the corporate departmental management side of things and we'll be giving it an actual budget line because that position will be a permanent position and that's Dr. Carolyn Sanford –

Mr. Trivers: So –

Mr. Henderson: – and (Indistinct)

Mr. Trivers: – that means that the Budget document is out of date with the salary list?

Mr. Henderson: No, it's just that we have to identify what was for last year based on what we spent it last year. The department has made a decision to create a section; it's a

provincial vet section. It's coming up here, section – I don't know where the section number is, but anyway. Regardless, and that will have – that salary will be incorporated into that, so that's why it's out of this, into that. You'll see the opposite when we get to the next one.

Mr. Trivers: Thank you, minister.

Bear with me here. The salaries are \$385,900 in the estimates, right?

Mr. Henderson: Yes, and it used to be \$500,400 and –

Mr. Trivers: Yeah.

Mr. Henderson: Okay, so that's the difference of about \$155,000.

Mr. Trivers: I'm looking at the handout though; the corporate services handout.

Mr. Henderson: Okay, well I'll ask –

Mr. Trivers: The two don't match up. They're not a huge difference. Well, you know tens of thousands of dollars.

Mary Kinsman Director: Yes, this handout that we have on salaries is our organization as of April 1st and so the salary that you see there for \$385,900 is for corporate services for 2018-2019. You see our salary did go down quite a bit in that particular area because we've created a new division; the office of the veterinarian's office. So, it's going to come up – if you turn the page and look at page three of the handout, you'll see Office of the Provincial Veterinarian.

Mr. Trivers: I understand why it went down from last year and that you established the new office.

Mary Kinsman Director: Yes.

Mr. Trivers: But, this year's budget estimate in the estimates and revenue does not match the total of the salaries corporate services on the handout, unless I'm doing the math wrong, which is (Indistinct)

Mary Kinsman Director: No, actually we list the positions here.

Other things that we have in salaries would be honoraria because we have a natural products appeals, a board here, and then you would have your benefits would all be in the salary budget. This is the salary range for the positions that are here. There are other costs in salary other than salary range for the individual that doesn't include benefits, honoraria, and I think we had over time and that type of thing. There's no over time in this division, but that type of thing.

Mr. Trivers: Are there any bonuses offered in this area?

Mary Kinsman Director: No, no bonuses (Indistinct)

Mr. Henderson: Bonuses.

Mr. Trivers: I don't know. I'm just trying to think of other things that would be in that –

Mr. Henderson: I don't mean to laugh at that, but yeah government doesn't do many (Indistinct)

Some Members: It's not that uncommon.

Mr. Trivers: Who would receive honoraria in the corporate services area?

Mr. Henderson: It would be the boards, right?

Mary Kinsman Director: Yes, we have a board called the Natural Products Appeals Tribunal.

Mr. Trivers: Natural Products –

Mary Kinsman Director: Natural Products Appeals Tribunal.

Mr. Trivers: Appeals tribunal?

Mary Kinsman Director: Yes, they're not government employees. They're a board.

Mr. Trivers: Is the information for that board all online?

Mr. Henderson: I'm pretty sure.

Mary Kinsman Director: I haven't Googled. I'm sorry, I haven't looked online on that particular board, but yes. It would be

under – because of the marketing council, it would be there.

Mr. Trivers: Thank you, Chair.

Chair: The hon. Member from Souris-Elmira.

Mr. LaVie: Thank you, Chair.

How many full-time positions are in this section?

Mr. Henderson: In that section? I think four staff.

Mr. LaVie: Four full-time?

Mr. Henderson: Four staff. I believe they are all full-time.

Mr. LaVie: Are there any part-time staff in this section?

Mr. Henderson: Not that I see, no.

Mr. LaVie: You took some staff out of this section and moved it into another section?

Mr. Henderson: That's the provincial vet position, yes.

Mr. LaVie: Yes.

Is there going to be any decrease in this department?

Mr. Henderson: It is decreased. It's decreased by –

Mr. LaVie: Well, it's just moved.

Mr. Henderson: No.

Mr. LaVie: You just moved it.

Mr. Henderson: This section is decreased by, as it looks here, about \$155,000 in salaries and that's going to be increased on the next section –

Mr. LaVie: That's what I mean.

Mr. Henderson: – when we get to section 806.

Mr. LaVie: That's what I mean. So, you just moved that position.

Mr. Henderson: That's correct, yeah. Well, in fact, it will be increased because it's now got a departmental section so it will have some staff there besides just the vet itself. Last year we just had the vet; we're going to be adding another position.

Mr. LaVie: Oh, so this is going to increase?

Mr. Henderson: Not this one. This is a decrease, but when we get to section 806 you'll see an increase of more than 155.

Mr. LaVie: Okay, you moved the position out of this one and created a new section?

Mr. Henderson: Because we want to make it a permanent –

Mr. LaVie: Which, I understand that.

Mr. Henderson: We want to make it a permanent.

Mr. LaVie: So now there are no more decreases in this section?

Mr. Henderson: Not than what's listed, no.

Mr. LaVie: No, there is going to be no more decreases?

Mr. Henderson: And we're a department that strives to be on budget and we have been in the past, and I have every expectation we will continue to be.

Mr. LaVie: Well, we seen what happened the last minister. You booted him out, so –

Chair: Are you done, hon. Member from Souris-Elmira?

Mr. LaVie: For now, yeah.

Chair: Thank you.

Shall the section carry? Carried.

Farm Business Risk Management

Farm Business Risk Management

“Appropriations provided for administration of the Department's farm income support programs.” Administration: 60,500. Equipment: 9,300. Materials, Supplies and Services: 35,700. Professional Services:

91,000. Salaries: 2,028,500. Travel and Training: 232,900. Grants: 11,183,900.

Total Farm Business Risk Management: 13,641,800.

Total Farm Business Risk Management: 13,641,800.

The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you, Chair.

I see that the budget forecast and the budget estimate has gone down by about \$1.5 million. Can you explain why that is?

Mr. Henderson: I believe that's –

Dr. Bevan-Baker: The grants, I'm talking about.

Mr. Henderson: Yeah, it's on our grants section. Mary?

Mary Kinsman Director: This is the business risk management. We have three programs, AgriInvest, AgriStability, and AgriInsurance. They are demand-driven programs. Both the AgriInvest and the AgriStability came under budget, but that will fluctuate from year-to-year depending on the growing season, market prices and that type of thing.

Then, the AgriInsurance, when we had prepared the budget last year we were expecting a 10% reduction in premium rates where it actually went down 17%. There was some extra funding that was left within that program.

Dr. Bevan-Baker: With the AgriStability program, it's my understanding that farmers have to pay out a fairly large chunk of that before they can put a crop in the ground and that presents, for some farmers, I think an economic hardship, perhaps, or disincentive. Has there ever been any talk of changing the fee structure on when farmers can pay into that?

Mary Kinsman Director: Do you actually mean the AgriInsurance program?

Dr. Bevan-Baker: I'm sorry –

Mary Kinsman Director: Yes.

Dr. Bevan-Baker: AgriInsurance, yes.

Mr. Henderson: I thought you were –

Dr. Bevan-Baker: I said AgriStability.

Mr. Henderson: Okay.

Dr. Bevan-Baker: My mistake, I'm sorry. It's the insurance program.

Mr. Henderson: So what was your question, again, on the AgriInsurance?

Dr. Bevan-Baker: That farmers have to pay out a fairly large percentage of that before they can put a crop in the ground, and that's a large economic disincentive for particularly small farmers; I'm wondering whether there's ever been any discussion about changing that fee structure or government helping farmers with that, the hundreds of thousands of dollars, in some cases, just to get a crop in the ground.

Mr. Henderson: Well, the first issue on anything to do with AgriInsurance, it is a federal-provincial program. So, any changes to that particular program have to be agreed upon by the federal government and it's most likely a case where it'll be all of the provinces. It becomes rather complicated to make it specific to, say, PEI or PEI's needs.

The whole concept is that it's supposed to be cost-neutral over a period of time. We're responsible for all of the administrative costs to it, and the federal government, the province and the farmers all contribute and over a period of time, it should be generally cost-neutral. It's been an extremely successful program, but each farm basis it on its farm history, right? If your history is a bit lower and you've had claims over a period of time, your premiums are either going to be higher or your guarantees are going to be lower.

We're always trying to look at ways to try to make it more cost-effective to the farmers and things like that. In fact, premiums had gone down previously. They're going to start to creep back up based on last year's numbers, but they're still going to be lower numbers than, I think, 2016 numbers, as an example.

I'm just saying it's not as easy to say we should change that or we could make it because we're talking a federal-provincial relationship here and it's even as simple – I know one example – I wanted to make it more accurate and having more weather stations because it's weather-based. The more weather stations would make it more accurate. I can't, as a minister, just automatically say there should be a weather station here or there. We have to make the request through to the federal government and the crop insurance and see if they agreed to what we – in general, they have agreed to that one, but I'm just saying: It's not as – directly that the minister of agriculture of PEI can say this or that and makes it happen immediately.

Dr. Bevan-Baker: Thanks.

You segued nicely into what my next question was going to be, which is about the volatility of the weather and how that is presenting an every-growing problem for producers –

Mr. Henderson: Yes.

Dr. Bevan-Baker: – and farmers who'd be top of that list, probably. When the insurance agents forecast or look ahead, are they predicting that this is going to be a steadily increasing cost for farmers in order to be a part of these programs?

Mr. Henderson: What my only comment would be is that we have seen premiums drop and they are still lower today – the premiums that will be set for this coming year are going to be lower than 2016 year premiums. So, it's so hard to predict, but I think the concept of this is still about making sure that our premiums equal our claims over a period of time and to take out the peaks and valleys that cause farmers the possibility of going out of business in one year because something went a little bit wrong based on a weather cataclysmic event.

So, yes, we could predict that climate change has seem to have indicated that there seems to be more extremes, so that causes everyone, I suppose, a bit of concern and that that could equal that the premiums may increase over a period of time, but at the

moment, we're still dealing with numbers that are lower.

So, there's other factors that come into this and the guarantee, as an example, on the science base that's been put in place in making sure that we're fertilizing our crops to exactly what the crop needs – the science is out there to make sure we're getting maximum benefit from our inputs and that has seen our yields increase, which makes it better too. So, it's hard to know where these things will lead into future, but crop insurance is designed to take those averages over a period of time and there's a bit of a lag that goes with that and that's why we would see premiums – if there's another claim year next year, you'll see premiums probably go to a new level of 2019 level or 2020 levels, but today they're still lower than what they have been.

Chair: The hon. Leader of the Third Party.

Dr. Bevan-Baker: Thank you.

Clearly this is an economic way to ensure your crop –

Mr. Henderson: Yes.

Dr. Bevan-Baker: – and critical for many farmers –

Mr. Henderson: Take the risk. It's all about risk management.

Dr. Bevan-Baker: – but there are other ways, for example: the way that you choose to farm your land. Some farmers who diversify crops that they have sort of create insurance for themselves. If there's a bad year for this thing –

Mr. Henderson: Precisely.

Dr. Bevan-Baker: Is there anything in your department where you are encouraging farmers to diversify their crops, whether than grow monocultures?

Mr. Henderson: From a purely crop insurance perspective, there's quite a wide diversity of crops that are insured and when you select a new crop and you have a new history on that particular crop on your farm, you set – it's kind of a provincial average number that they set the yield numbers at

and then you come in at that level and you take the provincial average and whatever your yield and year two is going to have an average of the three. You know what I mean? It sort of levels it out. So, that in itself is there for farmers.

We also have added on more commodities that are qualifiable under these programs, so if there are new, diversified crops, eventually they could come under the crop insurance program. Like right now, the issue around peas and pulses is starting to be an issue and we'll probably be developing a program around that.

Blueberries are added in, livestock has been added in, so it evolves over time – but that's, once again, based in discussions with our board. There's a crop insurance board that makes recommendations to government and the federal government to make those requests.

Dr. Bevan-Baker: Thank you, Chair.

You mentioned earlier that this program should be revenue-neutral. Could you have supplied figures over the last two or three, five years as to whether that, indeed, has been the case?

Mr. Henderson: We would have that.

Mary Kinsman Director: Yes. What happens with – we collect premiums and one thing about the insurance program: it's a third, a third, a third. So, the federal government pays a third, the province, and then the producer – generally over the whole program.

We collect premiums and we payout indemnities. Any money that we collect and not spent, we put into a fund. It always remains to payout indemnities down the road. I think the previous four years; money was going into the fund. Our rates have gone down; they went down 41% over three years. So, this last year, we actually had to go into the fund and we used a little over \$4 million from the fund. So, there's that – we also buy reinsurance, but we sell – the total insured value of insurance is closer to \$240 million. We collect premiums, we have the fund, and we buy reinsurance to cover that.

Dr. Bevan-Baker: Thank you, Chair.

Chair: Thank you.

An Hon. Member: Call the hour, Chair.

Chair: The hour has been called.

Minister, I just need you to read this.

Mr. Henderson: Madam Chair, I move that the Speaker take the chair, and the Chair report progress and beg leave to sit again.

Chair: Shall it carry? Carried.

Mr. Henderson: Good start, Mary.

Mr. Speaker, as Chair of a Committee of the Whole House, having under consideration the grant of supply to Her Majesty, I beg leave to report that the committee has made some progress and begs leave to sit again. I move that the report of the committee be adopted.

Speaker: Shall it carry? Carried.

This House will recess until 7:00 p.m. this evening.

The Legislature recessed until 7:00 p.m.

Orders Other Than Government

Speaker: You may be seated.

The hon. Member from Belfast-Murray River.

Ms. Compton: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the hon. Member from Borden-Kinkora, that the 9th order of the day be now read.

Speaker: Shall it carry? Carried.

Clerk Assistant (E. Doiron): Order No. 9, *An Act to Amend the Municipal Government Act (No. 2)*, Bill No. 111, ordered for second reading.

Speaker: Hon. Member from Belfast-Murray River.

Ms. Compton: Mr. Speaker, I move, seconded by the Honourable Member from Borden-Kinkora, that the said bill be now read a second time.

Speaker: Shall it carry? Carried.

Clerk Assistant: *An Act to Amend the Municipal Government Act (No. 2)*, Bill No. 111, read a second time.

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

Ms. Compton: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the Honourable Member from Borden-Kinkora, that this House do now resolve itself into a Committee of the Whole House to take into consideration the said bill.

Speaker: Shall it carry? Carried.

Hon. Member from Borden-Kinkora, would you mind coming and chairing the Committee of the Whole House?

Thank you.

Chair: The House is now in a Committee of the Whole House to take into consideration a bill to be intituled, Bill No. 111, *An Act to Amend the Municipal Government Act (No. 2)*. Is it the pleasure of the Committee that the bill be now read clause by clause?

Would you like to give an overview of the bill?

Mr. Trivers: I would.

Ms. Biggar: What bill number is it?

Chair: Bill No. 111.

Would you like to call a stranger to the floor?

Mr. Trivers: Actually, I'd like to give an overview, if that's all right with you, Chair.

Chair: Go ahead.

Mr. Trivers: Thank you, Chair.

Bill No. 111, as you can see is *Act to Amend the Municipal Government Act (No. 2)* and really when the *Municipal Government Act* came in, as you well know there was a lot of debate on the floor and a lot of questions asked and there were amendments that were

voted down, and other amendments that we said we might propose, but we didn't.

This bill is not meant to try and, through lack of a better term, correct all the deficiencies of the existing *Municipal Government Act*, but this bill is meant to address very specifically the situations where unincorporated areas really don't have enough of a voice. This is the feedback, of course, that we're receiving from Islanders. That's why it's limited to the five clauses that you see in the bill. And, a sixth one, of course, with the proclamation of the Lieutenant Governor general.

The idea was was to try and use the framework of the act as it was written and respect how that was done. For example, there is the 30% of people that are required on a petition by an unincorporated area to put forward a proposal for a new municipality. We wanted to stick with that sort of number.

We also wanted to use the democratic tools that are available to the Legislative Assembly and make sure that those were used to engage unincorporated areas. Things like petitions, which, of course, was already used in the bill; plebiscites, right? Which, of course, we had a plebiscite on electoral reform. As well as, public hearings. You'll notice in the bill that there's no mandatory public hearing and that's one of the changes we want to make; have public hearing mandatory, if there's opposition to a proposal.

Finally, we wanted to make sure that the elected representatives of the unincorporated areas, who, at this time, are the Members of the Legislative Assembly. Indeed, all of the Members of the Legislative Assembly have an opportunity to express their views and debate recommendations with respect to municipalities on the floor of the Legislative Assembly. That's a key component to this.

Then, the minister can take the will of the Legislative Assembly, taking into account the petitions, the plebiscites and the public hearings, as well as the recommendation from IRAC. Of course, having IRAC take into account the petitions and the plebiscites and the public hearings, and take the will of the Legislative Assembly when they do go to Lieutenant Governor in Council to make

the recommendation on what to do with the proposal.

Really, the purpose of this is to ensure that unincorporated areas on Prince Edward Island have a legislated voice in the municipal process, whether that be amalgamation, or annexation. I know those terms aren't used in the current act. They were taken out with the new *Municipal Government Act*. I believe it's called new municipalities or restructured municipalities. We want to ensure that unincorporated areas have a legislated voice using the democratic tools of our province.

That's the basic overview of where we're going with this bill. I'm very serious that it's given consideration to be passed, because without it in place, of course, unincorporated areas can be annexed without a full voice. That's a critical problem and it's one that we really need to address. Right now, public hearings are not mandatory even when an objection is proposed. There's no formal plebiscite, no petition is required for a minister or municipality to actually make a proposal. Then, of course, it's just the minister taking the recommendation from IRAC straight to Lieutenant Governor in Council without the say of any of the elected representatives of the unincorporated areas.

We want to correct those problems. It's important that we correct them now before restructuring and creation of municipalities that includes annexation of unincorporated areas takes place in an undemocratic environment.

Chair: Would you like to invite a stranger to the floor?

Mr. Trivers: Yes, I would. I'd like to invite Mr. Dave Pizio to the floor.

Chair: Before we start, Dave, if a question is put before you, or if you have to make a statement could you please, for your record, say your full name so that the Hansard can pick it up and have it transcribed into the record?

Dave Pizio: David Pizio.

Mr. Trivers: Chair, if it's all right with you, I wouldn't mind if Dave gave a little overview of where he lives on the Island and

what his involvement has been in the municipal processes and why I would have called him to be the stranger on the floor today to help with this Bill No. 111.

Is that all right, Chair?

Chair: Yes.

Dave Pizio: Mr. Chair, I thank you for the opportunity to bring and voice some of the concerns.

My position right now, I'm the administrative officer for the rural municipality of Greenmount-Montrose. I was formerly the mayor, but with the new MGA and the amount of administration to be done – and I believe it to be an administrative battle – that I resigned and then took on the position appointed for administrative officer.

So the rural municipality of Greenmount-Montrose up west, we have six small communities. We've had the opportunity to meet with – when minister Mitchell was the minister, we met with our six communities. They asked me to represent them in regards to the MGA, not for their own individual issues that they would have as municipalities, but strictly to see the impact of the new MGA as it's going to affect municipalities in the small rural aspect.

When I see the different things that had been going on in my capacity, I was part of the process of raising the concerns. As I said, I met with minister Mitchell. We've had information sessions. I invited members of the Legislature to our briefings, and in November of last year I had the privilege of presenting to the standing committee, bringing those concerns and with specific questions.

In tabling this private members bill, it brings back the questions that I provided to the standing committee in November; but again, all parties were represented, but I've heard nothing back yet. So it raises a concern on my part, as a representative of our small six communities up west; and as I see the things that are unfolding in the other communities, a great concern in the processes in regards to the MGA as it affects the incorporated and the unincorporated areas.

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

Mr. Murphy: Thanks, Chair.

I'd like to just – I want to recognize you when you're in the public gallery, but since you're not in the public gallery I still want to recognize you since you're sitting on the floor of the Legislature, a constituent of mine and I consider him a friend of mine, Mr. Dave Pizio, a fine gentleman from the Hardy Road, and glad that he can be here tonight. He's very passionate about this topic and we're glad to have him here tonight and share his views and thoughts with us.

Welcome.

Chair: The hon. Member from Montague-Kilmuir.

Mr. Roach: Thank you, Chair.

It's a pleasure to rise and recognize a constituent from Montague, Ron Nicholson. Ron, welcome to the Legislature.

Thank you, Chair.

Chair: Okay. If it's the will of the committee, we'll start reading the bill clause by clause at section one.

1. (1) Clauses 15(1)(a) and (b) of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1, are repealed and the following substituted:

Mr. Trivers: Chair? I just wanted to point out that earlier, I believe it was today, I'd emailed out a document that takes the contents of the bill and it puts it in context within the *Municipal Government Act*. I want to thank Dave Pizio for helping me prepare that. It really makes it a little easier to understand where the changes, the amendments fit in. So I wanted to make sure you all have that, and we'll be able to use that as you ask your questions.

Thank you, Chair.

Chair: The Chair would like to recognize first the hon. Minister of Transportation, Infrastructure and Energy. Do you have a comment in regards to –

Ms. Biggar: I'm sorry, yes, if you don't mind before you go into the – I wasn't sure if we were going right in. To have some discussion on your opening remarks, actually, hon. member.

The new MGA is a bill that has never been in place before on PEI. We really didn't have a – I'll say a guidebook to assist municipalities or unincorporated areas on how they could start a process should they decide to join or enter into discussions with another municipality.

I think at the present time, like we all voted last fall on this particular piece of legislation, it's gone forward. There has been discussions with those municipalities that have been interested, obviously; but I guess some of the points that I would want to make is at the moment, we are in the middle of a process coming from the initial discussions, coming from the fact that we did pass an act, which under that act has, as you call, a democratic tool to use, which at the moment is IRAC. It's a duly constituted under the Legislature body to deal with these kinds of processes.

So I guess using your own words to say democratic tool in terms of public consultation that is a process, a tool, that we have right now, IRAC. This has been submitted. There is one proposal, I'll say, that has been submitted to IRAC. We're talking about not circumventing democratic processes, yet this proposal would have that democratic process basically thrown out. Is that your intent?

I guess I have a problem with that. We're trying to put together, or the act itself when it was put together, was put together within the vein of a small municipality. I come from a small municipality. I was a councilor. I was an administrator for that council. We were able to do things within our municipal, but yet – I live on the outskirts of that municipality still. So there are things that happen within the middle of the municipality even that, even though I'm a taxpayer in that municipality, I don't necessarily get all the same benefits. But yet I contribute to the development of my community through that small piece of municipal tax base.

I've seen what it can do to grow a community like Tyne Valley, and like Eilerslie-Bideford and Linkletter. Linkletter got a grand new community centre since 2007, and without them having that kind of a base to be able to develop their community – they needed that for their community for an emergency centre, for a warming centre, so that's been a benefit to their community which, if they go beyond and enter into discussions, to me that's their democratic right to reach out to other communities.

So within Tyne Valley, if it weren't for the base that we have there, we wouldn't be having the business development growth that we have. They have their own municipal sewer system there; but because of their tax base, they've been able to ensure that their water is safe around their municipality, right?

I guess in throwing the baby out with the bathwater here, kind of is what you're proposing with this, is that we throw everything out. We've all had some chance to have a discussion on this in the Legislature; but you're saying, I guess what I'd like to clarify is, by bringing it into the Legislature if we're talking about unincorporated areas, you want to bring it into the Legislature; but which, you know, hypothetically, if we, if that were happening –

Chair: So Minister, do we have a question?

Ms. Biggar: Yes, it's coming, hon. member, Mr. Chair.

So if that came around that way and we had a discussion and we still didn't agree with it, would you say that it's still an undemocratic process?

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Minister, and there are lots of different comments in there. I'm going to try and start at the beginning and work my way through here.

First you talked about the current –

Ms. Biggar: The new act.

Mr. Trivers: – proposal that's before IRAC, and you'll notice – and this is Legislative Counsel here at the Legislative Assembly is great – they put in section six, which is: This Act comes into force on a date that may be fixed by the proclamation of the Lieutenant Governor in Council.”

So my intention isn't to disrupt the current process. Obviously, we can't go back in time to do that. That one's going to IRAC. Sorry, it's not going to IRAC, but it's at a particular place in the current process. That's not what this bill is about. It's not about that proposal that's before IRAC. Three Rivers, I assume, is that you're referring to.

Ms. Biggar: That's one of the proposals, yes.

Mr. Trivers: Yeah. So it's not about those proposals. It's about new proposals that are going to come forward, and making sure that they have a voice.

Now the second thing is you made an assumption that this Bill 111, is against amalgamation and municipalities, which is not true. This bill doesn't in any way say that municipalities shouldn't exist and that they don't add value. This is all about giving a voice to unincorporated areas during the process of amalgamation.

I have municipalities in my own district that very much want to amalgamate with areas around them, like the community of Breadalbane. I was at their AGM and they are looking to do that, and there are people in unincorporated areas near Breadalbane that are very interested in becoming part of that municipality, but this is about ensuring that those people are contacted and they have a voice.

Dave, can you talk a little bit about the current process and how you see things in the current process, maybe?

David Pizio: From what I understand from what I've read, the aspect is either the minister can initiate, the municipality can initiate, or the group of an unincorporated area can initiate and depending on the size, the minister would forego if it doesn't meet the 4,000 or the 250 million, and IRAC

would not look at the proposal unless the minister approved that. That's all fine there.

But, when you step to the next part, if it's an unincorporated area that is initiating it, they look at 30%. For myself, in a democratic process, everything I've heard all my life growing, is 50-plus-one, is what dictates to take the will of whatever the process is in a democratic way. I see 30% as not meeting the standard I think it should be. Again, 50-plus-one would give a greater voice to those people.

But, one other aspect is if I'm a municipality and I want to incorporate, there's no vote from another municipality if the people really don't want to do it and a council decides they want to; there's no question or asking them to make a vote if they want to be part of it. There are perceptions that are concerning, that the recommendations of any proposal that that goes forward is coming from the minister, depending on the process of who was doing it, but when he receives from the commission that proposal, he can either accept, or accept with modifications, or reject. But, then he sends it on to the Lieutenant Governor in Council, the executive.

The perception is that there's no real voice occurring for the people that are being affected. Unincorporated, 30% if they're the ones initiating it. But, when it comes to one municipality trying to incorporate another or several, then there is no mechanism in the process now that would see them being able to vote in.

One of the other things that I found of great concern is the part of the Federation of PEI Municipalities. What's been happening is they keep saying that they represent the small municipalities. Now, our six communities; we're not members, but we've never been approached by them. I've asked: So, which communities are you representing, which municipalities? I've received nothing back.

One of the things that the present, in municipal affairs is promoting is the Federation of PEI Municipalities toolkit, which shows the aspect of amalgamation, the process to go through, growth management, municipal growth management.

But again, Mr. Trivers had said: You no longer see the word 'amalgamation' or 'annexation'. It is only in the definitions and it's covered by the term 'restructure'. But, if you look at the definition of amalgamation and annexation, they're two different things. So, when you're annexing something, you're absorbing, amalgamation, you're joining, so there could be confusion in that.

But, my point with the toolkit, as I went through the toolkit, there's a part that says: when should you start having buy-in with the people who are interested? It talks about a municipality to municipality, but right in their toolkit says: don't approach the unincorporated areas yet.

I have a great concern when that body, who is – I believe their mandate, at least when I listened to their presentation to the standing committee before – is for the incorporation of the Island. This is the process that we have. Now, the perception is is that a voice is not being heard; whether I'm being absorbed through annexation, or amalgamation of adjoining what maybe a particular municipality doesn't want to take part, but the people themselves don't have a voice other than through their council. But, if the people don't want it and the council does, where is their chance to enter into it?

That's where my concerns are, and when I saw this aspect here, I just saw it as another aspect to give a voice, a sober second thought how we want to do it, to find the will of the Legislature because the minister has to reveal his recommendations prior going to the Lieutenant Governor in Council. Again, that's what I see here, but I'd like to see even more in here.

One of the things that was troubling also is, in the development of the MGA, a lot of times they're asking for input so there were bridging drafts, getting to the final. In the bridging drafts, there was a great concern because they said the minister was going to have discretionary powers. That's gone. It also talked about one of the aspects in a proposal – you must tell what the financial implications are in regards to the tax rate. That's no longer there. That is one of the major issues; a lot of people have concerns. These are the things that I'm seeing.

Now, this was created but with the bridging drafts to the final, and now we're seeing things that there's potential of perception of not voicing. So is there an opportunity through the proper process to create additions, amendments, so that the voice is there; that everyone who is a player, they're informed of it and they have the opportunity – and again, it should be 50-plus-one, not just 30, to get a greater – this is the will of the majority of the people.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

I just wanted to also add another response to your questions. You mentioned in section four of Bill 111, which is amending section 20 of the act, or adding section 20 to the act, we can talk about it when we get there. You'll see that the minister shall consider the debate and make a recommendation in line with the will of the Legislative Assembly. But – and I was torn on this and I'll probably get some criticism from people – I didn't go all the way and say they will, the Lieutenant Governor in Council, will implement the recommendation to the Legislative Assembly. It is still a recommendation at that point to the Lieutenant Governor in Council.

So, there is potential that Executive Council could not take the recommendation and you can see it explicitly gives the three choices. So, if the Legislative Assembly says: We reject the recommendations of this commission and that's what the motion comes out and people vote in favour of that, then that's the recommendation that the minister should give to the Lieutenant Governor in Council, but, the Lieutenant Governor in Council could still say: We're going to accept the recommendations of the commission with modifications.

But, like Mr. Pizio was saying, the whole point is it gives a voice to the incorporated areas in our democratic institution, which is our Legislative Assembly, for the public record so that the Lieutenant Governor in Council; they have to be very careful in their consideration if they're going to overturn that recommendation.

But, I hope we get to debate that more when we get to that section.

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

Ms. Biggar: Just two more things, and just following up on that, hon. member; within the Legislature, are you suggesting it would have to be a unanimous vote, or majority vote to accept recommendation?

Mr. Trivers: No. Chair, I'll address that through you.

As the legislation says, there will be a vote and it doesn't have to be unanimous. For example, the majority government here today – there's a Liberal majority. The Liberal majority, the Member from Georgetown-St. Peters could get up and yell and stomp his feet and represent his constituents and say this and that –

Ms. Biggar: No.

Mr. Trivers: – everyone in the official opposition can.

But at the end of the day, we respect democracy, the way our Legislative Assembly is formed, and that motion could be voted through with the recommendation of IRAC, with no changes, and that's what would be recommended to Lieutenant Governor in Council.

The intent of this bill is not to overturn our democratic processes; it's to give unincorporated Islanders a fair voice using our democratic institution – that's what it's all about.

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

Ms. Biggar: I'd just like to come back, if I might, to just talk or make a comment about the federation of municipalities and the work that they do do, on behalf of the municipalities. I know we've had great discussions with them around the new funding formulas that they debated a lot and lobbied for. I know they do a lot – I just want to recognize the work that they do do on behalf of municipalities.

I'm not sure why some new municipalities don't join in that because they do have a greater voice as one federation. So, if there's issues, certainly, I know having sat at the federal level – federal/provincial – that the first time in the history of FPT infrastructure meeting, the Canadian federation of municipalities had an input into what the infrastructure dollars were that went to the provinces.

So, I think certainly the federations are a strong voice to help represent those smaller municipalities. So, I want to recognize the work that they do, because I know at the end of it all, they have the interest of each municipality at heart.

Thank you.

Chair: Thank you.

Mr. Trivers: I wanted to point out that this bill, of course, doesn't touch any of the parts of the act that deal with the federation of municipalities and I don't know, Mr. Pizio, would you like to comment on that?

Dave Pizio: I've had different dialogue in the way of emails and such with Mr. MacDougall. One of the things that keeps coming back, either through municipality affairs articles – they keep saying the aspect that the rural communities are looking for more services – better quality services. Well, I've asked the question: which communities and what services are they asking for? And nobody's been able to answer that – not the federation – and the aspect of – you see, the word amalgamation and annexation are not bad words, but the problem is, before somebody wants to embrace those, let's find out where are the positive examples where all participants were happy campers? I've asked that. I've not been given any answer to that.

Again, I go back – small, rural communities – mine has 258 people; I'm in the rural area – what's more services? I've talked to the different people and they're puzzled as to what would they be. Right now the thing that we provide for our people is fire protection by a purchased fire services from Alberton. I assess a tax rate on our assessment that pays the fire dues and right now the administrative incumbencies that are put on us now as a result of the new

MGA, we have to put out more money for administration, not services.

But I go back to the question – Is there someone, Mr. Chair, that can answer the question: What services is a small, rural community asking? If they are, what are they? Is it the individual, is it a business, or is it agricultural? And I'm only talking the small, municipal communities, not the towns, the cities, or the larger aspect. Nobody's been able to answer that and by not being able to answer it, this is why everybody is getting very anxious in aspect of, there's going to be a larger tax base for more money for what? And if that can't be answered, that's why people are very reluctant to enter into the term amalgamation or annexation. There's no win in it. All it is is: I'm going to increase our tax base, but I'm not offering any more services. But just I know from my own, and speaking for our six communities up west, you're talking almost tripling your tax rate to meet the administrative requirements of the new MGA by end of year five. Right now, the only thing that's hitting us is I have to do a review engagement because our expenditures are a certain amount. Come 2020, I must do a full audit. It could be anywhere from 2 to \$4,000. Before, we paid nothing.

Mr. Trivers: How much is your total budget?

Dave Pizio: Our total budget right now is expenditure, setting aside the notional gas, tax is about \$25,000.

Mr. Trivers: So \$4,000 on a \$25,000 budget.

Dave Pizio: Right now our (Indistinct) engagement, it ranges between 1,000 and \$1,500 dollars for approximately – in the way of bills, expenditures, maybe 10 entries.

Ms. Biggar: Mr. Chair, I just want to respect what Mr. Pizio says. There's probably lots I could argue in there, but I want to thank you for the work that you've done on this assisting the MLA that is putting this forward.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: Thank you very much, Chair.

First, I'd just like to give some recognition to the promoter of this bill and, in particular, the very, very detailed email that he had sent out with regards to the reason and the facts around this bill and why you're proposing it. I found it to be extremely educational as far as understanding all the aspects, especially, because it's essentially coming behind the original MGA that was brought to the floor and we debated. Opposition, obviously, didn't feel that it was strong enough for us to be able to support, so we voted against it.

I think that you touched on something there, that potentially, this Legislative Assembly could look at in the future. Quite often when we have a bill that comes to the floor, we have the explanatory notes in the back and we get an overview from the minister or whoever's on the floor, but I've always felt that the more information that we can get in advance on a bill, the better prepared we can be to have a fulsome discussion and debate around it. So, thank you very much for that.

The Minister of Transportation, Infrastructure and Energy brought up some interesting points with regards to democracy and why you're bringing this forward. I think both, yourself and Mr. Pizio, explained it quite well and it was also included in the email that you sent out, which I read. I don't know if everyone else did, but this bill –

Mr. Trivers: I'm sure they all did (Indistinct)

Leader of the Opposition: Oh yeah, no doubt – or at least Spencer Campbell, perhaps.

What I'm very interested in, in particular, is how you explained that this bill isn't essentially meant to reverse the intent of the bill that the government brought forward and I'm very happy that you brought a bill forward that assists and helps the voices of the unincorporated areas here on PEI, unlike, back not that long ago when we had a Public Accounts meeting and we had a majority of the members at that committee that voted in favour of bringing in particular witnesses. Then, one week later, we had a couple of different committee members come on from the governing party that

essentially repealed that motion to completely reverse what the original motion was for. So, to me, that's blocking democracy at its heart.

Mr. Pizio, I have some questions with regards to some of the concerns you raised and I've heard it – I represent Stratford-Kinlock, which is one of the four larger communities here on PEI. Back in the day, Bunbury and Southport amalgamated – they came together and it was good, it was natural, and it's worked well.

But now we have a neighboring community, a much more rural community, Alexandra, and those individuals are reaching out to me – I don't represent them as their MLA, but I know a lot of the people in that community and they're reaching out to me because they're extremely fearful of what potentially could happen.

Number one: They know they're not going to get sidewalks, they know they're not going to get water, they know they're not going to get sewer, but they know their taxes are going to go up and they're very concerned about that.

So, you had talked about a lot of the questions that you had put forward, whether it was to the federation of municipalities, I believe, or to the minister and you haven't received those answers. Can you detail where you sent those questions to and when that took place?

Dave Pizio: Mr. Chair, when he had the presentation that I gave, at the time, with the standing committee there were very pointed questions. I gave a copy, so all of the members of the standing committee have those questions and I have received no answers back from those.

When minister Mitchell was sitting and we had the – he came up and spoke with us, the questions that we provided, his office sent back, I got responses for those. I wasn't satisfied with the answers, but very, very quick in replying to those.

The questions that – with the federation of PEI – I raised the same style questions, again, about what services are people looking for. The other aspect I was trying also to find out when they're doing the new

funding model for the municipalities, I was surprised that, when I asked trying to understand what the mandate or the terms of reference were, and there was none. None was forthcoming. I tried to find that. Nothing was forthcoming, but now the new funding model for the municipalities has been provided in December.

But, I was, again, concerned when part of the growth management studies that came out as for to give us direction to possibly do a study for your, for municipalities, they were very exact what we had to do. They gave us very succinct; we had to get three tenders, all these things. Yet, a major aspect to developing the funding model and I was told they were the smaller – I represented the smaller communities – the Federal of PEI Municipalities were on this group. I put the question to the federation, as well. Also, I went to municipal affairs: where is the terms of reference? But nothing came back. There was none. That was a concern.

All it does is raise more concerns in my mind when I see other things that are coming. You see it legislated in the bridging drafts and then they disappeared and we are here, now. As I said before, I see an aspect, everything is there. The process is very clear, but, I believe, the voice for everyone concerned is not there. Those are the questions that were not answered, that, I believe, if they were answered, that it would save a lot of anxiety in the general sense in of the term amalgamation and annexation.

Again, as we say: which questions? Those were the pointed ones. But to date, I have received no answer back from anyone in regards to what was presented to the standing committee.

Chair: The hon. Leader of the Opposition.

Leader of the Opposition: I'm fine for now, Chair.

Chair: The hon. Minister of Health and Wellness.

Mr. Mitchell: Thank you very much, Chair. Thank you for the opportunity to, I'll say, make a few comments.

First of all, Mr. Pizio, it's good to see you in the chair tonight. Actually, it was really

good to go up to your area there to meet with you and five other neighbouring communities when I was Minister of Communities, Land and Environment.

I think, that day, when I was there and I brought some staff members up, we were there to have a good discussion, an open discussion, a good flow of information back and forth. I personally felt that that was achieved. We had a lot of good conversation from yourself; other leaders of the other communities, who, have the best interests of the communities at mind, obviously.

When you asked about, what – who is exactly is looking for what services – I did my absolute best that day to indicate to you and everybody in the room, this is not about tomorrow, it's not about next month, it's not about next year. This is about 25, 30 years down the road, so that areas of rural Prince Edward Island are sustainable, stable with lots of young families; growing, hopefully requiring the schools that aren't there today. Hopefully, that are requiring stores that aren't there today. Hopefully, building strong communities for the next 30 to 50 years. It's not about today. It's not about tomorrow and I tried my absolute best to do that with you and the other five, I guess, communities leaders that were there.

I thought we had a really good discussion on that. I truly did. Obviously, I know you had some questions. I can see that.

To your point to the draft municipality, the act that was going out – that's why we do drafts. We put things on paper and we send them out to every municipality to say: put your eyeballs on this, have a read, see what you think. It would come back. We'd make revisions. We'd sent it back out. Try this one; see what you think of that. Until, you finally get to the final presented draft, which was on the floor of the Legislature here, last year.

That's a very important part of the process so that existing municipalities have an opportunity to see this, whether you're part of the federation or whether you're not, so that everybody has a full and equal opportunity to do this.

Obviously, this is – and I grew up in an unincorporated community in Fort Augustus

for the first 35 years of my life. Believe me, I know how rural unincorporated communities work and function. The Member from Morell-Mermaid represents that district now. He knows a lot of my neighbours and he knows a lot of my family.

This is truly important to me because I want to see the community that I grew up exist and thrive for 100 years or 200 years, right? This is what this is about. I see changes in my community every day when I come back out. It's difficult for me to do that, right? It's about enhancements for the future. It's not about today and it's not about tomorrow.

When you say, Mr. Pizio, about the extra expense of the demands of the new act – the new act was designed after decades of doing nothing to it to upgrade it to today's modern standards.

Obviously, I'm a representative in the Legislature today, but I won't be forever. When I'm sitting in my house on Arcona Drive in Sherwood, I want to know that the people that I put in power, whether it's my municipality or the province or the federal government are using my money wisely and doing the right things and that's going to be very important to me, as I grow to be 60, 70 and 80.

That's the standards of this new act, is to bring it up to those areas where your constituents or my constituents can say: I darn well want to know that it's being spent right. These are the rules that are set out and provided by this new MGA. It's really quite simple as that.

When you say, it cost you a significant amount of money to get up to the standards required, well first of all, I indicated to you that day and indicated to everybody in the room that we will work with communities on this. We understand this is new. We understand it's hard to get there right away. There would be variances made.

The first variance that I made was the 4,000; I'd reduce that to anything that people thought was reasonable, which I thought was pretty good. It was about baby steps to get the vision that I, and I hope everybody in this room, wants for 50 years down the road. We did those provisions. We changed things to allow things to go differently.

When you say, did you say, \$4,000, it was going to cost you extra? At 258 people it would. At 3,500 people it wouldn't. That's why I was there that day discussing with, or some other number, 2,500 whatever it was. That's why I was there that day, discussing with you and five other communities about coming together, being stronger, being better, and down the road, you weren't looking for – there wouldn't be services that day, and I think I agreed with you, but down the road, as things change, it's not going to be 4,000 extra expense, it would be cheaper, perhaps, in the long run because you would have, you know, 3,000 or 2,500 or whatever it is, and then you could actually apply for some funds and grants that you don't – you're not, you're not capable of applying for today, to improve your community in areas of land-use planning, in areas of bringing in, maybe some business that you want to do.

That's what this vision is about. It's not about tomorrow's service, or yesterday's service. When you say to, the words amalgamation and annexation: you know what? I sat in many rooms talking about this for nearly three years.

I sat in a room in the Borden area when Borden was looking to annex a region of the Bedeque area. Annexation is difficult. Annexation is not a good method. Annexation was terrible to the people that are in that community that you're trying to be brought into a municipality. I said all along: this is not an approach of strong arm, this is an approach of open arms, and welcoming arms. I was not pleased that night when I sat in a room where annexation letters went out to say: we're bringing you in and that's that. And, you know, that meeting got heated and I was really pleased to be there.

You know, at that meeting? There were people that said to me: I am not opposed to come together. I'm really not. But, I'm opposed to this method. We had an opportunity just to talk to the existing municipality; have a good open meeting. I would be open and receptive to that. That meeting changed, everything changed the very next day on that meeting.

I mean, amalgamation, as you say, is not a terrible word if you do it correctly. If you

talk to people. If you give them an opportunity to think about it. If you give them an opportunity to look at all the possibilities of what it would mean to them.

I mean, down in Three Rivers, I know that there was a steering committee and there was a lot of work done, and there was a contractor that was brought in and, kind of, put together what this picture would look like. Unfortunately, I know, in your area you didn't get that feasibility study part out of the gate. Had you done that maybe that would have looked differently to you –

Chair: Minister, do you have another question –

Mr. Mitchell: – maybe you'd be the mayor of the new community.

Chair: Do you have a question?

Mr. Mitchell: Yeah, I do.

Chair: Okay.

Mr. Mitchell: I guess what I'm saying, Mr. Pizio, is that, I do appreciate the work that you're doing here. I do understand it's unfortunate that you didn't get your answers completed.

My question is, the answers that the department provided to you and the department is a valuable resource. You know, I know we talk about, and we talked about it on the floor of the House; the powers of the minister.

The powers of the minister is virtually the department, at the end of the day. They're the people with the expertise, the experience, the knowledge, the know-how. So, I do – I guess my question is, the answers that you received from the department, at the time when we met, were satisfactory to what the questions were, I guess. (Indistinct) question.

Dave Pizio: The representative for Charlottetown-Sherwood, Mr. Chair. Correct, the answers I received back were very timely and I will say they were political answers. And (Indistinct) anything else, it's not that I want to keep asking the question until I get the answer I want. That's not a good thing to do because all you're trying to

do is pigeonhole to a point to either support what you want.

What the whole aspect is that, how many years have we been operating as CICs? For forty-plus years and there's been no problems. There has been development. All of those things have occurred. The existing government, and the ones before have come up through IRAC, through land-use planning because all of these things still have to be in place with the unincorporated areas.

What happens is, what we see as a small municipal, and now, we are seen as large and there's a cost to do this. And, I definitely understand down the road, 50 years and that, but, the problem is to get from here to there, the amount of change, it seems the only thing is either go big or dissolve.

That's the only options that we have when we sit and look. One, I stay the course as a small municipality and double, triple the tax, the municipal taxes, in order to meet the administrative requirements. I will enter into amalgamation or annexation or dissolve. That's the only options that we have.

The process that is there now, this is where the concern is, is that the voice of the people that are going to be affected are not being – the opportunity to be heard, or to get a feel of what the people actually want.

What we're seeing here, right now, the bridging drafts that came through caused a lot of anxiety. Especially, the aspect of discretionary powers. I know they talked about that was too much then we went through and there were certain things that were good. They're not in there, now.

Why I'm here today, and I thank you for the opportunity is the continuation of the concerns that the core questions would be a positive answer are not forthcoming.

The ones that were provided to us, answered at the moment, those certain issues, and I will say right here right now, the assistance of the municipal affairs staff is unparalleled. You call, they will answer anything they can. They will help you. The templates, all of those things are there. They are doing above and beyond. But the problem is, is that in the small communities, the rural

communities, what we're seeing is, a change of what? How we're living for a purpose to increase a tax base, a municipal tax base, and then we have to decide, how do you portion that? And we talk about wards.

All these things are all part of this growth management study, yet, we're led that the proper way to go about it is to hire a consultant. You're talking hundreds of thousands of dollars; consultants. Most of the results of a consultant process is they will come to the people themselves asking what you think, and you get back. Right now, there was a consulting done, and I believe the government provided \$60,000 towards that consult. If that was at 50%, you're talking \$100,000. If I combined our five or six communities up west, it'd be incredible what we would have to charge to have to pay for that.

To sort of carry a little bit further, the new committee that was created through the rural, regional development, yes, they only provide recommendations. However, their aspect is to see about the economic improvements; what can be done. Why would I hire a consultant when we now have that entity in the government right now. They should be looking at that.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

I wanted to respond to the Minister of Health and Wellness, former Minister of Communities, Land and Environment –

Ms. Biggar: (Indistinct)

Mr. Trivers: Pardon me?

Ms. Biggar: (Indistinct)

Mr. Trivers: Yes. Absolutely.

I want to thank you because your comments were, the intention is not to strong-arm communities, it's to reach out with open arms to consult with them. That's exactly what this bill's about.

Right now, the way the *Municipal Government Act* is written, the unincorporated areas may be consulted very

late in the process, just like we've seen at Three Rivers. They're only consulted if there's – the only way it goes to IRAC, if there's an objection and if there's an objection, it's not even mandatory to go to a public hearing.

I think we're trying to achieve the same things. I think that this Bill 111, with the changes to use things like petitions and public hearings and plebiscites and motions on debate on the floor of the Legislative Assembly, will give unincorporated areas a voice. It will allow them to be heard. It'll allow them to understand what's happening, why it's happening.

I know – the majority of people that I talked to in the Three Rivers process, for example, are not necessarily against amalgamation. There are some, that, you know, no amalgamation at all costs, but most people are saying: we're not necessarily against it, but we have no idea why this is happening. No one came and talked to us until it was two years into the process, and we need to understand it. We need to understand the benefits like Mr. Pizio said. What are these new services we're going to have?

Annexation, as you mentioned, is a difficult thing and it requires a lot of communication, but if there are real benefits and you believe there are, and I think a lot of people do, I think that's another debate we need the possibility to have. If there are, they will see them and they will buy into the process. That's what this bill is all about; giving them a voice so they can buy into the process.

Right now, they have no option but almost to oppose it.

Chair: The hon. Minister of Health and Wellness.

Mr. Mitchell: I think, and you're right. We could debate this for tonight, tomorrow, next week, next month, there's no doubt about that. I always appreciate the debate on it, actually, when I was minister and I still get drug into debates on it as I travel around Prince Edward Island doing, you know, health stuff.

I guess to Mr. Pizio's point, some information is just not available to you until that study or feasibility part is done. Like

land taxes, like what would be the end result of population? Therefore, that spreads out what your taxes will be. And, other parts of it, too.

I go back to the Three Rivers because that was the feasibility study that was done first. Yes, the province was part of that. We committed to be part of that to others. I think once a few of them got done, you could probably – the department would be better at helping out, as well, there. They didn't have the expertise to do those kinds of things as you may have suggested, Mr. Pizio, but we're willing to get there. Or, they were willing to get there. I shouldn't say we. I'm not with them anymore.

But I think overall, some of those pieces just aren't available until after you've done the study and some of that will take some time. That's why in the Three Rivers' case, you had to have the evidence before you bring it to the driveway.

That's how that unfolded. But as far as the process goes, the process now, whether it's amalgamation, annexation or whatever term you want to use, the process is pretty firm where IRAC will hold the meeting. The public will have their say. They will be listened to, and that's the way it would be.

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

Mr. Trivers: Chair, I'd like to respond to that just before the Member from Georgetown-St. Peters.

If you do look right now at the existing legislation, minister, and you look at the point that talks about public hearings, public hearings are not mandatory. They simply aren't, and that's one of the pieces that we want to change. If there's an objection, we want to change it so that the commission shall both hold a public hearing and hold the plebiscite. We're giving some leeway to the minister if the minister has determined there's a significant public interest in the matter.

Right now, we're saying, just like you just said: a public hearing shall be had. So, it's a 'may' versus 'shall' argument and that's what we're changing. I wanted to make that point. I think we're working towards the

same thing here. We're strengthening the voices of unincorporated areas, making sure they're included from the beginning so they don't feel left out and they don't automatically oppose the process when they're eventually brought in, when most of this is decided.

Thank you, Chair.

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

Mr. Myers: Thank you, Chair.

Thanks for bringing this to the floor, and I guess for me, like yourself, it was one of the things that we fought really hard to not have in the bill when it came through the House the first time. The amount of power that it gave directly to the minister was unnecessary and some of the things that we have found through the Three Rivers process; it's been a debacle. It's been a complete debacle, where 30% of the people wanted, 70% of the people – not even 30%. It's 23% of the people voted 'yes' for this and 77% of the people voted 'no' for this, and somehow some small group can put forward a letter and all of a sudden, bam, we're in it. It doesn't matter what anyone wants.

The rule for the plebiscite is important, and in taking away the power of the government is very important. I think it's an important lesson for government that – and I think you were right when you said – I've talked to people too who said: I'm not necessarily against it, but I don't want to be asked at the end. I want to be a part of the process and feel like I'm involved with how this is all transpiring. For me, I'm against it, but that's my own personal –

Mr. Trivers: That's a different debate, yeah.

Mr. Myers: It is, it is a different debate

But the issue is is that all these people who could have been for it were suddenly against it. This is the warning that I was giving them all the way through it. I said: You're not telling anybody anything. You're keeping it a secret, and you're trying to bring in all of these unincorporated people. I said: They will revolt. They will revolt because you

haven't made them a part of it. I think it's very important to recognize that these are very favourable changes for democracy for the people so that nobody has to be drug in through something again, because it's been a terrible experience for the people who I've dealt with. A group of volunteers organized a vote.

I just want to clarify; had a voters list, denied people – turned people away and said: No, you don't live here. They had to show their ID. This wasn't some fly-by-the-night thing that Paul MacNeill made it out to be, and that there have been questions about it by the Leader of the Third Party over it. This was a real – these people took it extremely seriously. They treated it like a poll. It was very serious.

So yeah, they may have been the people that were against it, but I'm not necessarily sure that they were against it. They were the people who wanted to have their voice heard, and by having their voice heard they had to organize it themselves. We didn't want, as you recall – I asked in the House: Would government organize it for us? And they wouldn't, so we wanted to legitimize it through the government process, but the government wouldn't cooperate with us and wouldn't play ball, so we did it ourselves. I view it as a legit vote. You can't tell me that 1,250 people show up and all but 30 of them vote no, and it's not a real vote. If it was that easy to get people to just blindly do what you wanted, then it would be a lot easier to get elected than it actually is. It just doesn't work like that. People have their own mind and have their own opinion.

For me, that was a frustrating part because I felt bad for the people who really poured a whole lot of their life into it. No one should have to go through that. So, what you've put forward here gives an opportunity for the people to have a say and it takes some power away from the minister and I think that's important.

I want to ask a question about the gas tax. One of the things that I heard during the Three Rivers process is that you're going to get more gas tax. So if you have all of these people together, you're going to get more gas tax. Can you explain to me if that is the case?

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

My understanding is that there's an allocation of gas tax for the province and it gets split up amongst the number of municipalities there are and if you have more municipalities, it just means they all get less of it. That's my understanding. I don't know Mr. Pizio, did you want to speak to that?

Chair: Mr. Pizio.

David Pizio: Mr. Chair, my understanding is the aspect of the gas tax is when you increase your numbers you're going to get more. So, say if there were three – this is my understanding – if you have three municipalities, they combine. Right now each one gets so much gas tax. So all three combined, they may get more gas tax, but if the pie is only a certain size and they get a bigger piece, somebody else has to get a smaller piece, so somebody's not going to be happy.

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

Mr. Myers: Thank you, Chair.

So what I have been saying is that we're basically going to cut into Charlottetown so we know that's not going to happen. They're not going to let that happen.

Leader of the Opposition: Or Stratford.

Mr. Myers: Or Stratford.

Any of the bigger municipalities just aren't going to let us roll in and create a bigger municipality and take money from them. That's just not the way it works.

The other issue I have with the gas tax, and I'm looking for clarification; my understanding is it's just a government program. So, the federal government has a gas tax program. But, any federal government on any given day could nix it and that's the end of it. Do you think it's safe to be planning rural mega-municipalities around a government

program that doesn't have an end date and could end tomorrow?

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

In fact, I don't know the answer to that. My gut feel would be to say no, if federal government can cut the gas tax. It's not good to use that as a basis of a long-term plan for the Island, but I don't know if there are any other members that wanted to intervene on that note?

Chair: Mr. Pizio?

David Pizio: I believe, Mr. Chair, I read it's only til 2020.

Mr. Myers: Okay.

Chair: Do you have an intervention, Minister of Transportation, Infrastructure and Energy?

Mr. Trivers: Minister of Economic Development and Tourism.

Ms. Biggar: Go ahead.

Mr. Palmer: Can I –

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

Mr. Palmer: So, thank you.

I was on the list and it's kind of bringing me around to this same thing on the gas tax. I have a report that was done in 2015 talking about the Three Rivers proposal, so it does show the gas tax allocation projection for 2014 was \$320,000 and if the groups got together, it's \$654,000 in potential gas tax.

So, the decision, I guess, to say no on this is around that \$320,000 would be left on the table, which I didn't really understand that; why that was going to be left there. It's a good spot for the interjection because I don't know that anybody here knows that.

Maybe since we do have this report, which is public; I got it off the Internet and read it. It did also say that the current taxes that are collected are sufficient. You don't need any

more if you take the existing tax base that's there. You don't need any more taxes. The taxes could stay the same. Really, on the tax side of it, the gas tax allocation will go up by \$320,000, so the number does go up significantly.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Well, thank you, Chair.

You know, it's ironic; I think this, again, speaks directly to Bill 111 here. If the unincorporated residents were involved in the process from the beginning, and I believe changes to the *Municipal Government Act* as outlined in this bill would allow for that, then some of those discussions would have happened and you would not be in the situation you are today.

I think the numbers you're stating; you might have to break them down a little bit further, but in terms of this Bill 111, and giving unincorporated Islanders a voice, I'll bet you dimes to dollars that most of the unincorporated residents involved with Three Rivers have no idea that those numbers exist; and that's because they weren't involved in the process from the beginning. That's what this bill hopes to fix.

Thank you.

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

Mr. Myers: Thanks, Chair.

I just have one more and I'll move on, but – so the other thing that I heard a lot about was planning, and I heard them say: Well, you live in the unincorporated area now, and if someone wanted to put a dump in your backyard, they could.

Number one, that's not true. They can't. It's not even close to being true. There are regulations. It has to go through a whole approval process. Environment comes out and inspects it. At the end of the day, the minister can still deny approval of any of those permits, notwithstanding the fact that community members can fight back, which happened out in part of my area recently, too. They didn't want the proposed facility and it went away.

So there are lots of avenues to ensure that that doesn't happen; but it opens up the discussion about land-use planning. Could you tell me, for an unincorporated area – or any area, for that matter – do you think that there's a better way that we can do land-use planning on the Island?

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair, and this is an interesting discussion and debate and the best way to do land-use planning.

The Minister of Communities, Land and Environment and I had a great exchange on the floor the other day about this, and the idea of engaging the elected representative for the unincorporated area impacted, i.e. the MLA came up, and actually the MLA, making sure that they were aware of permits that were asked so they could go and they could talk to the residents as elected representatives and help them with the process.

I think there's a lot of merit to that, and it's really using the level of government we already have to help the province with their mandate of doing land-use planning, which I firmly believe the department's understaffed so they're not able to do it today. I was glad to hear the Minister of Communities, Land and Environment basically commit to saying: we're going to ramp up so that the province does offer land-use planning, not just to municipalities, but in unincorporated areas with the province leading the way.

Again, Mr. Pizio, did you have anything you wanted to add to land-use planning and how you see it?

Chair: Mr. Pizio.

Dave Pizio: Mr. Chair, for my little community, land-use planning – our little community owns no land or assets, so we're unique in that aspect. But when I think of the unincorporated areas, there are approximately 18,000 people in the unincorporated areas up west. So how do you represent those people?

I understand now that the MLAs may be made aware when there is something that's going to go on in their district. Okay? But at

this point in time, there are chairpersons and a council for every fire district. Now, they hold only a very unique ability. All they do is they set the fire due rates, either by house or by assessment, whatever it is; but they would be a point of contact, not to create investigation or analysis or anything, but simply to bring awareness to in their fire district of something that's going on.

That would require possibly, if there's a permit, again, they have now passed – part of the new MGA is the issuing of permits is a responsibility of the municipalities now, where it was done through Access PEI.

But in the way of the unincorporated, again, if you just make it that the chairperson of the fire district needs to be made aware that there's something going on, they can then bring it to that particular area or people, then that could put the wheels in motion if there's anything required to investigate along those lines.

So there is – they are elected officials; that is recognized. The province provides a list of the chairpersons and their phone numbers, all these things, for every fire district.

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

Ms. Biggar: Thank you, Chair.

This is just really an information, it's not so much as a question coming back to the gas tax because I just wanted to, I guess, report what each of the smaller municipalities – and just for clarification, there's 47 incorporated municipalities that don't provide sewer or water, so they get a different type of allocation.

If I could report from – for the last five years, for instance, Greenmount-Montrose got 32,107; Miminegash got 21,529; St. Felix got 43,307; St. Louis got \$6,347, and Tignish Shore got \$9,084. I guess a point I could make there is that if those were all pulled together, to think what – I know the area, I'm from Tyne Valley, so I know the area.

I know they have little ball fields. They have little community halls. They probably provide – I know I get a street light. I don't know if that community does that, but

thinking of those community halls and their ball fields and – I guess, by having this gas tax, it enables those communities to also access other federal-provincial dollars to leverage using their gas tax and using their tax dollars. This is over and above what they have for their tax base.

Expanding and improving other community services such as – I know in Ellerslie-Bideford we had a CIC for years. We put a soccer field in there for the kids and a running track. Those are things that you can do as a small municipality using your gas tax, using your tax base.

On a larger base, building – and when you do that, you build your community up so that people want to move there and then maybe open a store or maybe open a garage. Those are opportunities, I guess, but I wanted to report on what those smaller communities get. Actually, those 47 communities over the last five years total \$2.6 million that went into those 47 communities.

I go back to the larger ones just because I have it in front of me. The last five years, the larger communities – which is 26 of them – got \$11,680,000 in gas tax, so those dollars leverage so much more within smaller communities. I just wanted to quote those because you had referenced your smaller western communities, how much gas tax does go in there; and if you pool it together in some way at some point in the future, what else could be accomplished.

Chair: Thank you.

The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

Of course, no one's arguing about the value of the gas tax. I think the point was whether you pool it together and it totals 2.6 million or whether you get it individually, it still adds up to 2.6 million.

Chair: The hon. Minister of Agriculture and Fisheries.

Mr. Henderson: Thanks very much, Mr. Chair.

I guess from my perspective I was a person, a farmer in an area that – about 30, 35 years ago, not sure exact, time flies by – but decided to incorporate. I kind of know a little bit about the sense of what its modus operandi was to incorporate in the community of Lot 11.

I was probably like some of the people here; I was very opposed to it. I had concerns about it. I was a farmer. I'm thinking: Oh, geez, I'm going to be taxed, all these different things would happen. But there was a rationale behind why we decided to incorporate.

I'd be interested to know in Greenmount-Montrose's case, what was the original reason why you decided to incorporate? Maybe you weren't there at the time, but how it originally established? There must have been a reason.

Chair: Mr. Pizio.

Dave Pizio: Mr. Chair, I was not here at the time. That was back in 1972.

Mr. Henderson: Okay.

Dave Pizio: I was alive but I was not living here at that time.

Mr. Henderson: So you don't know the rationale and reason.

Dave Pizio: Well, as I speak to some of the people there, it was their decision that they would be able to have control of their destiny, what they were going to do with their municipal tax money, and controlling it along those lines.

Mr. Henderson: Yeah.

Dave Pizio: Everybody was given the opportunity to become a CIC, and only so many took that opportunity. That was to control their municipal taxes and what they were going to do. For a long time – again, right now our tax rate is 12 cents. That's been that for the last – this'll be the third year, and before that it was nine cents.

Only incremental to meet the increasing needs, because the biggest increases always are fire dues. It costs a lot to operate a fire hall; and if you get top-notch services –

which we get – then we don't mind paying that. Nobody minds paying taxes for receiving of something. But the problem is that to say we're going to increase your taxes for administrative purposes, it's not a savoury aspect in trying to sell it.

Again, to become incorporated in the way of amalgamation and annexation, if the buy in could be presented in such a way as the positive aspects, and, again, I hear there were positive aspects, but at this point in time, there has been nothing positive about those terms for the existing people. Right now, again, the perception and the actuality is when these things are starting to occur, small groups can affect large groups with no answer back to it. That's what the biggest concern is.

Mr. Henderson: Okay, no, and I appreciate that, but I will let you know why Lot 11 incorporated originally.

It's exactly what you said: They wanted to have a sense to control their destiny, to have a sense of a say of what goes on within their region, their geographical region. The reason why Lot 11 had, as I know it, anyway, was at the time Waste Watch was coming into effect and there was talk about a possible disposal dump in our area.

When the municipality found that that was a possibility they wanted to think about ways that they could stop that and one of the ways was, if you incorporate, then you can have a say on building permits, you can have a say on – you're going to get information in advance of what's going on. Hence, that was the rationale behind that.

Once again, as a farmer, at that time, I had some pretty big concerns as a fairly large landowner and a lot of assets and buildings. Quick question because he mentioned – Mr. Pizio mentioned the comment that his tax rate is 12 cents.

For farmers now, in that area, do you have a different rate for farmers? And the other question on that would be: Or, is that 12 cents based on their farm tax assessment or property assessment?

Dave Pizio: Mr. Minister, it's 12 cents commercial, non-commercial.

Mr. Henderson: Okay.

Dave Pizio: Everybody pays the same rate.

Mr. Henderson: Right.

Dave Pizio: As far as the different farm tax, that would be up to the individuals to work that through.

Mr. Henderson: Okay.

Dave Pizio: That's my understanding.

Mr. Henderson: Once again, in my own case it's based on my farm tax assessment. Now, in Lot 11, our rate is 16 cents. In my case, it's based on – because I have an incorporated farm, it's based on your farm tax assessment, which is a lot lower rate.

I'll give you an example. On one particular property I have that has no development on it, it's a 100-acre property; my municipal tax rate is \$8. It's not significant based on the 16 cents.

A couple of other points that I want to make on this, and I'll give you some experiences that I've had as an MLA in dealing with a riding, that, exactly half of the geographical riding is incorporated, the other half is not.

I happen to live in an incorporated section of it. Like I said before, I was, kind of, against the concept originally, but when I started to get a sense of what this can do for my riding, and not only that, but to do to me as a farmer, in actually saving me money because some of the issues that we were dealing with before we were incorporated, we had a hall in our community.

Every time we'd turn around there would be a fundraiser for the hall. They would come to me as a farmer, and, you know, would you help donate some food, or would you help buy some tickets and things of that nature. Now, that's all gone. It's all part of my taxes. They are able to lever at other programs to get their hall built.

But my point I wanted to make though, on that point of it is, Mr. Pizio made a good point is that he's not seeing that there's anything that they're really getting back out of it. My comment is, in my district, said, I got two different sections.

One issue that happened in the Lot 11 area was, there was an outbreak of vibrio in the oyster industry. People recall that. The problem that occurred from that was that oysters couldn't be cooled down fast enough and it was creating an issue that was causing the inability to export those oysters. That was a pretty serious problem in our community.

Then, the question becomes: How do we solve this issue for our community? Myself, as an MLA was trying to figure this out. The municipality of Lot 11 was trying to figure it out, too. But here's the issue: we needed three-phase power. We couldn't put cooling, big coolers into some of our oyster warehouses, and they were in very remote areas right out on the water.

You recall, I think, in the House, I'd asked questions about this to the then Minister of Agriculture and Fisheries. But we were able to lever funding through the infrastructure fund to get three-phase power into our community and get down to the rural areas.

The Premier was very supportive of us. We all worked together. We made an announcement. Today there's three-phase power. Today there's enhanced cooling systems in all our oyster systems. Not only that, we've got some of the processing industries in bar clams, and some of those things. Now, they have three-phase power. They went from hiring, maybe, 10 employees to 50 employees.

I guess, what I'm saying to Mr. Pizio, you are correct. You may not need it. But, there may be a time that something happens in your municipality that you need that vehicle to champion money.

When I go to them, my other community of West Point; we've got a big manufacturing coming there, HF Stewart and they're in the same issue with needing three-phase power. Now, their ability to get that, they can get it, you can – any business can go and hire Maritime Electric and run three-phase power, but you're talking possibly \$1 million, a half-a-million dollars. That doesn't justify that business in that rural area.

Chair: Do we have a question?

Mr. Henderson: Well, I guess that's the question.

To Mr. Pizio: Do you not see that there may be options for that, and do you have businesses in lots of different areas that might require three-phase power?

I'm assuming you have got three-phase power up through the main part of your highway, but not –

Chair: Mr. Pizio.

Dave Pizio: Mr. Minister, we're unique in Greenmount-Montrose, with we hold no assets. The gas tax money that you have, we're going to add an addition to the community hall. We support the community hall.

An Hon. Member: (Indistinct)

Dave Pizio: Pardon?

An Hon. Member: (Indistinct)

Dave Pizio: The Montrose community club.

Ms. Biggar: (Indistinct) incorporated (Indistinct)

Dave Pizio: It's an incorporated area –

Mr. Trivers: Please go through the Chair.

An Hon. Member: Oh, sorry, Mr. Chair.

Chair: Let's let him answer the question.

Ms. Biggar: Sorry.

Leader of the Opposition: You're supposed to go through the Chair.

Chair: Let's let him answer the question.

Dave Pizio: The aspect of anything that's going on in the community, it's mainly farming with fishermen living in the community. As far as the businesses and such, if it's going to occur later on that would be looked at, at that time.

Our application for the gas tax, the notional amount, money, we got that approved for the extension on behalf of our community centre because that is our cultural centre for

Greenmount-Montrose. The community municipality itself does not own any assets, so we're able to do it that way.

Mr. Trivers: I'd like to comment on that, too, Chair.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: I mean, we're deep into the amalgamation argument here, of course, which is a little bit outside what the bill is all about.

I personally think it's a little crazy to say, in order to develop and improve the infrastructure in the area, you have to add another level of government. I mean, there's no reason why the province cannot advocate for that area at the provincial level to put in three-phase power, or to – you mentioned some of the other reasons that municipalities might be able to – I think it was a garbage dump –

Mr. Henderson: (Indistinct)

Mr. Trivers: – or something like that; garbage disposal. I mean it could be a gun range. It could be many things. There's no reason by that sort of – management couldn't be done at a provincial level. That's a little input onto the amalgamation argument.

I personally would like to get back to the bill, but –

Mr. Henderson: Well, I guess –

Chair: The hon. Justice and Public Safety.

Mr. Henderson: I thought I still have the floor here, Mr. Chair?

Chair: We're moving on.

Some Hon. Members: (Indistinct)

Mr. Henderson: (Indistinct)

Chair: The hon. Justice and Public Safety –

Ms. Biggar: (Indistinct) we have a right to speak, too –

Mr. Roach: See how this goes next time.

Mr. Henderson: Put me on the list for the next time.

Chair: Yes.

Mr. J. Brown: (Indistinct) Chair?

Chair: Yes.

Mr. J. Brown: Okay, so I'll maybe continue this on little bit –

Mr. Myers: I wish you were Chair all the time.

Mr. J. Brown: – and ask a question too.

I want to give one example that I have run across in my previous life as a private sector lawyer as to the benefits of, you know, kind of, incorporation and having a core staff there to carry forward, particularly in the area of land-use planning. This is actually, Mr. Chair, something that took place in a community, I guess, in what will be part of your new district, a number of years back.

It stemmed out of, first, a residential subdivision that was permitted right next to an industrial application. Of course, the two of those things grew over the course of time. They were prepared, I think, by a couple of different contract planners. The person that owned the subdivision originally ran into financial troubles, and through receivership the subdivision was up for sale. Basically, some of the information that you might typically have was not around.

Anyway, the planner that had been engaged by the municipality at that point in time, I believe might have actually been in Florida, but the point was not around to be engaged, and through the course of the process that was going on, the town, at that point in time, they might have been paid small stipends, but were basically volunteers, were left to scramble around to try and figure out what could be done to try to sort out a couple of legal issues that had arisen out of the planning work that had been done at that point in time.

Long story short, the group and the community and whatever, had indicated on a number of different occasions as we were dealing with them going through that, that it

was tough as a small community to be able to do that kind of work and it's a big part of the reason why they were incorporated in the first place, was to be able to have control over that sort of thing in their own community.

So that leads me all to a question, which is this: As we would all know here, my department, justice and public safety, is going through a FOIPP act review. We have had a number of different submissions in relation to that: the Green Party has a submission indicating that they would like to see open FOIPP access in all incorporated communities and I don't think we have anything from the official opposition on this at this point in time, but I'm interested in the hon. Member from Rustico-Emerald's views on this point and whether or not municipalities such as Mr. Pizio's should be required to marshal the resources to respond to FOIPP requests.

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

Again, this is quite outside the scope of this bill, of course, which is talking about giving unincorporated Islanders a voice, but I'm very to answer your question. I definitely have an opinion on that.

Again, I think that incorporation is not always the answer and having tiny incorporated communities is not necessarily the answer. I know in New Glasgow, in my district, they actually have a New Glasgow community corporation – which is not a municipality. The residents actually started a company so they could meet and then help make decisions about New Glasgow. They don't have to follow the *Municipalities Act*, they don't – they did that.

So when it comes to freedom of information requests and the FOIPP act, if indeed land-use planning was done at a provincial level – and that's my opinion, I think most of the land-use planning should be done at a provincial level, especially when you're involving really small municipalities. It doesn't make sense – like you said: They're not equipped to do that. They were formed for totally different reasons, like the New

Glasgow Community Corporation to make the decisions like that.

You were suggesting they had a trouble when it came to that subdivision being sold and the legal issues that arose. I think that should be dealt with at a provincial level. That's why I was so pleased to hear the Minister of Communities, Land and Environment say that he's going to take his department, he's going to wrap up the staffing, he's going to do land-use planning in unincorporated areas across the province.

Some Hon. Members: (Indistinct).

Mr. Trivers: I think that should include the small municipalities as well and then when you put in a FOIPP request, guess what? It's the provincial department that's FOIPPed and all the information is there and you don't have to extend anything in the act at all. And by the way, I think the official opposition does fully support the review of FOIPP and we're the ones who actually submitted the request originally.

Chair: Do you have a comment, Minister of Justice and Public Safety.

Mr. J. Brown: Yes. I didn't get an answer to my question. The question was –

Some Hon. Members: (Indistinct)

Mr. J. Brown: – do you support –

Some Hon. Members: (Indistinct)

Mr. J. Brown: Well, you guys ask us all the time. A lot of dancing going on here.

Mr. Trivers: I thought I did answer your question.

Chair: Order!

Some Hon. Members: Oh!

Chair: Minister?

Mr. J. Brown: Do you or do you not support the full provisions of the FOIPP act applying to all municipalities on Prince Edward Island?

Mr. Trivers: I mean, actually, I don't have a particular opinion on that.

Some Hon. Members: Laughter!

Some Hon. Members: (Indistinct).

Mr. Trivers: I think I'm going to go back to my previous answer. I think the province is the one that should be doing land-use planning and therefore, the FOIPP act would extend to small municipalities and all municipalities.

Mr. J. Brown: (Indistinct) financial matters –

Mr. Trivers: And then the province would actually – they would be the ones that would foot the bill, as it were, and provide the systems and the support that goes along with all those things, right? That's what we're talking about. I would support – I think freedom of information is something that should be prevalent throughout all levels of government and I realize it takes money and effort to do that. That's why I think things like land-use planning – that was the example you referred to – should be done at a provincial level. It really should.

Mr. J. Brown: Chair? I wonder if Mr. Pizio has something to say on that.

Chair: Do you want to add to that, Mr. Pizio? You're fine?

Dave Pizio: Mr. Chair, I received an email – they wanted input as a small community to FOIPP. My answer that went back is: I know nothing about the mechanism of this and until you come back and let me know what is the impact on me as a small community, data retention, all of these things, the legality of which documents, how they're supposed to be kept, and all those things; so my answer went back to them: Until you tell me what is the scope upon the small municipalities, I can't give an opinion one way or the other.

Chair: Thank you.

The hon. Member from Belfast-Murray River.

Ms. Compton: Thank you, Chair.

I think some of my questions have been answered, but I just wanted to comment again on the gas tax because that was

something that was floated in District 4 because we've got three community councils: Murray Harbour, Murray River, and Belfast – Belfast covering a huge geographical area. We've been incorporated since 1972, I believe as well, and it came about through the whole consolidation of the school. All the school districts were brought together. So we've got a pretty big population, but it's spread out over quite an area.

The opposite of that is Murray River-Murray Harbour which is a very, very small incorporated area. With the gas tax it was floated that if we all joined together, the whole district, we would get a lot more gas tax. This is rumour versus; is it really true. We know this five-year allotment of the gas tax, there's one more year left of that. Yes, it's supposed to be permanent. I guess any government can overturn that and it's based on population.

But the reverse of that is, Murray Harbour gets \$100,000 because they have sewer and water – that's all they get; where Murray River, which does not have sewer and water, gets 41,000 and Belfast gets 203,000 because of population. But how is that going to affect Murray River and their small, concentrated village; and then all the unincorporated areas around them; and then Murray Harbour, the small, concentrated village and all of their unincorporated areas; and then Belfast, which is an incorporated municipality? It's a very mixed bag in District 4.

It's very important that unincorporated areas have their say. That's really important. I think it's really important for District 4 and I will state that. But it's also – to say it's to ensure that municipalities are sustainable down the road, I'm not sure how that will affect the community of Belfast – to make it any different than it is now as a municipality.

Those are the questions that I would like to see answered before we move forward and we talked about whether the minister – how much power he has and before you talked about a carrot versus a stick – well, if a carrot doesn't work, are you going to use a stick? That's the concern that I'm hearing from people. Why is this forced upon us? If we're happy with what we're doing now and

we're moving forward the way we want to move forward, why do we need a change? So to make sure that the unincorporated areas have a say, I think it's really important. So I just want to –

Chair: The hon. Member from Rustico-Emerald.

Mr. Trivers: Thank you, Chair.

Those are exactly the same things that I'm hearing and it's really important because it's pretty clear, as Mr. Pizio has stated as well, that – and I believe the minister had even confirmed this at one point – the former minister of communities, land and environment – that the goal is to go to – 20 to 25 municipalities in the Island – and do that. If you're going to do that, you have to engage the unincorporated areas and you have to know why.

Right now, we're in a situation with this *Municipal Government Act*, where if the stick is going to be used, there's all the teeth in the act that the unincorporated areas – they can actually put in an objection to a proposal and they don't even have to have a mandatory public hearing – the commission doesn't have to, IRAC doesn't have to. That's what the legislation states. I just wanted – and then maybe you could say all day long: Oh, yeah, well no minister would ever do that. That's not the intention. Why would we ever force amalgamation without consulting with the unincorporated areas?

The point is, to the letter of the act, you can do that. That's what this bill is all about. Is to make things like public hearing mandatory if there's an objection; to make sure that, not only, do new proposals from unincorporated areas need a petition, if the minister of a municipality wants to go and annex an unincorporated area they need a petition, as well. It's to allow the minister to actually use the tool of a plebiscite if there's a lot of public interest in a particular proposal, right?

It's to make sure that on the floor of the Legislature, the proposal – the recommendation is debated before it goes to the Lieutenant Governor in Council. So that the unincorporated areas have the voice of their elected representative. That's what this is all about.

Chair: The hon. Member from Belfast-Murray River.

Ms. Compton: Thank you, Chair.

Maybe, I can go through the Chair to ask the Minister of Transportation, Infrastructure and Energy, because on your website, we know the allotment, five-year allotment of gas tax is – there's one more year left in it.

Has there been any conversation with municipalities, or perspective municipalities, on how the Gas Tax Fund will work if they're amalgamated?

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

Ms. Biggar: I'll direct that to the Minister of Finance.

Ms. Compton: Finance minister.

Mr. MacDonald: There has been no discussion as far as terminating the gas tax or anything to that effect, if that's what specifically you're asking?

Chair: Is that what you're asking?

Ms. Compton: No, it's not.

Mr. MacDonald: What are you asking, then, sorry?

Chair: The hon. Member from Belfast-Murray River.

Ms. Compton: Thank you, Chair.

What I'm asking is: Has there been any conversation in this whole municipality act talk about how unincorporated municipalities, if they join together, they will benefit from a change in the gas tax.

We know, you have to apply. There'll be a new allocation, we're assuming, because it is permanent, that starts in 2020. Has there been any conversation?

Because, you know, if this is going to happen, what are the benefits? We would assume one of the benefits would be, if we're larger municipalities with more population that there will be more gas tax money.

Has there been any conversation about how that will be allocated and whether it will be a benefit for unincorporated areas or smaller municipalities to join?

Mr. MacDonald: There is a formula, obviously. The funding envelope was increased by \$2 million in 2017, and will go up by \$1 million over the next three years, plus growth based on assessments. The funding will increase to \$30 million by 2022-2023, based on a 3% escalation. In addition, there will be an estimated increase of 147,000 in funding for equalization in small municipalities. Is that what you're asking me?

Chair: Thank you, hon. members.

(Indistinct)

The hon. Member from Rustico-Emerald.

Mr. Trivers: Mr. Chair, I move that the Speaker take the chair, and the Chair report progress and beg leave to sit again.

Chair: Shall it carry? Carried.

Mr. Speaker, as Chair of a Committee of the Whole House, having had under consideration a bill to be intitled *An Act to Amend the Municipal Government Act (No. 2)*, I beg leave to report that the committee has made some progress and begs leave to sit again. I move that the report of the committee be adopted.

Speaker: Shall it carry? Carried.

Ms. Casey: Mr. Speaker, if I could ask for your indulgence?

Speaker: Yes, go ahead, hon. Member from Charlottetown-Lewis Point.

Ms. Casey: Thank you.

Hon. members, I just want to report that it 4-2 for the Islanders after 2.

Some Hon. Members: Hear, hear!

Speaker: That was a good intervention, Deputy Speaker.

Order, order!

Motions Other Than Government

I'll call on the hon. Leader of the Third Party.

No, I'll call on the hon. Member from Charlottetown-Parkdale.

Ms. Bell: Thank you, Mr. Speaker.

I request that Order No. 42, be now called.

Speaker: Shall it carry? Carried.

Clerk: Motion No. 42, the hon. Leader of the Third Party, moved seconded by the hon. Member from Charlottetown-Parkdale, the following motion:

WHEREAS the 2009 report of the Thompson Commission, recognizing that no consensus exists about how to structure local governance on PEI, recommended:

That the provincial government, through a process of public information and consultation determine the consensus of Islanders in relation to the incorporation of some or all of the province into municipalities having a population and tax base sufficient to provide effective and sustainable local governance on matters which are local in scope.

AND WHEREAS consensus in relation to the future of local governance in rural Prince Edward Island has not yet been achieved.

AND WHEREAS citizens' assemblies have been used in other jurisdictions to allow for greater public involvement and deliberation in decision-making on complex policy matters;

THEREFORE BE IT RESOLVED that the Legislative Assembly urge government to create a citizens' assembly comprised of residents of rural parts of the province to deliberate and provide recommendations on the future of local governance in rural Prince Edward Island.

Speaker: I will now call on the mover of the motion, the hon. Leader of the Third Party to speak to the motion.

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

As a Green Party MLA, I approach all issues through a couple of lenses; is this position the right one for the people I represent; and is this position consistent with Green Party values.

Most of the time those two lenses are aligned and as I've discovered to my delight over the last couple of years, Islanders values line up beautifully with Green values, so generally the right path is very clear for me.

Those same Green values are used in the development of all of our policies to make sure that our platform reflects the principles on which our party is built.

Occasionally, an issue will arise, where, due to its complexity, or its contentiousness, it's hard to craft a position about which I feel entirely comfortable and confident. That, I suppose, is one of the central challenges of politics as elected representatives. It's up to us, and we are repeatedly tasked with making difficult decisions on behalf of our community.

Recently, one of these times arose during the debate on rural governance. Two of the core principles of the Island Green Party that inform my political life are; active citizenship and self-determination and grassroots democracy. Now, those two values together suggest that local communities like the ones affected by the changes in rural governance should have deeply democratic mechanisms to determine their futures and ultimately they say in how they are governed.

On the other hand, numerous provincial studies have all come to the same conclusion: that significant reform of rural governance on Prince Edward Island is required. The *Municipal Government Act* was a piece of legislation that seemed, at last, to signal that government was ready and willing to implement the recommendations of all of those reports that lamented the state of rural governance on Prince Edward Island, and called for change, and which had been sitting, like so many other reports asked for by government, collecting dust on a shelf.

In 2016, I spoke at the Federation of Municipalities AGM and, in part, I said this:

When you sail into New York Harbour – admittedly something I have never done – you come face-to-face with the Statue of Liberty. It's a shame, I think, that they did not construct a sister monument right beside it and call that one the statue of responsibility, because citizenship is equally about freedoms and responsibilities.

As we navigate the choppy waters of moving from the status quo of local government on Prince Edward Island to whatever we create over the next number of years – and remember, this was said two years ago at the AGM of the federation – I believe the process will only be truly successful if we mobilize the citizenry and spark their sense of responsibility. I think we saw some of that spark demonstrated in the rally outside the Legislature –

Mr. R. Brown: Lots of sparks.

Dr. Bevan-Baker: – here this evening. Yeah, lots of sparks, minister.

Let me be blunt, and say that the status quo is a mess and it lacks consistency and coherence. Thus, the status quo, for me, is not an option; was not an option in 2016.

My hope is that at the end of this process 10 or 15 years from now, or however long it takes, we will have a clear and consistent pattern of local governance from tip-to-tip across Prince Edward Island. And that, particularly, in rural Prince Edward Island, local citizens will step up, have their voices heard and take responsibility for the protection and the preservation of their communities.

I want to emphasize that it is critically important that the process that gets us there is an entirely democratic one. Forced amalgamation, annexation or any other sort of coercive arrangement is simply unacceptable to me. Cannibalizing our neighbours is not an established tradition on Prince Edward Island, and neither is it a good way of creating community or fostering trust.

Those remarks, again, were made two years ago at the AGM, just over two years ago at the AGM of the PEI Federation of Municipalities. We've seen recently the unacceptable consequences of an absence of

local governance when in Millvale, the district of the hon. member who is presenting and moving the bill, Maritime Electric in consort with the provincial government, were somehow able to commence work on a project with absolutely no communication or liaison with people living in the neighbourhood.

In my own constituency, two issues; a mystery project – we used to call it the mystery project in Hampton, which as far as the community knows is still a viable project, but nobody in the community has had any input whatsoever and a bottling plant, which was planned for Brookvale. Both of these things were thwarted, but only by a fluke because one person, when it came to the bottling plant, one person received a change of use permit, came to me and that was the only reason that this was even noted that it was even became – people became aware of it. With local governance, such things could never reach that point without general community support.

For many people, the extent of their activities in democracy is to vote in elections and of course that's a critical element of democracy. But, for many others that's just simply not enough. They want their voices to be heard when government – whether that's local or provincial or federal – develops policies that affect their lives, and in many ways every policy we create here affects lives.

We see attempts at that by our provincial government in public consultations and forums on issues, such as the recently passed *Water Act*; fine consultations in my mind, or the impending cannabis legislation, less impressive as far as I'm concerned. For some people, those exercises themselves are unsatisfactory as they often feel, rightly or wrongly, that government has already made up its mind on something and that the consultation is nothing more than window dressing; we're just going through the motions.

In addition to voting and participating in the occasional public consultation, many citizens want a process that is far more collaborative and empowering, one that truly involves Islanders in the decision-making process; and that gives them power over

their own future and that of their communities.

So what democratic mechanism could foster and honour grassroots democracy and active citizenship and self-determination? Well, as I discussed in my member statement this afternoon, one mechanism that can facilitate this deeper level of engagement is a citizens' assembly; a body formed from randomly selected ordinary citizens, your neighbours and friends – in this case from rural Prince Edward Island – to deliberate on an issue without the participation of politicians.

A citizens' assembly could be implemented in rural regions of PEI with a mandate to engage with the public and all stakeholders, to consider and find common ground on how rural Prince Edward Island should be governed and with the authority to make binding decisions. Exactly such a process was used to create the citizens' assembly that crafted the referendum on electoral reform in British Columbia back in 2005. An almost identical citizens' assembly was struck in Ontario a year or so later to work on their electoral reform referendum. Other countries have also adopted this Canadian civic innovation.

The Netherlands also used a citizens' assembly to deliberate on electoral reform, and Ireland currently has one looking at a variety of complex issues, highly contested issues, including abortion rights, aging population, fixed-date elections – fixed-date elections, very contentious – referendum legislation, equally contentious, and climate change. The level of citizen involvement and responsibility involved in a citizens' assembly would be fairly new on Prince Edward Island, but I believe that given our voter turnout and the Islanders' legendary engagement and interest in politics, that we would have no problem making it work beautifully here.

The citizens' assembly concept is particularly useful in the context of rural governance because it would address a couple of things which have dogged this issue to date. Firstly, the distrust that many feel over the heavy handed approach of government, and the lack of representation of people from unincorporated areas in the process.

I imagine such a citizens' assembly being mandated, selected, carrying out its work, and making binding recommendations to government over the course of just a couple of years – which is sort of a veritable sprint compared to all of these reports which have sat on shelves for decades gathering dust.

With a citizens' assembly we might finally have a trusting and open discussion amongst ourselves, and reach the consensus on rural governance that Ralph Thompson talks so longingly of in his benchmark report of 2009.

I think it would be nice if we were to listen openly and generously to what we are all saying; to try and understand each other rather than trying to cut each other down. I think our differences are small. I think our commonalities are very large, and I'm speaking across all sides of the House here. I remain hopeful that, with our better natures, we can work together collaboratively to make this *Municipal Government Act* a better piece of legislation that can move this process forward in a truly and deeply democratic way.

Thank you very much, Mr. Speaker.

Speaker: The hon. Member from Charlottetown-Parkdale.

Ms. Bell: Thank you, Mr. Speaker.

I may have an interesting distinction, having lived in one of perhaps the largest incorporated municipalities and also one of the smallest unincorporated, having moved here when I was eight to New Argyle, which at the time, had 12 homes. I think probably still has the same number now, and remains unincorporated.

An Hon. Member: (Indistinct)

Ms. Bell: Pardon me?

Now, I live, though; however, and represent an urban district. But, I understand the interdependence of rural and urban communities in PEI. After all, some of our biggest economic drivers: tourism, agriculture and fishing, are largely and purely rurally based.

On PEI, urban centres cannot thrive without the hard work and economic activities of our rural neighbours, friends and family. We are all stronger, and in fact we will only achieve our fullest potential, when both rural and urban communities are thriving. It is vitally important, not only for our economy, but for our greater social and environmental well-being, that all of our communities, rural and urban, are well governed and can participate as equals in deciding our future together.

Good government should feel like partnership, built on honesty and trust. We need to focus on rebuilding relationships between Islanders, and coming together on difficult issues, issues like rural governance.

We must go beyond consultation that pretends to listen to and be influenced by public input. We must aim towards a collaborative and empowering process that truly gives Islanders control over their collective future.

The idea of citizens' assemblies is new, and I am sure that the thought of handing over decision-making authority to ordinary citizens may feel uncomfortable for those in power who are accustomed to a more traditional top-down model. However, as my colleague has pointed out, citizens' assemblies have been used successfully in many other jurisdictions.

Our Premier is fond of describing us as the mighty Island. But an essential element of our might is not in our exports or our GDP, but in our ability to work together to initiate meaningful, and at times, almost radical change; to get all hands on deck, as the Premier likes to say. For example, this was done with the successful campaign for proportional representation in our recent plebiscite, and the results there show that the government may not be ready for change, but the people of Prince Edward Island are.

PEI really is one big community, and we need a government that understands that and works not to erode that community, but to build and enhance it. I concur with the Leader of the Third Party and believe that we will indeed make progress if we take the step forward together, both urban and rural.

Thank you, Mr. Speaker.

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

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

This is a great debate we're having here in the Legislature about Prince Edward Island and the future of Prince Edward Island.

I live in an urban district, an expanding urban district. The minute a foundation is – a hole is dug in Downtown Charlottetown – the apartment building is full; full.

An Hon. Member: Call the hour.

Mr. Trivers: Extend the hour.

Speaker: Do we have unanimous consent?

Some Hon. Members: No.

Speaker: The hon. Government House Leader.

Mr. McIsaac: Mr. Speaker, I move, seconded by the hon. Member from Montague-Kilmuir, that this House adjourn until tomorrow, Wednesday, April the 11th, at 2:00 p.m.

Speaker: Shall it carry? Carried.

Have a good evening.

The House adjourned until Wednesday, April the 11th, at 2:00 p.m.