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**Proceedings of the Standing Committee on
Social Services**

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Department of Municipal Affairs and Environment

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Honourable Perry Trimper, MHA

SOCIAL SERVICES COMMITTEE

Department of Municipal Affairs and Environment

Chair: Derek Bennett, MHA

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Paul Dinn, MHA
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Pam Parsons, MHA
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Clerk of the Committee: Sandra Barnes

Appearing:

Department of Municipal Affairs and Environment

Hon. Lisa Dempster, MHA, Minister

Jamie Chippett, Deputy Minister

Dana English, Executive Assistant

Robyn Hayes, Departmental Controller

Jackie Janes, Assistant Deputy Minister, Climate Change

Tara Kelly, Assistant Deputy Minister, Fire, Emergency and Corporate Services

Dan Michielsen, Assistant Deputy Minister, Municipal Infrastructure and Support

Erin Shea, Director, Communications

Randy Simms, Executive Assistant

Susan Squires, Assistant Deputy Minister, Environment

Also Present

Derrick Bragg, MHA

Jordan Brown, MHA

Jim Lester, MHA

Kevin Parsons, MHA

Chris Tibbs, MHA

Laurie Bonia, Research Analyst, Official Opposition Office

Angelica Hill, Researcher, Government Members' Office

Ivan Morgan, Researcher, Third Party Office

Pursuant to Standing Order 68, Derrick Bragg, MHA for Fogo Island - Cape Freels, substitutes for Pam Parsons, MHA for Harbour Grace - Port de Grave.

Pursuant to Standing Order 68, Jim Lester, MHA for Mount Pearl North, substitutes for Paul Dinn, MHA for Topsail – Paradise, for a portion of the meeting.

Pursuant to Standing Order 68, Kevin Parsons, MHA for Cape St. Francis, substitutes for David Brazil, MHA for Conception Bay East - Bell Island.

Pursuant to Standing Order 68, Chris Tibbs, MHA for Grand Falls-Windsor - Buchans, substitutes for Paul Dinn, MHA for Topsail – Paradise, for a portion of the meeting.

The Committee met at 6:09 p.m. in the Assembly Chamber.

CHAIR (Bennett): Okay, we're in business.

We'll call the meeting to order at 6:09 p.m.

We'll start off by the Committee Members and staff on my right to introduce themselves. We'll start off with the newest Member, Jordan.

You may have to put your hand up. Okay, perfect. Is the light on?

MR. BROWN: No.

CHAIR: Okay. Here you are, buddy.

MR. BROWN: Jordan Brown, MHA, Labrador West.

MR. MORGAN: Ivan Morgan, Researcher, NDP caucus.

MR. J. DINN: Jim Dinn, St. John's Centre.

MR. LESTER: Jim Lester, Mount Pearl North.

MR. K. PARSONS: Kevin Parsons, MHA, the beautiful District of Cape St. Francis.

MS. BONIA: Laurie Bonia, Researcher, Official Opposition.

MR. TIBBS: Chris Tibbs, Grand Falls-Windsor - Buchans.

MR. LOVELESS: Elvis Loveless, Fortune Bay - Cape La Hune.

MR. BRAGG: Derrick Bragg, Fogo Island - Cape Freels.

MS. STOODLEY: Sara Stoodley, Mount Scio.

MS. HILL: Angelica Hill, Researcher, Government Members Office.

CHAIR: Before we ask the minister to introduce her staff, we're going to ask for a motion, first of all, to adopt the minutes of the June 25 meeting of the Social Services Committee for the Department of Education and Early Childhood Development.

MR. BRAGG: So moved.

CHAIR: Moved by Mr. Bragg.

Don't need a seconder.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, minutes adopted as circulated.

CHAIR: Okay, now, Minister Dempster, if you wouldn't mind introducing your staff.

MS. DEMPSTER: Good evening, everyone.

Lisa Dempster, the MHA for up in God's country, in Cartwright - L'Anse au Clair, and the Minister of Municipal Affairs and Environment.

MR. CHIPPETT: Jamie Chippett, Deputy Minister, Municipal Affairs and Environment.

MS. SQUIRES: Susan Squires, Acting Assistant Deputy Minister of Environment.

MR. MICHELSEN: Dan Michielsen, Assistant Deputy Minister of Municipal Infrastructure and Support.

MS. SHEA: Erin Shea, Communications Director.

MS. KELLY: Tara Kelly, ADM, Fire, Emergency and Corporate Services.

MS. HAYES: Robyn Hayes, Departmental Controller.

MS. JANES: Jackie Janes, Assistant Deputy Minister for Climate Change Branch.

MS. ENGLISH: Dana English, Executive Assistant to Minister Dempster for CSSD and NLHC.

MR. SIMMS: Randy Simms, Executive Assistant to the Minister of Municipal Affairs and Environment, Minister Dempster.

CHAIR: All we ask now is – we're in such a big crowd here tonight – when you go to speak, make sure your light is on and identify your name, please.

CLERK (Barnes): We're going by subhead, right?

CHAIR: Yes.

CLERK: 1.1.01 through 1.2.03.

CHAIR: We'll give Minister Dempster 15 minutes to have her opening remarks, then the first person responding and the Official Opposition will also have 15 minutes.

MS. DEMPSTER: Thank you, Mr. Chair.

I don't think I'll need 15, maybe only four or five, but I'll give a little overview. I'll start by saying good evening and thanking everyone for being here to participate in the Estimates of Municipal Affairs and Environment. It is an absolutely gorgeous evening outside so I'm sure that some of you would prefer to be elsewhere.

As a department, we focus on advancing the economic, social and environment success and sustainability of municipalities, communities,

regions and the province through the delivery of effective programs, services and supports.

I think most of you in the House know that I am newly appointed to the department. I just took a look at the calendar. It's been three weeks and a couple of days, I believe. I'm going to see how much I know in that short time frame. I have a very good team around me for anything that I fall short on I'm sure.

I want to say just out of the gate it's been a wonderful learning opportunity to see how this department engages with residents, governments and stakeholder organizations to support safe and sustainable communities. My MHA colleagues would have heard me this afternoon in the House talk a little bit about my experience and knowledge at the municipal level, locally and provincially before now, so I do bring some experience to the portfolio.

Their work is resulting in better services and outcomes for residents. I've certainly over the last – we've been working through briefings and every day having a little briefing before we come in the House in the afternoon. It's given me an opportunity to see first-hand how knowledgeable and dedicated the staff of the department are in improving the lives of Newfoundlanders and Labradorians and their families. I was especially struck by whether they were environment or climate change or municipal, you could see the passion and the interest that they all had for their individual areas that they work in. I believe that bodes well for all people in the province.

I'm going to break it down in several headings. In our close work with communities we continue to provide funding and support to encourage strong local governance and high-quality services. *Budget 2019* includes \$123.9 million for community funding programs such as Gas Tax, the Community Employment Enhancement Program – most MHAs would be familiar with – and the Municipal Operating Grants.

Municipal infrastructure; our department has continued to work on infrastructure projects that are important to communities right across the province. Through our municipal infrastructure programs we are investing in stronger infrastructure, providing better access to clean

drinking water, protecting our environment by investing in waste water infrastructure and working to advance regional collaboration.

Over the past year we have improved cost-share ratios so that communities are better able to initiate projects that improve transportation networks and provide places for communities to gather and to work together. We have laid out our long-term plans so that communities can best take advantage of funding, allowing them to start projects that respond to their individual needs and update their plan accordingly.

In September 2019 Premier Ball announced an agreement for \$555.9 million in federal funding for the next 10 years under the Investing in Canada plan. Once leveraged, joint funding will result in over \$1.3 billion in investments in public transit, green infrastructure communities, culture and recreation, rural and northern communities. This is anticipated to amount to more than \$1.3 billion in cost-shared projects and over 4,000 person-years of employment.

Through *Budget 2019*, government allocated more than \$129 million for municipal infrastructure. Of this amount, \$48.3 million will be used to leverage an additional \$30.7 million in federal funds from federal infrastructure programs. New project applications under the Investing in Canada plan are in the final processes with the federal government and we will hold another call for project applications this summer, very soon. Also from the \$129 million, \$50.5 million will be used for provincial-municipal cost-shared projects under the 2017-2020 municipal infrastructure program. In March, Premier Ball announced 31 projects in 29 communities under this program.

I'll speak about climate change for a moment. Our government is committed to the protection of the environment and the quality of life of residents, as well as facilitating the wise management of our natural resources. We are supporting development of a clean economy and climate-resilient infrastructure, and we are working on initiatives to support an environmentally and economically sustainable future for our province for generations to come.

In March, we launched the provincial five-year Climate Change Action Plan. Through this plan

we are working to reduce greenhouse gas emissions from across the economy, stimulate clean innovation and growth and build resilience to the impacts of climate change.

We are implementing programs that support our five-year plan and encourage a transition to a low-carbon global economy. In January, we announced \$89.4 million over four years in federal-provincial funding for the Low Carbon Economy Leadership Fund.

This winter, we launched five programs that will be supported by this fund, including: Home Energy Savings Program, Energy Efficiency in Oil Heated Homes Program, Climate Change Challenge Fund, Freight Transportation Fuel Efficiency Program and Energy Efficiency and Fuel Switching in Public Buildings program.

We are also leveraging federal funds to support initiatives that will help key economic sectors adapt to climate change and be more resilient. Over \$302 million in federal funds are also being leverage under the green stream of the Investing in Canada Plan to support businesses and communities in the transition to a green economy.

Public safety: the health and safety of Newfoundlanders and Labradorians is our number one priority. The provincial government is committed to ensuring that firefighters in Newfoundland and Labrador have the necessary equipment. In 2019, we are making our fire protection vehicle program work better for communities and fire departments.

Budget 2019 includes an investment of \$2.88 million for the replacement of fire protection vehicles and firefighting equipment program. It also includes \$101,000 for grants to the Newfoundland and Labrador Association of Fire Services to support operations and the Learn Not to Burn program. This is \$1 million more than the usual allocation. This additional \$1 million will be used for the expanded fire protection vehicle program.

In January, we updated the program to include more options for communities to access funding for both used and new vehicles. Through this expansion, not only will communities have options to improve their fire protection vehicles

that better match their fiscal circumstances, but it will ensure that our budget can make a bigger difference in a larger number of areas in the province.

The department also continues to work closely with our emergency management partners, government and residents to continue ensuring the safety and well-being of residents and communities. In the wake of emergency events such as the Thanksgiving rainstorm event, the Mud Lake flooding event and the West Coast flood, we have continued to support residents and ensure their safety and well-being. We continue to work with Public Safety Canada to administer disaster assistance programs.

Through *Budget 2019*, we have allocated over \$1.85 million for the Newfoundland and Labrador Disaster Financial Assistance Program. This amounts builds on over \$12 million provided in *Budget 2018*.

Over the past year, the provincial government has enhanced water-level monitoring in the Churchill River area to help better predict and manage future floods and protect the residents; 11 new water and climate monitoring stations and a local river watch program are in place, and *Budget 2018* provided \$1 million for flood-risk mapping and flood forecasting of the region.

Throughout 2018 and in 2019, we will continue to work on flood-risk mapping on the Humber, Exploits and Lower Churchill River. Last year's investments in flood-risk mapping is assisting government, communities and emergency management partners in better anticipating and responding to possible flooding events. Our investments are supporting adaptation to climate change, minimization of damages to infrastructure and improved emergency response.

In conclusion, I'll just say that these are just a few of the many initiatives that I am proud to highlight for the Department of Municipal Affairs and Environment.

I'd be remiss, before I finish speaking, if I didn't acknowledge and thank the officials and staff of the department for all their hard work. Just since I've been there, we've been sometimes doing briefings on Sunday evenings or at night, and

I'm sure they put in lots of hours that I know nothing about.

As a government, we remain committed to working closely with our community partners so we can continue to deliver better services and achieve better outcomes for all Newfoundlanders and Labradorians.

Thank you.

CHAIR: We'll give the Official Opposition 15 minutes to respond and start questioning. Again, we're talking about Executive and Support Services, item 1.1.01 to 1.2.03.

MR. TIBBS: Thank you.

1.1.01, just a couple of questions for the minister starting out here.

Can we be provided with a copy of the minister's briefing binder?

MS. DEMPSTER: Yes.

MR. TIBBS: Thank you.

Are there any errors in the published Estimates book?

MS. DEMPSTER: I'll look to my deputy for that.

MR. CHIPPETT: There's one item which we can speak to later. Robyn may know the heading, but the revenue amount between the federal and provincial governments added together is correct but they should be proportioned differently between the two headings. I think that's Infrastructure, 3.4.02, so the overall revenue is correct but it should be proportioned differently in terms of federal and provincial revenue.

MR. TIBBS: Thank you.

To the minister: Are you still applying zero-based budgeting?

MS. DEMPSTER: Yes.

MR. TIBBS: What are the attrition savings last year in terms of dollars and positions?

MS. HAYES: The department's attrition target for last year would have been \$78,200. The department met that target and the '19-'20 target of \$59,400 for a total of \$137,600 by eliminating three positions.

MR. TIBBS: Thank you.

What is the attrition targeted savings for this year?

MS. HAYES: That was the \$59,400 that we met last year.

MR. TIBBS: How many people are currently employed in the department?

MR. CHIPPETT: Two hundred and thirty-five positions and 32 vacancies, as of today.

MR. TIBBS: Thank you.

How many of those are contractual or short-term employees?

MS. HAYES: Contractual positions for the department are three positions.

MR. TIBBS: Thank you.

How many retirements have occurred in the department this past year?

MS. HAYES: We had 10 retirements in 2018-19.

MR. TIBBS: Thank you.

How many layoffs have occurred in the department in the past year?

OFFICIAL: Zero.

MR. TIBBS: Zero.

Thank you.

How many new hires have there been in the past year?

MS. HAYES: There have been eight.

MR. TIBBS: Thank you.

And how many vacancies have not been filled in the department?

MR. CHIPPETT: There are 32 vacancies as of today. A number of those are positions that we only fill in the event of certain circumstances. For example, I know six are temporary staff we hire in the event of an emergency event. So it's probably more like 20 overall, in terms of vacancies.

MR. TIBBS: Thank you.

Have any positions been eliminated, and what would they be? What are they?

MR. CHIPPETT: There are three positions, Robyn spoke to, in terms of the attrition plan. That would be the only three that we've eliminated, and I think one was a financial analyst.

MR. TIBBS: Thank you.

Sticking with 1.1.01, I ask the minister, in Salaries, \$39,500 less was spent in the revised, and there is an additional \$34,600 in this year's budget. Can you explain the variance?

MS. DEMPSTER: The decrease of \$39,000 in the 2018-19 was a result of lower salary costs for the minister. The position also last year – it predates you, I know, but it was vacant for a portion of the year.

MR. TIBBS: Okay.

MS. DEMPSTER: Yes.

MR. TIBBS: Thank you.

Under Transportation and Communications, \$28,000 less was spent in the revised last year, but this year's budget includes an additional \$28,300. Can you explain what is included?

MS. DEMPSTER: That would be directly related – there was no minister there for a period of time and then the transportation was down as it reflected lower ministerial travel due to that vacancy.

MR. TIBBS: Okay, thank you.

Moving on to section 1.2.01, Executive Support, in Salaries there is a significant variance here of \$571,500 more was spent last year than budgeted, and this year it is \$385,500 less. Can you explain, and what positions were added or removed?

MS. DEMPSTER: The increase of \$571,500 in the 2018-19 revised reflects higher salary costs due to salary continuance and/or severance/annual leave payouts for six people. That figure would have been \$729,300, and Waste Management Strategy salaries \$38,700 offset by savings \$196,500 due to vacancies. That would have been MMSB CEO, ADMs and ADM secretaries.

MR. TIBBS: Thank you.

Under Transportation and Communications, last year \$2,000 less was spent than was budgeted, and this year there is a \$71,200 increase in the budgeted amount. Can you explain, and what was included?

MR. CHIPPETT: We would have had vacancies in some of our ADM positions last year. That would have contributed to the reduction. Now we have a full complement of ADMs. The other thing, I think, is we only had a portion of the department. We had a branch added early in the last fiscal year.

MR. TIBBS: Thank you.

Under Professional Services, what is the \$50,000 for in this year's budget?

MS. DEMPSTER: That's the budget for the Waste Management Strategy.

MR. TIBBS: Thank you.

Under Purchased Services, an additional \$18,100 is budgeted this year over the revised amount. What is included?

MS. DEMPSTER: That reflects the budget for the Waste Management Strategy \$13,500, and zero-based budget adjustment of \$100.

MR. TIBBS: Thank you.

Under Revenue - Provincial, I understand this is related to the salary for the CEO of the MMSB. Can you explain why only \$28,100 was spent last year, and has it been filled?

MS. DEMPSTER: The decrease of \$149,000 does reflect lower related revenue from MMSB for the CEO salary. As you indicated, the position was filled by the DM of MAE for the majority of the year.

MR. TIBBS: Thank you.

Section 1.2.02, Administrative Support, current salaries. In this budget, salaries of \$19,200 less than revised number. Can you explain?

MS. DEMPSTER: That would be a decrease in the summer students' salary budget.

MR. TIBBS: Thank you.

MS. DEMPSTER: Not that we – we have lots of students in the department, it's just that we didn't spend the full amount.

MR. TIBBS: Okay, thank you.

Under Transportation and Communications, \$10,000 less was spent last year; in addition, an additional \$10,500 is budgeted for this year. Can the minister please explain what is included?

MS. DEMPSTER: The decrease reflects lower departmental postage, freight and communications costs.

MR. TIBBS: Thank you.

Under Grants and Subsidies, what is included here?

MR. CHIPPETT: Based on the composition of the department, the minister sits at numerous federal/provincial/territorial tables. So the \$16,800 is our contribution to the Canadian Council of Ministers of the Environment.

MR. TIBBS: Thank you.

Under Revenue, what is included here? What explains the extra \$33,000 in the revised?

MS. DEMPSTER: That reflects higher miscellaneous revenue from repayment of prior years' community enhancement program grants payout. And my deputy can correct me, but sometimes when a community gets a certain amount allocated, they may actually claim some things that they're not eligible for, correct? And that's where that would've come from.

MR. TIBBS: Thank you.

Under 1.2.03, Strategic Financial Management, Salaries, \$220,600 less was spent last year, and this year there's an additional \$205,700. Can the minister, please, explain the significant variance in these salaries, and what positions are included in these amounts?

MS. DEMPSTER: Yes, the \$220,600 in 2018-19 revised budget reflects vacant positions and recruitment period. There were a number of positions vacant: two managers, financial officer, and two organizational budget analysts.

MR. TIBBS: Thank you.

CHAIR: (Inaudible.)

MR. TIBBS: Yes, that's good for this section.

Thank you.

CHAIR: Okay.

Mr. Brown, would you like to start?

MR. BROWN: I just want to thank everyone for coming tonight. This is great. This is my first Estimates, so wish me luck.

I think for the most part everything is covered here. I just have a quick question about the overview, that way. For Salaries and stuff, there seems to be a bit of an increase throughout there. Are some of those positions that were mentioned of the 32, are they being filled or going to be filled soon, or are they still in the process of looking for those people?

MS. DEMPSTER: Well, I was going to say in a large department you always have a number of moving parts with staff. Generally, there are always some positions that are vacant, as the deputy alluded to. Some positions are filled only

in the event of different things that happen around the province, but there's always ongoing recruitment. There are always lots of positions that move around as well. Someone might be in one and they move to another.

MR. BROWN: Okay. You have 32 positions, you said, that need to be filled. It seems it's quite a high number for a department.

(Inaudible) Strategic Financial Management, so this is handling multiple departments? Because it says here it provides services for Municipal Affairs, TCII, Service NL and that. That's one department handling the things of other departments?

MR. CHIPPETT: We physically house the staff but they provide financial services to the three departments that are referenced in that heading.

MR. BROWN: Okay, yes.

For this section, I think that's good for me there.

CHAIR: Good?

MR. BROWN: Thank you.

MS. DEMPSTER: He can go on, if he wants, right? He's new, so ...

CHAIR: No, that's all that section.

CLERK: 1.1.01 through 1.2.03 inclusive.

CHAIR: Shall 1.1.01 to 1.2.03 inclusive carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, subheads 1.1.01 through 1.2.03 carried.

CLERK: Fire, Emergency and Corporate Services, 2.1.01 through 2.3.03 inclusive.

CHAIR: We'll start off with Mr. Brown.

MR. BROWN: For this one here, Local Governance, is the department looking at modernizing the Municipalities Act to bring it more in line with modern municipalities?

MS. DEMPSTER: Yes, and we've actually held consultations and reached out to groups like MNL and PMA and we're now collecting what we heard. I believe some of it's posted online already. You can go to engageNL.ca. We've heard some very clear messaging around the need to modernize that piece of legislation to make it more enabling and less prescriptive for communities. There will be something coming on that this fall.

MR. BROWN: What's the largest topic with this outreach that you're finding?

MS. DEMPSTER: Sorry, can you repeat that?

MR. BROWN: Sorry. What is the topic that's most amongst the municipalities on this?

MS. DEMPSTER: Okay, I talked a little bit about it in the House this afternoon, about conflict of interest, and you would appreciate this coming from a relatively small area. A lot of our small communities end up with maybe business people running to sit on the council, for example. Then maybe there's a snow clearing contract that goes out and someone who sits on council is actually the successful bidder. People ask for clarity around that, so that would be one of the things.

MR. BROWN: Thank you.

Under regionalization, I know that there was an outreach and I know that there was a discussion around the province on that. With regionalization, are you guys moving forward more with that, or has there been any more development in that?

MS. DEMPSTER: We're very interested with aging demographics and shrinking municipalities, shrinking communities. We're looking at a couple of pilots in the near future, but we have not yet selected the areas.

MR. BROWN: Excellent.

Eliminating Limit of Service Agreements. The department eliminated Limit of Service Agreements with the aim of achieving greater efficiency in response of the needed communities. Do you have any background on that?

MS. DEMPSTER: Communities over the years have often called for to have their Limit of Service Agreement lifted going back quite a long time. You may have homes or a street outside the Limit of Service Agreement, so those streets could never apply for funding programs under 90-10 or 80-20, or whatever. That was lifted and it's my understanding everything is working fine. Municipalities now have the option to apply for funding in areas that they would not have had otherwise.

MR. BROWN: When it comes to resettlement, Little Bay Islands – how is that going?

MS. DEMPSTER: The people have voted and 100 per cent, I believe, of Little Bay Islands voted to relocate. The department is currently working through the next steps.

MR. BROWN: Okay and everything's all good with it?

MS. DEMPSTER: It is progressing, yes.

MR. BROWN: Williams Harbour, that was good, was it? Everything went well with Williams Harbour?

MS. DEMPSTER: Yes.

MR. BROWN: Okay.

All right, well, I'll start with 2.1.01. I notice in Professional Services last year it was up about \$19,000. What was that for?

MS. DEMPSTER: Do you want to answer that, Jamie? I don't see that.

MR. CHIPPETT: You said Purchased or Professional Services?

MR. BROWN: Under Professional Services.

MR. CHIPPETT: The increase there was actually due to legal fees. One was related to,

actually, the relocation file that you just referenced in terms of Williams Harbour.

MR. BROWN: Okay.

MR. CHIPPETT: Then there were some lower required planning consultants, in terms of appeal boards and so on.

MR. BROWN: Okay.

MR. CHIPPETT: The difference is what you highlighted.

MR. BROWN: Okay, perfect.

Revenue; I notice that in line 02 there it's down \$20,000. What would that be for?

MS. DEMPSTER: I don't see where he's referenced. Okay, yes, the decrease of \$20,000 reflects lower revenues from cost recovery on land use planning amendments.

MR. BROWN: On to 2.2.01, Policy and Strategic Planning. I notice that Salaries are lower in the estimated budget. Is there attrition there?

MS. DEMPSTER: The \$96,000 reflects adjustment to the director of legislative renewal position to contractual.

MR. BROWN: Okay.

MS. DEMPSTER: Then there's also a decrease of \$23,800 and that reflects lower salary cost due to recruitment periods for vacant positions.

MR. BROWN: Okay.

Under Transportation and Communications, that was up by about \$10,000 there. Is there any particular reason for that?

MS. DEMPSTER: The \$10,000 increase was the higher travel cost for legislative renewal. I just talked about the consultation sessions that we were holding –

MR. BROWN: Okay, so that was (inaudible) to that.

MS. DEMPSTER: – for the Municipalities Act.

MR. BROWN: Okay.

MS. DEMPSTER: That would've been directly tied to that.

MR. BROWN: Okay, perfect.

Grants and Subsidies for this section, what are the Grants and Subsidies for this?

MR. CHIPPETT: The Grants and Subsidies are – we talked about the environment table that we contribute to earlier. There's \$9,900 that is for the local government minister's table. That's our contribution on a national basis.

MR. BROWN: Okay.

MR. CHIPPETT: There's a \$147,000 grant for the Conservation Corps, and there's a \$12,200 grant to the Eastern Canadian Premier's Secretariat.

MR. BROWN: Okay, perfect.

Moving on 2.3.01, Fire Services, there's an increase in Salaries for the coming budget there. A new position?

MS. DEMPSTER: Yes. The increase reflects the addition of a new fire protection officer position.

MR. BROWN: Okay. That is a regional position, or is it an overall position?

MS. DEMPSTER: It's provincial. Again, my deputy can correct me but I believe, historically, the RCMP would show up and do some of these investigations. And they no longer do that. So the department has founded a new position, and that's the new fire protection officer. So we now have someone that will do that.

MR. BROWN: Okay. So that's for investigation purposes.

MS. DEMPSTER: Yes.

MR. BROWN: So he'll be the province-wide.

MS. DEMPSTER: Yes.

MR. BROWN: Or the person in terms of that. All right, perfect.

Thank you.

Allowances and Assistance, what are they used for in this particular sense?

MS. DEMPSTER: Are you wondering why the decrease?

MR. BROWN: Actually, an overall of what is it used for in particular.

OFFICIAL: (Inaudible.)

MS. DEMPSTER: Yes. That's right, yes.

That's the compensation for volunteer firefighters through WorkplaceNL.

MR. BROWN: Okay.

MS. DEMPSTER: Yes.

MR. BROWN: All right. And then, yes, there was a decrease in budgeted.

MS. DEMPSTER: That's right, yes.

MR. BROWN: So, I guess, there were less volunteer firefighters applying?

MS. DEMPSTER: The budget just reflects lower assessments –

MR. BROWN: Okay, yes. So I guess the –

MS. DEMPSTER: – over the last year.

MR. BROWN: Okay. Yes, no problem.

The Grants and Subsidies, is that for local fire departments?

MR. CHIPPETT: There are three different pots, we'll say, in the Grants and Subsidies: \$40,000 is an operating grant for Newfoundland and Labrador Association of Fire Services; \$61,000, actually, the minister referenced in her earlier remarks, it's for the Learn not to Burn campaign.

MR. BROWN: Yes.

MR. CHIPPETT: And \$140,000 are for different things involving community fire departments. For example, if a fire department responds outside their municipal boundary that would be what some of this funding is used for.

MR. BROWN: Okay. But that doesn't cover the fire truck subsidies?

MR. CHIPPETT: There's a separate heading for vehicles and equipment.

MR. BROWN: Okay, perfect.

2.3.02, Emergency Services, Salaries are down. Was there a loss of position there?

MS. DEMPSTER: The decrease of \$65,800 reflects salary attrition reduction. That would've been an Administrative Officer I, \$42,000, traded off for a temporary manager of community co-operation; and lower travel time of \$10,000 and lower salary steps, \$13,800 for new staff. So new staff coming in would've been paid lower than the ones that went out.

MR. BROWN: Okay.

Transportation and Communications, there was an increase there, but that was with the change of staff?

MS. DEMPSTER: No. Right here on 2.3.02, right?

MR. BROWN: Yes.

MS. DEMPSTER: The increase of \$30,000 reflects higher search and rescue costs for the year.

MR. BROWN: Okay, the higher search and rescue.

MS. DEMPSTER: Yes.

MR. BROWN: Okay.

Under the Disaster Assistance, 2.3.03, there was a sharp decrease in Salaries there from budgeted to actual to next year.

MS. DEMPSTER: The decrease of \$259,000 in the budget of 2019-20 from 2018-19 reflects

reduced temporary salary funding required for disaster assistance staff. So you will recall the Thanksgiving 2016 rain event. Then there was the Mud Lake flooding event, the West Coast flooding event. So there was temporary salary that was attached with that for the staff that was hired to process the claims for those events.

MR. BROWN: Okay. So this is the tapering off of all this.

MS. DEMPSTER: Yes, that's right. Yes.

MR. BROWN: Okay, yes.

CHAIR: Your time is expired.

You just have a quick one more or two more questions? If you do, I'll ask for leave.

MR. BROWN: No, I'll let my colleague go on now.

CHAIR: If not, we can go back to you.

MR. BROWN: Yes, thank you.

CHAIR: We'll go back?

AN HON. MEMBER: (Inaudible.)

CHAIR: Okay.

Thank you.

MR. TIBBS: If we could just take a moment and go back to the start. I have a few questions there for 2.1.01.

Under Salaries, \$102,500 was spent than budgeted last year, and this year there's an increase of \$98,800. Can the minister explain the variance and how many land planners there are?

MS. DEMPSTER: I'm slowing down.

MR. TIBBS: 2.1.01.

MS. DEMPSTER: Yes, thank you.

Sorry, can you ask the question again?

MR. TIBBS: I apologize; \$102,500 less was –

MS. DEMPSTER: Okay, yes.

That is lower salary costs due to recruitment periods for vacant positions, the \$102,500.

MR. TIBBS: Yes.

MS. DEMPSTER: Yes.

MR. TIBBS: And how many land planners are there?

MS. DEMPSTER: How many do we have? Six?

MS. KELLY: There are four.

MR. TIBBS: Four.

Thank you.

Under Transportation and Communications, \$8,000 less was spent last year and \$12,000 more is budgeted for this year. What is included, and why the variance?

MS. DEMPSTER: There was lower travel and communications cost last year due to staff vacancies. So we have to plan and look ahead, and hopefully we won't have those staff vacancies this year, so we budgeted accordingly.

MR. TIBBS: Thank you.

Under Supplies, there has been a decrease in the amount for Supplies. What is included?

MS. DEMPSTER: Are you looking at the \$6,000, or both of it? The \$5,500 budget reflects zero-based budget adjustment, and the \$6,000 reflects lower office and meeting supply costs. There were regional consultations, boards, appeals, things like that would be covered off there, and there were less of those that happened.

Correct? Feel free to jump in anywhere you like.

MR. CHIPPETT: Just generally, if I could speak to the activity. As the minister said, there are things here like appeal board hearings, protective road zoning amendments. So we don't control, necessarily, how many communities come forward looking for planning amendments.

As a result, the budget and the spending fluctuates from year to year.

MR. TIBBS: Thank you.

While on the topic of appeal boards, can you give us an update on the status of the boards and appeals in the region across the province, and is there a backlog?

MS. DEMPSTER: Yes. The Eastern Regional Appeal Board has 16 outstanding; Central has five outstanding; Western, nine; and Labrador, none.

MR. TIBBS: Thank you.

Under Purchased Services, \$11,700 less was spent in the revised last year; yet, this year's budget is back to \$35,800. What is included?

MS. DEMPSTER: The increase of \$11,000 – I believe the deputy alluded to it in the beginning – reflects legal fees. That was \$35,900 for relocation files, Williams Harbour, offset by lower required planning consultants and lower planning board member costs.

MR. TIBBS: Thank you.

Under Grants and Subsidies – I understand this is generally for feasibility studies – why was only \$5,000 spent last year? What is included this year?

MS. DEMPSTER: You're right; the budget does reflect fewer applications for those feasibility studies and other regional co-operation initiatives. So the funding is there, it's in place. If two or three communities living in a close proximity to each other want to explore the idea of amalgamation, then this funding is available for them. They may do so but it's up to them, and we do fund some.

Sometimes we fund them and communities don't actually end up amalgamating. But as I said to the deputy earlier today, maybe in a couple of years they might actually come back and decide to for shared services or whatever.

MR. TIBBS: Right, thank you.

I ask the minister, can you provide an update on community relocation requests?

MR. CHIPPETT: The only one that is actively in the process is the one we spoke to earlier, Little Bay Islands. There is one community that has expressed an interest in addition to that, I don't recall the name of the community.

MS. KELLY: Tilt Cove is the name of the community.

MR. TIBBS: Thank you.

Under Regional Appeal Boards, can you give us an update on what is happening with the Regional Appeal Boards?

MR. CHIPPETT: All appeal boards have their full complement of members. In fact, the Labrador Regional Appeal Board, it's the first time that's actually functioned as its own board for a number of years.

I think the minister went through the appeals that are outstanding. On those, I'd just point out that some of those have been mutually deferred by solicitors and so on for some of the clients, but the numbers have improved a lot over the last year.

MR. TIBBS: Thank you.

Moving on to Fire Services, 2.3.01, under Grants and Subsidies, these budgets for the grants are consistent. What is included and has anything changed?

MR. CHIPPETT: There's been no change. It's the \$40,000 operating grant for the Association of Fire Services; \$61,000 for the Association of Fire Services to run the Learn Not to Burn campaign; and there's \$140,000 for training and for municipalities who provide fire services outside of their community boundary.

MR. TIBBS: Thank you.

The Town of Grand Falls-Windsor has been promised a new fire truck. When is the proposed delivery date?

MR. CHIPPETT: I'm not sure what the exact delivery date would be. I think the process that's

happening right now is they're working through tender specifications with the fire commissioner's office. It's for a new truck, not a used truck so it would need to be manufactured and so on. So, usually, it's a year or more after the approval.

MR. TIBBS: Thank you.

Under Municipal Legislation Review, can you give us an update on the Municipal Legislation Review?

MS. DEMPSTER: I was just sharing some of that information with the Member for Labrador West.

We have gone through the consultation sessions. We have heard from groups like the Municipal Assessment Agency, Municipalities Newfoundland and Labrador and other groups that have fit in some very clear messaging around we need more clarity on conflict of interest.

Right now, most of the information, all of the information that has been gathered is posted on the EngageNL website. We hope to bring new, more modernized legislation into the House of Assembly this fall.

MR. TIBBS: Thank you.

Under Fire and Emergency Services as well, I just have a quick question about bunker suits in certain municipalities. I'm hearing from several municipalities that some of the bunker suits are becoming worn and not fire retardant like they should be.

With the security of our firefighters in the province, what determines if the bunker gear is not fire retardant and when they can get new ones, or the process?

MR. CHIPPETT: I'm unaware of the specific specifications that you speak to, but there is an annual call for applications through fire services, and the fire commissioner does all the evaluation on those, but it is a priority. The normal priority ranking is for communications equipment first and then secondary to that is the bunker suits and SCBA.

MR. TIBBS: Under regional government, what is the plan regarding regional governance and/or sharing of service pilots? Can we have an update on that?

MR. CHIPPETT: As the minister said earlier, there were a number of consultation sessions on this and specific sessions with MNL and PMA and gathered a lot of good data on what people consider to be regions in the province and what kind of services people were interested in sharing, but we haven't had a decision yet on where we would do the two pilots. That would be the next step.

MR. TIBBS: Okay.

CHAIR: Chris, your time is also expired.

Do you have any more questions, Jordan?

MR. BROWN: Just a couple questions there.

The municipal infrastructure gap, I know that it was in the mandate letter of the Minister of Municipal Affairs and Environment to develop a plan with Municipalities NL to address this problem. How is the addressing going?

MR. CHIPPETT: I guess as a precursor to defining the infrastructure gap, the work in the department has primarily focused on developing a toolkit that municipalities can use to assess their assets from an asset management perspective, so we're involved in that work right now. Obviously, one of the key challenges is different municipalities are at very different levels of progress in terms of their asset management plans.

So, when we've arrived at something that could be adapted to all municipalities we've rolled that out and that would be a significant factor in how you make decisions on closing the gap.

MR. BROWN: Okay, absolutely

Also there I noticed that starting with 2.3.03, Disaster Assistance, revenue from the feds. It was budgeted at \$17,502,700 but it was down quite significantly, almost \$16 million. What was the reason why the feds didn't live up to the expectation here?

MR. CHIPPETT: Section 2.3.03?

MR. BROWN: Yes, under Disaster Assistance, Revenue - Federal.

MS. DEMPSTER: The decrease of \$16 million reflects federal revenue for the West Coast flooding event and the decrease of \$12 million reflects lower federal revenue for the Thanksgiving rain event and West Coast flooding. So, they would have had the money in place for that and then once expenses and claims were processed and clued up, there was no longer a need for that.

MR. BROWN: Okay. I guess the money wasn't needed as expected?

MR. CHIPPETT: With this heading and some of the heading we'll talk about a little bit later, the federal infrastructure and so on, there's a claims process involved so it really results in cash flows that we can't always control.

MR. BROWN: Okay.

MR. CHIPPETT: So there's no question we'll get the federal revenue, it's just maybe which fiscal year it's actually booked in.

MR. BROWN: Okay.

Just another question or two, under civic addressing, especially in rural areas, I know there has been some work around trying to get people to put civic addresses on their houses and identify civic addresses. How is that process going with the Emergency Services?

MR. CHIPPETT: Primarily, external agencies do that work. Obviously, from a NL911 perspective, which is an agency that reports through our minister, they would be involved in work from that perspective. Other entities like the waste management boards, for example – so Eastern Regional Waste Management would be another entity that would have a lot of data around that. It's at different stages, depending on the region that you're in, but NL911, in particular, is able to effectively obviously locate where people are. When they move to Next Generation 911 they'll actually be able to tell where you're calling from.

MR. BROWN: Moving on to Enhanced 911, where are we with that right now?

MS. KELLY: We're actually going to be skipping over Enhanced and moving on to Next Gen. That's the next step in it. It was originally Basic, Enhanced and then Next Generation. The Next Gen is coming in as a result of, I believe, the CRTC direction. NL911 is working towards that right now. I think maybe in a year or two – I'm not exactly sure of the timeline but it's coming soon. We just recently had a meeting on it, actually.

MR. BROWN: Perfect, thank you. I'm good with this section there now if anyone wants to ...?

CHAIR: Okay, Chris.

MR. TIBBS: Please.

CHAIR: Yes, sure.

MR. TIBBS: Under regional governance, what type of systems are being considered?

MR. CHIPPETT: There are numerous models across the country; you'll hear about county systems and so on. There are also models around sharing of services, some of which, obviously, already exists in the province when you look at regional service boards. At this stage there's not been a decision made on what the model would look like or where exactly the pilots would be carried out.

MR. TIBBS: Thank you.

Under the Disaster Assistance we have a pretty good handle on it now, we know it's winding down, but I just have a couple of questions about that. Under Professional Services there's been a \$600,000 decrease since last year's budget. Can the minister explain what was included?

MS. DEMPSTER: That's basically exactly the same thing we've been talking about. It reflects funding required for the Mud Lake flooding event and West Coast funding event expenditures. That was insurance claim adjusters.

MR. TIBBS: Perfect.

Under Purchased Services, what explains the revised number?

MS. DEMPSTER: The increase of \$138,000 is revised. It reflects a higher funding requirement for the Mud Lake flooding event expenditures connected to Red Cross and housing. I'll let Jamie elaborate.

MR. CHIPPETT: Minister, you're exactly right, it's the payments to the Canadian Red Cross for rent and security deposits.

MR. TIBBS: Thank you.

Just two more questions. Under Allowances and Assistance can you explain what is included? Is this for private insurance claims? What claims are still outstanding?

MR. CHIPPETT: Primarily, I guess if you have insurance you're not eligible for disaster financial assistance. This is primarily payouts directly to residents who were impacted by the various storms.

MR. TIBBS: Perfect.

CHAIR: Any further questions?

MR. K. PARSONS: The first question I want to ask: Are we going to get your briefing book tonight because last year we didn't get it all.

MS. DEMPSTER: You didn't get it at all?

MR. K. PARSONS: No, we asked for it a few times.

MS. DEMPSTER: If you're really nice and on good behaviour, I'll consider it, yes.

MR. K. PARSONS: We are on good behaviour. We will?

MS. DEMPSTER: Yes.

MR. K. PARSONS: Okay, thank you.

When it comes to the money spent on Little Bay Islands, has all that been paid out yet?

MR. CHIPPETT: It hasn't been paid out yet. One of the steps in the process – so we talked

about the 90 per cent vote earlier, that's kind of a gate if you will, through the decision process. The second one is people actually signing conditional offers to accept the funding to relocate. That's the process we're in now is actually talking to folks about whether or not they're going to sign the property offers.

MR. K. PARSONS: Okay.

Is there a time frame on how long that's supposed to take?

MR. CHIPPETT: I don't know that there's a minimum time frame, but I mean it usually happens within a number of months.

MR. K. PARSONS: Okay.

A question I have: Have there been any other people requiring amalgamation, any towns looking to be amalgamated in the province?

MR. CHIPPETT: We've had some that I think have been out in the media. For example, we did the feasibility study for Wabush and Labrador City; we did one for Northern Arm and Botwood as well. In both those instances, at least right now, communities haven't moved forward with amalgamation, but those have been two of the ones we've done recently. There's one request from a group of LSDs on the West Coast that we're looking at now but I think that's all we have in the hopper right now.

MR. K. PARSONS: Just going to the disaster relief program, before the fed's money comes, there's a certain amount of money that has to be – the disaster has (inaudible) financial. Can you explain that, how it works and then what the feds pay for once they kick in?

MR. CHIPPETT: The new threshold, I think, is about \$1.6 million. A few years ago the federal government actually made a change to that amount, so it's about \$1.6 million. They will cover your essentials from the perspective of your primary property and, again, in the event you can't get insurance for it. That's the first parameter for what they'll cover, is something that you can't reasonably get insurance for.

Then they normally focus on your primary residence. I think you're able to have one out

building that is covered. They don't cover vehicles normally because insurance would normally apply and then recreational vehicles and so on are not normally covered.

MR. K. PARSONS: That's all I have. Thank you.

CHAIR: Any other questions for –?

MR. BROWN: (Inaudible.)

When it comes to the ratio for voting on a community to resettlement, right now it's 90-10. Are there any talks or any consideration of reducing that down, especially in smaller communities where one or two people could really upset the whole apple cart kind of thing on that? Are there any talks about changing that ratio?

MS. DEMPSTER: As an MHA you would know I went through that. The interest to relocate from Williams Harbour did happen before I knocked on their doors in 2013 I'm always happy to share. It wasn't something – the first line of the relocation policy says it must be community initiated and community driven.

From time to time, the question comes up should we lower that, but as you can see from our Estimates books here tonight there are a number of times we've alluded to legal fees. We have it at 90 per cent and then there's a 10 per cent window, even in that, that comes back and challenges the department on whether people maybe would have liked to have stayed or that were not deemed a resident.

I don't think there's any government, no matter what your political stripe, that would want to be seen as forcing resettlement. Everybody was left with a bad taste in their mouths from decades ago that predates all of us. There is a school of thought that if you reduce that 90 per cent down, then you're just opening yourself up to more of the legal fees and things like that.

MR. BROWN: Absolutely.

MS. DEMPSTER: It's a very emotionally charged and difficult topic for sure.

MR. BROWN: Absolutely.

Have any more communities come forward wanting a plebiscite on the idea of relocation?

MS. DEMPSTER: Tilt Cove is the only other one.

MR. BROWN: Perfect, thanks.

That's it for this section there.

CHAIR: Any other questions on Fire, Emergency and Corporate Services, 2.1.01 to 2.3.03?

MR. TIBBS: I have one quick question, just a quick one.

When it comes to communities outside of municipalities, is there any legislation, exactly, what fire department in a nearby municipality has to do to cover any residents that aren't living in the municipality? Is there a strategy across the province that covers those people that don't pay taxes to a municipality, but live on the cusp, if you will?

MR. CHIPPETT: There's no requirement. Usually we look to the communities to establish some kind of an MOU with neighbouring communities or areas. That's often how it's done, and we're always quite eager to have those discussions. So the fire commissioner's office would be quite willing to work with any communities on a situation like that.

MR. TIBBS: Thank you.

CLERK: 2.1.01 through 2.3.03 inclusive.

CHAIR: Shall 2.1.01 to 2.3.03 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 2.1.01 through 2.3.03 carried.

CLERK: Municipal Infrastructure and Support, 3.1.01 through 3.4.04 inclusive.

CHAIR: Okay.

Chris, do you want to start this one?

MR. TIBBS: Yes, please.

Under Regional Support, 3.1.01, Salaries, \$105,400 more was spent in the revised, and \$136,100 less is budgeted this year. Can the minister explain the variance in salaries, and were positions added or removed?

MR. CHIPPETT: There was a continuance payout for one person in that division, but also some savings due to recruitment periods for vacancies. So that's where we get the \$105,400 increase in 2018-19, and, basically, we're back to full complement in 2019-20. But the staff that were hired, as often happened in the recruitment process, have lower salaries as they're just starting.

MR. TIBBS: Thank you.

Under Revenue, what is included here?

MR. CHIPPETT: We have an MOU with the Nunatsiavut Government to provide engineering services for their capital works projects. So that's why you see the \$160,000 every year.

MR. TIBBS: Could we get a list of who received the grants? Sorry, my apologies.

The next question is under Salaries; \$109,900 more was spent last year and \$113,100 less is budgeted this year. Can you explain the variance in the salaries, and were positions added or removed?

MS. DEMPSTER: You're gone to 3.1.02?

MR. TIBBS: Sorry, 3.1.02. Yes, my apologies.

MS. DEMPSTER: The increase of \$109,000 reflects continuance payout for one person and it was offset by savings due to recruitment periods for vacant positions.

MR. TIBBS: Thank you.

Under 3.1.02, can we have a list of who received these grants?

MR. CHIPPETT: Subhead 3.1.02?

MR. TIBBS: Yes.

MR. CHIPPETT: There are no grants in that particular –

MR. TIBBS: “Appropriations provide for the administration of programs such as municipal operating grants.”

MR. CHIPPETT: Municipal Finance, this is the staff that assess all the applications and so on. The actual grant payouts are in headings after this one. So I can see why you asked the question.

MR. TIBBS: Thank you.

I'd like to move on to 3.2.01, Industrial Water Services. In 2018, this section also included municipal infrastructure and water management. Why was it removed?

MR. CHIPPETT: There are separate – I don't know if you're referring to the heading. I think there was always a stand-alone industrial water services heading.

MR. TIBBS: Okay.

MR. CHIPPETT: But, basically, the decreases you've seen throughout relate to the province turning over these industrial water systems to municipalities.

MR. TIBBS: Thank you.

Under Professional Services, \$10,000 less was spent last year and another \$12,000 less is budgeted this year. What is included here?

MS. DEMPSTER: The decrease of \$10,000 reflects lower cost from water system operators and engineering consultants.

MR. TIBBS: The same thing for the \$12,000?

MS. DEMPSTER: The increase of \$12,000 reflects zero-based budget adjustment.

MR. TIBBS: Thank you.

Under Purchased Services, \$10,000 less was spent last year; yet, an additional \$22,000 is included in this year's budget. What is included here?

MS. DEMPSTER: Under Purchased Services, the decrease of \$10,000 reflects lower repairs and maintenance costs.

MR. TIBBS: Okay.

MS. DEMPSTER: Did I miss something there?

MR. CHIPPETT: So just to give a little bit more context on this one, in terms of the numbers throughout the item. There used to be 54 of these industrial water systems in the province. They were often associated with fish plants, in particular, but over the years, either there's been no need for them if the plant no longer exists, or municipalities may have taken on the system.

So we are now down to two systems; one in Ramea, and I think the other one is in New Harbour. The New Harbour one is actually on the verge of being divested as well, to, I think, the school board in that case, because it's near a school. So, essentially, we're gradually getting out of this activity.

Ramea, because of the saltwater content, the community would never be able to afford to take that over. So we will have that as an expense in perpetuity, probably. That's why you see the lower numbers in the 2019-20 Estimates.

MR. TIBBS: Thank you.

Under Revenue; again, what is included here? There was \$100,000 less last year; yet, increase of \$76,700 is expected this year. Why the variance here?

MR. CHIPPETT: Really, it's the same issue. We didn't collect all of the revenue in 2018-19, so some of it will be collected in 2019-20. The overall trend downward in the revenue is because we're maintaining less municipalities. So less municipalities are paying us for that service.

MR. TIBBS: Thank you.

Under 3.3.03, we've been hearing it from some municipalities – towns and mayors and whatnot – that the change in the template for the forms that some municipalities are having trouble with. Why was the change made in the applications?

MR. CHIPPETT: So this is 3.3.04, correct?

CHAIR: 3.3.03, Municipal Operating Grants, isn't it?

MR. TIBBS: Sorry, the Municipal Operating Grants, the applications have been changed, the templates, from last year and some municipalities are having trouble with them. I'm just wondering why the change was made?

This could be under gas tax as well.

MR. CHIPPETT: There is no application process for Municipal Operating Grants. We pay this out twice a year to municipalities, based on a formula. They don't apply for this, so there is no application.

MR. TIBBS: Okay. I may have been mistaken. This was supposed to be under Gas Tax. So when we get to it, I'm sure we can ask that question again.

Under 3.3.04, Allowances and Assistance, can the minister explain the \$35,000 under the revised?

MS. DEMPSTER: That was a legal system pay out.

MR. TIBBS: Thank you.

Under Grants and Subsidies, what was included in the almost \$2.4 million revised, and can you give us a breakdown, please?

MS. DEMPSTER: The increase of \$375,000 reflects funding provided for the William's Harbour relocation. There were a couple of legal files there that were settled.

MR. TIBBS: Thank you.

Under Grants and Subsidies, why was \$480,000 less than the budgeted amount spent last year? Can we have a list of who received those grants, please?

MS. DEMPSTER: Yes, we can provide that.

MR. TIBBS: And the \$480,000?

CHAIR: Are you referring to Community Enhancement, now?

MR. TIBBS: Yes, sorry, Community Enhancement.

CHAIR: 3.3.05.

MR. TIBBS: 3.3.05, my apologies.

MS. DEMPSTER: The decrease of \$480,000 reflects lower grant expenditures due to anticipated savings and delays in processing final reports.

I don't know if Jamie wants to elaborate on that?

MR. CHIPPETT: The Community Enhancement program goes through a regular cycle of application calls, and we would expect an application call to happen, actually, fairly soon, but as you get towards the end of the year, we're assessing reports that come back from the sponsors of projects. So, if those final reports come back too close to the end of the fiscal year, then we don't get to pay out whatever is owed that sponsor until we're into the new fiscal year. So whatever we kind of lose in '18-'19, we normally pick up in '19-'20.

MR. TIBBS: Thank you.

CHAIR: We'll go back to you again after.

MR. TIBBS: Thank you.

CHAIR: Mr. Brown.

MR. BROWN: In 3.2.01, Engineering Services, Industrial Water Services, you referenced that there's \$100,000 less because of collection of revenue. What is the collection of revenue? Where are you not being able collect it from?

MR. CHIPPETT: It depends on who was ultimately receiving the service. In some instances, it's a municipality and it might just be kind of like the last question, we deal with it at the end of the fiscal year and we don't collect the revenue. In some instances, for instance,

some of the numbers you're seeing here it was actually still connected to a fish plant. So, it depends on who ultimately receives the service.

MR. BROWN: Okay, so they're just getting late paying their bill kind of thing.

In 3.3.01, Municipal Debt Servicing, I noticed that the budgeting for Grants and Subsidies is down quite a bit. What's the reason for this?

MR. CHIPPETT: A few years ago, maybe many years ago, government, rather than providing grants to municipalities for infrastructure, provided loans. So the two headings here, one for the principal and one for the interest, is basically government continuing to pay off those loans. If we're all here next year or the year after, those numbers will continually get lower until I think the year 2027-28 is when the last loan comes due.

MR. BROWN: So would this tie in with the principal as well, this is a fixed thing that both of these things will continue, because I noticed in 3.3.02 it's the same thing, it's a constant decline. So they're both the same reason, is it?

MR. CHIPPETT: Same reason, one is the interest and one is the principal.

MR. BROWN: Okay, absolutely.

3.3.03, Municipal Operating Grants, it's pretty consistent here on this. Is there a reason why it's very consistent or is it like – because I know you have your budgeted, your revised and next year is exactly the same thing? So that's always the same money, there's no – the feds – according to what comes in basis, it doesn't really change.

MR. CHIPPETT: This one is only a provincial program and government has chosen, in the last number of years, to set the overall allocation at \$22 million and then there's formula that determines what each municipality in the province gets, based on remoteness and the number of people in the municipality.

MR. BROWN: Okay, because I noticed, like I said, you budgeted for \$22 million and you spent exactly \$22 million. There was no savings or nothing there. It was pretty consistent right on through. Great.

Subhead 3.4.01, Municipal Infrastructure, I notice that in your Salaries there, it was down a bit. Was that attrition or a position not filled or ...?

CHAIR: 3.4.01.

MS. DEMPSTER: The decrease of \$62,600 reflects rightsizing of the salary budget with the inclusion of positions from municipal infrastructure and waste management. So, some of the positions were reprofiled.

I'll let Jamie put some meat on that answer.

MR. CHIPPETT: Could you repeat the question, if you don't mind?

MR. BROWN: No problem. I noticed that from budgeted '18-'19 to revised there was a bit of a decrease in Salaries and then the decrease kind of carries over into '19-'20. I'm just wondering if that was attrition or was that a vacant position. As the minister alluded, there was some rightsizing as well.

MR. CHIPPETT: The decrease from '18-'19 to the '18-'19 revised was around recruitment periods for vacant positions.

I guess what I'd like to point out in this particular activity is there is a lot of turnover, so this is where a lot of our engineering staff and our design approval technicians are. There's a fair amount of turnover in that branch. Then the other thing is one of our attrition positions was done through here as well.

MR. BROWN: Okay.

Under Transportation and Communications, there was a lot of money not spent there. I guess a lot of people not travelling or was it because of lack of – vacancies or just you didn't need to go anywhere.

MS. DEMPSTER: Yes, well, it was directly related to the vacancies.

MR. BROWN: Okay.

Under Purchased Services, there was quite an increase there. What was purchased?

MS. DEMPSTER: The \$66,400 reflects the waste management financial study; Goose Bay, Forteau landfill site survey. It was partially offset by lower Xerox and other general Purchased Services costs.

MR. BROWN: 3.4.02, Federal/Provincial Infrastructure Programs, the Grants and Subsidies – I noticed budgeted was quite a lot more than what was actually in the revised. Were there not as many projects that came in that way?

MR. CHIPPETT: In the infrastructure headings and some of our other big grant programs, it all depends on how projects actually move forward. It is very difficult to predict, for example, exactly when if it's a federal-provincial program, the federal government will approve projects. It's also difficult to predict – and you'll see it a bit later in gas tax and so on – what kinds of applications you will get, or if municipalities are meeting certain compliance criteria to make them eligible for funding.

The majority of what you're seeing in this heading is really what I'll call the ebb and flow in infrastructure spending. For example, under this particular heading we have 269 projects that are currently ongoing and we have a pretty large list in Ottawa that we're waiting for approval on. You can imagine with all those projects moving at different stages, having been approved in different years, your cash flows can really vary from year to year.

MR. BROWN: So this is like sewer plans and things like that, probably larger projects. Okay, absolutely.

I noticed in the revenue, too, I guess it's the same process. You really don't know what's going to come down the pipe kind of thing.

MR. CHIPPETT: We know the amount because there are fixed cost-shared ratios in terms of the federal-provincial programs. Really, it's a combination of what I just spoke to in terms of variability and infrastructure projects and then the claim process that we have to go through to get the revenue in from the federal government.

MR. BROWN: Okay, perfect.

Under 3.4.03, I noticed that you're pretty consistent with the department there. Under Grants and Subsidies here it's the same thing, there seems to be a lot more budgeted but a lot less spent. Is there a similar thing here where you're just waiting on the feds and stuff like that?

MR. CHIPPETT: In the federal Gas Tax Program we administer the federal gas tax agreement on behalf of the federal government, so we have staff. In this case, municipalities have to submit a capital investment plan. Sometimes they just don't and they wait to allocate money after they're eligible for more. In other instances, they're non-compliant with certain parameters and they need to become compliant before we can issue the funding.

It all generally is the same explanation as the heading we just talked about, but in this instance there's more of a focus on the compliance end of things.

MR. BROWN: Okay.

I noticed in budget '19-'20 – are you expected a large jump in people applying for this program?

MR. CHIPPETT: You might recall in the federal budget the federal government doubled the gas tax allocation for communities across the country. That's why it's double the revenue coming in.

MR. BROWN: Yeah, okay, so this is from the federal budget. Perfect, thank you.

Last but not least, 3.4.04, Fire Protection Vehicles and Equipment. I guess this is what you were saying where you added an addition of \$1 million – was that you alluded to earlier.

MS. DEMPSTER: That's right.

MR. BROWN: How many fire trucks have been applied for this year?

MS. DEMPSTER: In applications there's been 74 applications received with a total of \$17 million in ask.

MR. BROWN: Seventeen million in ask, so obviously –

CHAIR: Okay, your time has expired.

MS. DEMPSTER: Mr. Chair, if I could just ...

CHAIR: Yes.

MS. DEMPSTER: We have a provincial fire commissioner. When applications come in, the fire commissioner actually does a ranking of low, medium or high needs and then that folds into the department after they've done their assessment.

CHAIR: We'll get back to you again after if you have any further questions.

MR. BROWN: Perfect, thank you.

MS. DEMPSTER: Fifteen trucks were allocated. I didn't have that in front of me.

CHAIR: Mr. Tibbs, do you ...?

MR. TIBBS: Kevin, do you want to go ahead?

MR. K. PARSONS: Yes, I have a couple of questions I'd like to ask, if you don't mind.

I want to go to the Special Assistance grants. Can we get a list of those grants that were put out last year for Special Assistance?

MS. DEMPSTER: Yes.

MR. K. PARSONS: We'll get them this year? Thank you.

I asked for them last year and never did receive them.

MS. DEMPSTER: You didn't have a good year last year.

MR. K. PARSONS: Shocking, I'm telling you. I know, Minister.

MS. DEMPSTER: New minister, new day.

MR. K. PARSONS: It's just not right. I've very pleased with the new minister. The minister is doing a good job so far.

On the gas tax – and it's a question that's asked a lot – can you give me a breakdown on how it's

done for the municipalities? I know that some projects, like municipal buildings, recreation and stuff like that, I don't know what the cost breakdown is.

Is there a breakdown on how towns can apply for that? Is it 70-30? What's the cost-shared ratio to the communities when it comes to using gas tax towards a project, say, paving?

MR. CHIPPETT: In terms of the gas tax, the allocation is for the municipality. I think the question is about stacking, right, and how much they can use towards federal projects.

MR. K. PARSONS: Yes.

MR. CHIPPETT: That's stipulated in different federal-provincial agreements and it actually is different over different agreements. It depends on the specific agreement you're talking about.

Dan, do you want to chime in on it?

MR. MICHIELSEN: Basically, in the programs – for example, the new Investing in Canada Infrastructure Program – depending on the category, the federal government has assigned a maximum amount of federal money they would put into that project. In certain categories, towns are able to stack and use their gas tax towards their share, but in other categories they can't because they've already maximized the amount of federal money allowed to be spent in that category.

We try to adjust things around to allow the towns to use their gas tax when possible. Of course, in our provincial programs, they can use a gas tax to account for their full municipal share, provided it's an eligible expense through the Gas Tax Program.

MR. K. PARSONS: Okay.

Under the Gas Tax Program, first when it was initialized, it was for environmental stuff; we got roads into it because of dust and stuff like that. What's the criteria now for using gas tax funding in your municipalities?

MR. MICHIELSEN: There are a number of criteria. They can use it for roads, they can use it for water and sewer works, they can use it for a

number of different categories under the federal gas tax agreement. One of the things that they can't use it for is projects that have already started and that's where we run into some issue sometimes. The town has already started the project and has the invoices and the federal government won't allow us to approve a project once it's already started.

MR. K. PARSONS: Are you having any issues now – and it might fall under the gas tax. I'm just trying to figure out where it falls under. I had some municipalities tell me that the template has changed when they applied for different grants, say, for municipal buildings; I'll give you an example, just like a recreation chalet. The procedure has changed and there's some kind of a new template that has to go back to the department for engineering purposes and stuff like that. Have there been many changes in the department on that?

MR. MICHIELSEN: Yes. We've rolled all of our programs, our federal and provincial. I think this is mainly for our Municipal Capital Works and our ICIP programs. There are a number of significant amount of requirements the federal government requires in terms of – for example, there's the climate change lens that has to be done where the towns need to identify how the project will help reduce climate change effects, and also to help the town mitigate against other climate change issues. So there's the climate change lens.

There are also a number of criteria the feds have in terms of outcomes that we have to go through, and all these sort of applications are evolving to allow us to more efficiently process in terms of submitting it to the federal government. There were a number of times we had to go back to towns to get more information, as the federal government requires it. So that's where a lot of that is coming from, in terms of federal requirements.

MR. K. PARSONS: Just a question again on this also.

The added cost to this is huge. On small projects, you're talking a project, say, \$600,000 and there's a \$200,000 cost of – I call it engineering cost, but it's what you just explained that time. Is there a grant available to

offset some of this cost to the original application?

MR. MICHELSEN: Under the Municipal Capital Works program, towns are eligible to apply for what we call engineering feasibility studies and those types of things. So if they're looking at a major project that, for example, to put in some infrastructure, whether it be a drinking water system or whatnot, they can apply first through our Municipal Capital Works program, get the funding to do the engineering. Then once the engineering is done, then they can come back again and apply for the money to actually do the construction. If they apply for both at the same time, any of the engineering they do in order to put in that application wouldn't be eligible, because the money is spent before.

MR. K. PARSONS: Because the money is spent before. That's where the cost is to.

MR. MICHELSEN: Yes. So, basically, they need to do it in two stages in order to.

MR. K. PARSONS: Yeah. So you're talking a project needs to be done over a number of periods of time, actually, because you'd have to apply for both.

MR. MICHELSEN: Yes.

MR. K. PARSONS: Okay, all right.

I just want to go back to section 3.3.04, Special Assistance; Allowances and Assistance, \$35,000. I know you said something about – could you explain that to me?

MR. CHIPPETT: I think everybody would recall the landslides in the mid-2000s in Daniel's Harbour.

MR. K. PARSONS: Okay.

MR. CHIPPETT: So the province at the time was involved in delineating an area, kind of called the safety zone, where people shouldn't go back into their properties. In one instance there was a property that was not identified at the time; it came up later. So this was a settlement related to that property.

MR. K. PARSONS: Okay.

We talked a little bit about the federal/provincial infrastructure programs, are there any issues in getting these programs out the door? Are they getting out on a timely basis money wise?

MR. CHIPPETT: It's difficult to answer the question because every program seems to have a different start date and so on. So, as the minister said earlier, our plan this summer is to do a call for applications in the summer. That's unusual. I don't think there has ever been a call in the summer before with the idea of trying to have projects selected, advanced to Ottawa and then have project approvals before the new budget kicks in.

MR. K. PARSONS: Okay.

I have another question on fire vehicles, and it's a question that was posed to me. If we recently put in that there's \$100,000 available to buy a used vehicle, can you take that \$100,000, and as long as the municipality is willing to pay the rest, towards a new vehicle?

MR. CHIPPETT: There is a specific stream. The minister spoke about this in her opening remarks.

Obviously, traditionally, you've only been able to apply with a particular cost-shared ratio for a new vehicle. This year government added two additional streams to that application process. One was the used one you referenced up to \$100,000, and then there's another one whereby if you say you're willing to do what you just described in your question, government would provide a grant of \$100,000 towards a new vehicle.

MR. K. PARSONS: Towards a new vehicle.

MR. CHIPPETT: So there are three different streams now.

MR. K. PARSONS: All right. That's good.

Seventy-four applications you said were put in for last year. I had another call from a municipality that their vehicle is 20 years old and under the regulations it has to be replaced after 20 years. I guess that's done through Fire

and Emergency Services through an inspection or whatnot.

What happens to the municipality once that vehicle is gone past its life and they are required to replace it; yet, they're part of this 74 and didn't get accepted? What does the municipality do, or volunteer fire department in that area?

MS. DEMPSTER: I'll start in the response to that and then let Jamie build upon it.

There's no doubt, just like many other headings in various departments where we have a budget, no different in Capital Works where we have a budget in place, and the number of requests that come in, often, or most always, I would say, exceeds the budget that is in place. I know communities – I'll refer to my district – that would come up to me and say we've just applied seven consecutive years. We do our best to follow the rankings of the fire commissioner of low, medium and high, but there's no question that we could put a lot more money in this budget and we still wouldn't meet the need.

MR. CHIPPETT: Just to speak to the ranking process.

MR. K. PARSONS: Yes.

MR. CHIPPETT: There's not a particular – and you're right in terms of 20 years being a benchmark that you'd like to see across the board, but the rankings from the fire commissioner are really done based on the applications in comparison to one another.

For example, a certain municipality, a larger one, may apply, they may have multiple fire protection vehicles, one is getting old and at or past the 20-year mark. That would get a different ranking based on the fact that municipality has other, newer fire protection vehicles versus a municipality that has one vehicle and is up around that particular point in time when end of useful life becomes a consideration.

It really depends on what the applications are and then what the kind of unique circumstances are of that particular municipality, what municipalities are around it to provide support and so on. So there are a list of things that are a

lot longer than I can remember. I've seen the list, in terms of what the fire commissioner –

MR. K. PARSONS: I just got one more question and then I'm finished, if that's okay.

CHAIR: Yes, go ahead.

MR. K. PARSONS: Just getting back to this. I had a municipality call me and say: Listen, Kevin, where are we to on that list? Is there a ranking list that will come out to municipalities and say you were here, here, so they'll know where they're to? Because what'll happen in my case is the town is willing to go and basically finance their own fire truck, but if they knew there were 15 out and they were number 16, then there's a good chance that next year they'd get a vehicle and they'd hold off that year. It's important to them to know where their ranking is. Is there a possibility to know that?

MR. CHIPPETT: The fire commissioner will inform any municipality. There's not a specific letter that says you were ranked low or medium or high, but the fire commissioner or the executive will share that ranking with any given community.

MR. K. PARSONS: Okay.

MR. CHIPPETT: In terms of holding off for a year or what have you, the rankings can change just based –

MR. K. PARSONS: Oh, yeah.

MR. CHIPPETT: – on the other new applications that might come in. The ranking may not carry over to be the same. If you have fewer in a given year, just as an example, you could see a number of communities that would go from low up to higher based on others dropping out of the mix so to speak.

MR. K. PARSONS: Okay, thank you.

CHAIR: Do you have any other questions?

MR. TIBBS: I have just a couple.

CHAIR: Sure. Then we'll take a short break after.

MR. TIBBS: Waste Management section 3.4.01; I'm just wondering, can you provide an update on the situation with the cabin owners and the garbage fees?

MR. CHIPPETT: Our former minister had provided a directive to Eastern Regional Service Board to implement a change in policy in terms of the fees and the services provided in areas where there were cottages or cabins or what have you. Initially, there was going to be an implementation plan provided by the end of April, but given Eastern Regional Service Board has existing contracts and contractual obligations, they asked the former minister for an extension. That implementation plan is now due at the end of June.

MR. TIBBS: Thank you.

The same section, can you provide an update of where you are with the Waste Management Strategy review?

MR. CHIPPETT: I think the consultations through EngageNL, and directly with municipalities, will occur very shortly. The date for review of the strategy is December of this calendar year.

MR. TIBBS: Thank you.

I'm hearing of a situation at Norris Arm waste management. They had a shredder out there for some wood, old furniture and whatnot. Some of the metal pieces were clunking up the shredder they have out there and they can't do any more with it. What they have now is a pile of wood that they can't burn or anything. It's toxic. It's just a continuous pile that's growing and growing and growing and they don't know what to do with it.

MR. CHIPPETT: I know in terms of the pile of waste wood, the fire commissioner has provided some advice to Central Regional Service Board on how they could deal with that if the situation doesn't become – if there's not a new initiative on moving forward with dealing with the waste wood. I do know the various regional service boards have met and they're discussing a potential RFP to look for a service provider to deal with that, shred or grind that waste wood –

not only for Central, but for other regional service boards as well.

In the event that doesn't move forward and, particularly, moving into the summer season if there are issues, the fire commissioner has provided some advice, for example, on how piles could be separated and so on. Which is a common practice in terms of management at a landfill.

MR. TIBBS: Perfect, thank you.

Just one more section, 3.4.03, back to the Gas Tax Program. Under Professional Services, what is included here? Why was nothing spent last year? What is the \$20,000 for in the budget?

MR. CHIPPETT: There's always a small amount of Professional Services in here. Again, this is the federal program that we administer on behalf of the federal government for the federal gas tax, so a very small amount, as you can see, of the overall budget. There were no consulting services required last year. These are frequently around financial matters and so on.

There were none required last year. In terms of this year, we just – I jumped to the wrong line. I apologize for that. In terms of this year, the \$20,000 is just a requirement for lower consulting services.

MR. TIBBS: Thank you, Minister and Deputy Minister. That's all I have.

CLERK: 3.1.01 through 3.4.04 inclusive.

CHAIR: Shall 3.1.01 to 3.4.04 inclusive carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Opposed?

Carried.

On motion, subheads 3.1.01 through 3.4.04 carried.

CHAIR: We're going to take a short break. We'll return at 8 p.m. sharp.

Recess

CLERK: Environmental Management and Control, 4.1.01 through 4.3.01 inclusive.

CHAIR: Okay, we'll start off with you, Jordan.

MR. BROWN: This will be going to Jim there now.

CHAIR: Okay, Jim.

MR. J. DINN: Thank you very much, I appreciate that.

CHAIR: 4.1.01 to 4.3.01.

MR. J. DINN: Okay, 4.1.01 and I'm just going to start off with regard to Salaries, the decrease in the 2018-19 budget and then the increase in the budget this year. Were there job vacancies accounting for the reduced spending?

MS. DEMPSTER: The \$118,200 reflects salary costs due to a recruitment period for vacant positions and then the increase of \$8,600 reflects salary step increases.

MR. J. DINN: Thank you very much, Minister.

Before I go on, I do want to say thank you very much to you and your staff for coming here tonight. I don't know if it was any indication when I came in the weekend, all the cars that were outside, I'm assuming there were people here preparing for budget briefings this week, so thank you very much. The unsung heroes who make the officials like us look good.

MS. DEMPSTER: Yeah, that's right.

MR. J. DINN: I'm looking now under Transportation and Communications actually, could you give me a breakdown of what's involved with that? 4.1.01.

MS. DEMPSTER: Are you looking at the decreased (inaudible)?

MR. J. DINN: No, actually I'm just looking at the – not the decrease, I'm just trying to get an idea of what's involved with Transportation and Communications.

MS. DEMPSTER: What's involved? Okay. I'll let the controller of the department answer that.

MS. HAYES: We have an allocation of \$17,800 for our office phones with Bell Aliant. We also have another \$3,200 for our Bell Mobility cell phones. We have an allocation of \$3,600 for couriers and freight and then we have travel for our 20 staff of \$44,400.

MR. J. DINN: Of \$4,400?

MS. HAYES: \$44,400.

MR. J. DINN: What would that travel be involved with?

MS. HAYES: It would be various travel for industrial air monitoring audits; monitoring maintenance; industrial and waste management inspections; federal pesticide inspections; federal, provincial, territorial meetings; different agreements including the Canadian Council of Ministers of Environment and the Pest Management Regulatory Agency; stakeholder meetings; et cetera.

MR. J. DINN: Okay, thank you very much.

You said monitoring, maintenance, and that would be maintenance of provincial sites?

MS. HAYES: Yes.

MR. J. DINN: Okay.

With regard to Supplies, I noticed that there was a decrease in the 2018-2019 budget down to \$6,900; it's actually brought back up now, the budget for this year is \$12,900 for Supplies. What would that be?

MS. HAYES: The decrease was revised for (inaudible) office and NAP station supplies.

MR. J. DINN: Sorry, office and what?

MS. HAYES: Nap, N-A-P.

MR. J. DINN: NAP and that stands for? I know I enjoy naps but I'm just curious as to what this means.

MR. MICHELSEN: It's National Air Pollution monitoring stations located throughout the province.

MR. J. DINN: Where would they be located?

MR. MICHELSEN: There are six or seven located in the province. There's one in downtown St. John's, one in Mount Pearl, Port au Choix, Corner Brook, Grand Falls and Marystown.

MR. J. DINN: Would that be some of the funding that's used in the monitoring and maintenance for the travel fund, monitoring and maintaining those sites?

MR. MICHELSEN: Yeah, there's an employee who goes around and calibrates and monitors and changes out equipment. It's part of the federal-provincial agreement. They pay for the equipment. We pay for the operator and maintenance.

MR. J. DINN: Okay, that would be reflected in the Transportation and Communications line then, right? Okay.

Professional Services, I was looking at a few questions there with regard to what it's used for, but in terms of Professional Services there's been a notable decline. In 2018-2019, it jumped from \$518,000 to \$736,000 just about, and now it's budgeted this year at \$18,000. That's a significant variance.

MS. DEMPSTER: A couple of things there. A decrease of \$500,000 reflects forecasted funding adjustment for cleanup of former mid-Canada line military sites, and that's under a pending federal-provincial agreement and there's an increase of \$217,000 that reflects cost for environmental assessment. The amount is higher than what had been projected. The same thing in the next one, the increase of \$213,000 revised reflects higher costs for environmental assessment.

MR. J. DINN: That would be environmental assessment, Minister, of those military sites or just ...?

MS. DEMPSTER: No, those two would be directly – Jamie can correct me – related to the Marystown Shipyard? Yes.

MR. J. DINN: Okay, so just to make sure, the \$213,000 for the assessment of the Marystown Shipyard, for what needs to be cleaned up there, in other words?

MS. DEMPSTER: Yes.

MR. J. DINN: If you could, the Marystown Shipyard, was that provincially owned, privately owned?

MS. DEMPSTER: I'll let Jamie speak to the details.

MR. CHIPPETT: It's privately owned but the province operated it through a Crown corporation years ago. So, any environmental liability on the site, up to 1997, is the government's responsibility. So the purpose of the site assessments that we're talking about were to try to quantify the provincial liability with respect to the Marystown Shipyard.

MR. J. DINN: Okay, before it was sold more or less?

MS. DEMPSTER: Yes.

MR. J. DINN: So is there any interest in recouping part of that from the new owner?

MR. CHIPPETT: There is no new owner that we're aware of yet. Discussions, I think, continue along that front. So we haven't been apprised of that reaching a conclusion at this point.

MR. J. DINN: Okay, I'm just wondering, eventually when there is a new owner, and if it's a private owner, would there be some attempt to recoup the assessments since there's a benefit to them?

MR. CHIPPETT: I would just say from the perspective of the polluter-pay principle, it would be difficult to recoup things that related to the government's liability from 1997 and before.

MR. J. DINN: Okay.

I'm looking here under the description of Pollution Prevention, it talks about dealing with environmental emergencies, pesticides and contaminated sites. I'm just wondering, with regard to standards, does this include standards around the use of therapeutic chemicals in aquaculture for treating ISA and sea lice, things like that? Would you be responsible for that as well in this department?

MS. SQUIRES: Any pesticides used in industry have to be a regulated and approved pesticide. What the Pollution Prevention division does is do the applicator's licensing for pesticides.

Fisheries and Land Resources also does some approvals and they would be required to adhere to both provincial and federal legislation for aquaculture sites.

MR. J. DINN: Okay. So your department would have a limited amount of input into that?

MS. SQUIRES: We would have, yeah, input in the sense of training applicators – for licensing applicators.

MR. J. DINN: Okay. You would be training the applicators, and who would these –

MS. SQUIRES: And licensing, in some cases.

MR. J. DINN: Okay. Who would be doing the applications and the training? Not the training, but who would be – when you say the applicators, would they be employed by the government or by the company?

MS. SQUIRES: Not by the government. The Pollution Prevention division assists with training industry. So there is a requirement to apply for a licence and get one; if you're a lawn company, for example, wanting to apply a pesticide.

MR. J. DINN: So that's the service we provide to these industries. Do we get that money back from them for the services we provide?

MS. SQUIRES: There are fees for applications.

MR. J. DINN: Excellent, that's even better again.

I do have another question but I'm going to leave it there and come back. It's going to take a little bit longer than eight seconds.

Thank you.

CHAIR: Okay.

Jim.

MR. LESTER: Thank you once again for coming and willing to answer our questions.

Just while it's fresh in my mind; in reference to the pesticide jurisdictional, I guess, oversight, would that not be under the federal department? Because it is in an offshore water, it's not in an inland water. I'm very familiar with the agricultural component of pesticide regulation and applicator's training and licensing but I wasn't aware that the aquaculture industry was governed by the same.

MS. SQUIRES: There's an MOU with the provincial government from the federal government to manage the oversight of pesticides and do the licence applications, but the federal government does play a significant role, of course, in aquaculture and pesticide use, as does the Department of Fisheries and Land Resources.

MR. LESTER: It seems to be a very – is there like an exact definition as to who is responsible for what? It seems from my understanding that the department is responsible for training the applicators but the enforcement would fall under the federal jurisdiction. Is that correct?

MS. SQUIRES: I think maybe a little bit more broad than that. There are multiple roles. So, for example, veterinarians with the Department of Fisheries and Land Resources would also govern the amount of pesticides applied in aquaculture projects.

It certainly, would be my understanding, is a conversation between what the veterinarians feel is required and what, of course, the pesticide application allows for.

MR. MICHIELSEN: I'm just speaking because I was in a previous role there as well.

The MOU with the federal government is for inspections under the federal regulations. The pesticide, the approval of the products, which products can be used is federal jurisdiction. So there's actually revenue – you would notice some revenue under the Pollution Prevention. They actually pay the Pollution Prevention division pesticide inspectors to do inspections at the aquaculture facilities on behalf of Health Canada.

MR. LESTER: Does the department actually do any monitoring of residual build up in non-targeted species or native species or products within the environment around these sites?

MS. SQUIRES: We would expect that pesticide applicators would apply the pesticide as required by the instructions on the pesticide, but I'm not aware that we do any sort of testing as you've described.

MR. LESTER: Pesticides never disappear, they just get smaller and smaller in quantities. Once we continue to apply them over and over again at higher doses we will get that kind of a build up in our environment. I think that would be a very important action to start to undertake to prevent this build up and possible resistance by the pests that we are applying it to.

In reference to the outdated or antiquated pesticide collection, is that administered through this department?

MS. SQUIRES: The collection of outdated pesticides is a hazardous material or a waste product you mean?

MR. LESTER: Yeah, I can remember myself, actually, dropping off products that the label had come off it and was an outlawed chemical at the time because of different legislative changes. Is that still administered by the department, or is that a federal responsibility as well?

MS. SQUIRES: Work is completed in part through the MMSB, and waste would have to be managed in a manner that adheres to the hazardous waste or particular waste stream associated with that product.

MR. LESTER: Okay.

Pollution Prevention, okay, section 4.1.01. In regard to Pollution Prevention, I've asked questions on the plastic bag ban in the House. Do we have a defined implementation date and goals set out within the department to accomplish this?

MR. CHIPPETT: We don't have a specific implementation date. We do know that the next step in the process – of course, you're aware, we amended the legislation. The next step is to bring in a regulation. So we hope to have the regulation in place before the end of the summer.

One of the things that will be covered in that will be the implementation date, and primary consideration around that is really giving retailers, in particular, time enough to use up some of their existing stock.

MR. LESTER: So the regulations that are in development, will the public, or we, as Opposition, be privy to those before they come into force or will it be just brought forward in legislation that we vote on in the House?

MS. DEMPSTER: We actually went out with consultations, and I think I mentioned in the House that day, we had over 3,000 responses, which was higher than anything we've gone out with before, even in areas of health and like that. The questions in the consultation process were pretty direct and detailed, giving opportunity to the general public to come back to us with recommendations on how they wanted that to proceed.

Now as we work through the regulations – as I mentioned, there's no reason why people can't stop or reduce their use of plastic already; but, to implement it overnight, potentially that could have an impact on small businesses and rural communities. So it's important that we have this little transition period, I believe.

MR. LESTER: In light of the federal government's recent announcement regarding the single-use plastics, is this government considering it as well, or will we wait and see what happens federally?

MS. DEMPSTER: We're certainly sitting at a FPT table for ministers working toward a zero

plastic strategy. So, no doubt, as we become more aware of the implications of climate change and the adaptation and mitigation piece, then we will be – it's a global problem, but everybody has a role to play, and we'll certainly be encouraging the reduction of plastics. That's the direction we're moving in.

MR. LESTER: Okay.

In reference to the assessment and actual physical clean up of the Marystown Shipyard, what is the total, either spent or projected, for the completion of this project?

MS. DEMPSTER: Under Professional Services here in 4.1.01, the \$217,000 and the \$213,000 would be what has been spent to date.

MR. LESTER: Do we have a budgetary figure as to what it would cost to complete?

MR. CHIPPETT: The environmental site assessments that we've referenced throughout point to a cost of about \$1.4 million.

MR. LESTER: Will there be any efforts to recoup this cost through the private sale? Will this appear as a lien to recoup in sale?

MS. DEMPSTER: Well, I guess the deputy has explained to the Member for St. John's Centre earlier if somebody is looking for a sale, they're not really going to have an appetite to pay for an expenditure that they don't feel is theirs, right, if you go by the builder pays. That was a government responsibility up to 1997.

MR. LESTER: I guess I'll probably call it there for right now.

CHAIR: Okay, the other Jim.

MR. J. DINN: Thank you very much, Chair.

I just want to carry on with 4.1.01. I want to pick up on an observation by my colleague with regard to pesticides and chemical treatments in aquaculture. I'm asking this because I understand when it comes to Municipal Affairs EIS regulations it's usually your department that administers that, that appeals of any decision go. I know with regard to Grieg aquaculture and

Marine Harvest, primarily that's where the appeals went for this.

I see there pesticides and contaminated sites. I know there have been some documents and some articles lately that demonstrate the negative effects on shellfish and that of salmon aquaculture, open sea-pen aquaculture sites, especially related to the use of chemical treatments for sea lice and ISA. I'm just trying to think, what would the role of your department be in monitoring and preventing that, in monitoring the use of chemicals? Or would that, again, more fall under the jurisdiction of Fisheries and Land Resources?

MS. DEMPSTER: I'm going to defer to staff in a moment but you did mention Grieg at the opening. I will say that I believe they have gone through an extremely stringent environmental assessment process. When that project was released from EIS, it was released with quite a number of conditions that they have to meet and will have to, at the release, meet, but also meet at various stages throughout the project.

MR. CHIPPETT: Our involvement, primarily, would be through the Environmental Assessment Division, and depending on, what I'll call the level of assessment that is happening for a given project, we would be responsible, for example, if there's an environmental impact statement for setting the guidelines for how that assessment would be conducted and what information the proponent would provide.

Obviously, different projects require different levels of assessment. Generally, an aquaculture project going through an environmental assessment process would be treated exactly the same as any other project in terms of the amount of time for public consultation, the amount of time, for example, the department would have to prepare guidelines and the amount of time the minister would have in making a decision after public review periods have closed. All of those things would be the same.

Obviously, depending on any particular project, whether it be aquaculture or otherwise, the issues assessed would be different. If you're at those higher stages of assessment, we would have the role of coordinating feedback from all

government departments and agencies to inform guidelines for those assessments.

MR. J. DINN: Before I go on I do have to clarify something, Minister, though you weren't minister at the time. Grieg aquaculture – measures were only in effect after a judicial challenge was launched and then subsequently upheld. Grieg did not do it on its own. I might say the department, at that time, fell down on its job as well in monitoring that.

With regard to the stringent measures, there's been some question as to whether they're stringent or not by a number of environmental groups. My concern is with the health of the wild Atlantic salmon population, which also provides a lot of money to the economy. I think the fact is that the 7-million-or-so fish that are proposed by Grieg will produce as much waste as the entire population of Newfoundland and Labrador in a year.

I'm just trying to get an idea with regard to the cleanup around those sites, on the seabed. Would your department be responsible for the monitoring of that or would you depend again on the good stewardship of Grieg to do that?

MS. SQUIRES: You're referring to the marine pens themselves?

MR. J. DINN: I am indeed, yes.

MS. SQUIRES: The process of selecting a site for the marine pens, and the amount of time the marine pens are allowed in a particular location, is governed under the *Aquaculture Activity Regulations* by the Department of Fisheries and Land Resources. There's a requirement to study the (inaudible) habitat prior to the cage being put in place and ongoing throughout. My understanding is there's a limit to how much waste can be on the sea floor at a given time, but that's certainly advice we would receive from the Department of Fisheries and Land Resources.

MR. J. DINN: Those reports would be available I take it. Well, you wouldn't be able to tell me that but I guess they would be for public knowledge.

MS. SQUIRES: There's certainly a requirement to provide that in an environmental impact statement.

MR. J. DINN: Thank you very much.

I would like to move to the Tata mine that's outside Schefferville. Recently – actually, as of today – there have been reddish waters around these facilities. Tata mines has been targeted for poor environmental practices at one of its mine dump sites.

If I am to understand correctly, the residents of the Innu community of Matimekush-Lac John have raised concerns. The community actually launched a complaint with Environment Canada and the Government of Newfoundland and Labrador on May 18, but have heard nothing about it since. That's around the time of the election we just finished up. I'm curious as to what is the status of the investigation into this spill or this reddish water. If the investigation is ongoing, what will be the expected completion date?

MS. SQUIRES: Yes, there is some concern of what is commonly referred to as red water at the Tata site, which we understand to be water that has a high iron content or level of iron content. We have an agreement with Service NL, an MOU with Service NL, and they respond to spills. They can be anything from a litter problem to a diesel spill. Through the national emergency response line we were notified of the red water issue.

Staff from Service NL and staff from Municipal Affairs and Environment, as well as from Natural Resources in the Mines Branch there have visited the site. They've identified concerns with the settling pond there and some snowbanks that cause overflow of the settling ponds that normally prevent red water from leaking out. They've identified some remediation work that has to be conducted this summer.

MR. J. DINN: Thank you very much.

The services that we provide from the personnel, would that be recouped from the mine, the cost of those services that we're providing for examining the settling ponds?

MS. SQUIRES: We have a fee as it relates to approvals, but not necessarily every site visit.

MR. J. DINN: I like to think there has been a lot of talk about P3s. I like to look at this as P3s in reverse and charge the private polluters for the costs instead of the taxpayer paying for it, and that's where I'm going with that bit. I think if we're visiting a company that's not exercising due diligence or environmental sound practices, rather than the taxpayers pay for the visit, the airfare, whatever, then it should be collected from the offender. No ifs, ands or buts about it.

Thank you very much for that. I'm going to go on – a few quick questions, just generally. Has the Hopedale radar site remediation been completed?

MR. CHIPPETT: I know we had moved forward with a considerable amount of remediation. The minister referenced earlier that the Professional Services budget had decreased because we were working on a federal-provincial agreement. The hope is that not only some of the remaining work to be done in Hopedale but also, on a number of other military radar sites that the province took responsibility for some years ago, would be covered under this new federal-provincial agreement.

MR. J. DINN: Is it possible to have an update on those sites, on the other site assessments and their cleanup then? I guess I'd tie this into the next one as to what cleanup plans do you have for 2019? I guess that sort of dovetails nicely from what you just said.

MR. CHIPPETT: We can certainly provide a list of those sites and the site assessments that have been completed. This summer past, because we still hadn't finished the federal-provincial agreement, we did proceed, as did the federal government, in doing some additional site assessments. We can certainly provide an update on the list of sites that we're responsible for and any assessments that have been done.

MR. J. DINN: Thank you very much.

Quick question – actually, no, I'm going to turn it back to my colleague and I'll come back to this.

Thank you.

CHAIR: Mr. Lester.

MR. LESTER: Section 4.2.01, Water Resources Management, would you be able to provide an update as to how many communities are currently under a boil water advisory?

MS. DEMPSTER: It's around 200.

MR. LESTER: Around 200. And of the 200, what portion of our population does that represent?

MS. DEMPSTER: I don't think we have that. You'd have to look at the communities and the population of each community.

MR. LESTER: All right.

Of the 200, is there a long-term plan to reduce this number, or is this a perpetual number?

MS. DEMPSTER: We certainly have a trend down. The numbers of boil orders are being reduced. I'll let Jamie speak to it in more detail. I, myself, have been asking a lot of question about this since I've been in the department, and there are all kinds of reasons why communities could be on boil orders. We have some communities out there that are on a boil water advisory because they don't want to chlorinate. They don't want to spend the money on chlorination, for example, like a small local service district or something. So then that would be the choice of that community.

MR. CHIPPETT: The province, in 2001, instituted a multi-barrier strategic action plan around drinking water. And there was a lot of action across the country at the time, because, of course, that would've been the year that the tragedy occurred in Walkerton. At that time we had about 300 boil water advisories. So that's the trend the minister speaks to.

Of that 200, there's approximately half – give or take on any given day, because the number changes fairly regularly – where there are boil water advisories in place because of issues that the municipality could control. So it might be the amount of chlorine they put in the water; it might be if they chlorinate or not.

So trying to work with municipalities in terms of getting them to institute certain practices to reduce the boil water advisories is one of the things we do. And we also have staff who travel to the different regions of the province in a mobile training unit to actually provide training on site with the municipalities. In some instances, the other boil water advisories, for example, are perhaps infrastructure fixes or so on.

There is a whole list of initiatives that we pursue, along with the training. Another one, for example, with the regional service board is a pilot for the regional service board to hire a water operator that works in a series of small communities to provide that capacity where there was no capacity before. Like a lot of the things we've talked about today, the capacity is very different across the municipal spectrum but, obviously, we'd like to have that number lower and that's some of the things we're ...

MR. LESTER: So is there a difference between a boil water order versus advisory, or is it all encompassed between advisory?

MR. CHIPPETT: I mean there's a boil water advisory that normally pertains to you need to do something different with your water, boil it or what have you, but then I think there are non-consumption advisories. You tend to see those when a municipal water supply has elevated levels, for example, of certain metals like arsenic or lead.

MR. LESTER: So boiling the water would remove those?

MR. CHIPPETT: No, not in those instances. In terms of bacteriological issues, obviously boiling water would deal with those issues. In terms of whether they're naturally occurring elements, like the metals we talked about or by-products of chlorination, boiling won't do it. You normally need some kind of infrastructure fix on the community level or in terms of the individual households or what have you.

MR. LESTER: Can you provide an update on the progress made with flood risk mapping in the past year? Do you do flood risk mapping for municipalities or is it just provincial lands?

MR. CHIPPETT: We do them based on watersheds usually. For example, in recent years we've done the Waterford area, so that would take in multiple municipalities. Normally, it's a large scale than just one community, but it often covers communities. There was a whole risk of flood risk maps done I think it was in the '80s and early '90s. A lot of those are now being updated. We're specifically in the middle of flood risk mapping projects for Lower Churchill and that came out of the independent report that was done on the flood there in 2017, and we're doing flood risk mapping on the Exploits and in Humber Valley.

MR. LESTER: Okay.

Would you have done flood risk mapping for the Long Pond basin here along Prince Philip Parkway?

MR. CHIPPETT: Not in the recent set that I talked about in terms of being upgraded, but I know the city is doing flood-risk mapping to inform certain projects that they're undertaking. For example, there's a proposal to build a weir at the end of Long Pond, as an example. As a part of that, through an environmental assessment process, the city is doing flood-risk mapping for that area.

MR. LESTER: In reference to the waste water treatment requirements imposed by the federal government, how many of our communities will not meet those requirements by 2020?

MR. CHIPPETT: I don't have a specific number because there are, as you know, three tiers of risk; 2020 is the lowest tier of risk.

A large number of our municipalities are still engaged or starting to engage in monitoring. There's a threshold at which you're exempt or you don't have to go through that process. So there are a large number of communities who are engaged in that process. There are some communities who have temporary authorizations. That's a step in the federal regulation until you get to meeting compliance.

We know there are a large number – the biggest risk is associated with fresh water. We've largely funded projects through infrastructure to

deal with most of the waste water treatment plants that would be discharging in freshwater.

MR. LESTER: Will our department be speaking on behalf of those communities that do not meet these requirements by 2020 and ask for extra time from the feds? I understand their clerks are under the gun.

MS. DEMPSTER: We'll certainly do what we can to support the communities that we're working with in the province, absolutely.

MR. LESTER: But as far as additional funding from the province, that is not on the table as of right now. Is that correct?

MR. CHIPPETT: Are you speaking to the ability to meet the infrastructure requirement?

MR. LESTER: Yes, I am.

MR. CHIPPETT: Okay.

The Investing in Canada Plan that the minister had spoke to earlier, which is the \$550 million federal investment that would leverage, I think, a total project value of \$1.3 billion, the green stream of that agreement is about \$309 million. So, there's a significant budgetary investment in that over the next 10 years, and with the cost-shared ratios being 90-10, there's certainly good opportunity there for municipalities to apply and pursue infrastructure so they can be compliant with the regulations.

MR. LESTER: Just a couple of quick questions, line by line.

Section 4.2.01, Professional Services, there was \$620,000 less in this budget versus last year. What did this \$620,000 include?

MS. DEMPSTER: That decrease reflects partial completion, the \$1 million flood-risk mapping and flood forecasting for Mud Lake, Happy Valley-Goose Bay and the Lower Churchill River. It was offset by budget reprofile of funding for hydrometric climate program stations in Churchill Falls and Mud Lake. There's a purchased service to reflect consulting requirements there.

I don't know if Jamie wants to add anything to that.

MR. CHIPPETT: With the change in the new procurement legislation, some of the services that we normally paid for under Professional or Purchased Services changed where they should be accounted for. That was the reprofiling the minister spoke of; moved from one heading to the other, just based on that change. That again was another recommendation of the independent report on the Mud Lake flood to have more monitoring stations on the Lower Churchill.

MR. LESTER: Thank you.

CHAIR: Mr. Dinn.

MR. J. DINN: Thank you, Chair.

I might be asking you a question or two that might seem repetitive but I do want to clarify. I do want to start though, Mr. Chippett, you talked about the flood-risk mapping and you said in the Waterford area.

Are you talking about the Waterford River or the site of the new Waterford Hospital?

MR. CHIPPETT: The Waterford River.

MR. J. DINN: Okay.

Has there been flood mapping done for the site outside the new Waterford Hospital or the new mental health facility, sorry?

MR. CHIPPETT: Similar to the response I provided on the Long Pond area, that project – because flood management infrastructure is a trigger under the environmental assessment process, the proposal for the berm is going through the environmental assessment process. As a part of that, the proponent, the Department of Transportation and Works, was required to do flood-risk mapping around that area.

MR. J. DINN: So with the proposed site and the extension of the berm, I'm assuming that the flood-risk mapping would include the extended berm. Would that have been done?

MR. CHIPPETT: In fact, yes, in the middle of the assessment the berm was registered, and I

think that's actually the reason we went for further assessment on it. It had initially been a registration, which is the initial level of environmental assessment, but with the changes, the minister at the time required an environmental preview report and that includes the extended berm.

MR. J. DINN: And that report is available?

MS. SQUIRES: Yes, the report is available. Each project that goes through environmental assessment has a dedicated page and that's there. As well, as Jamie alluded to, we went as far as revising the guidelines for this project so it encompassed the change for the new mental health facility.

MR. J. DINN: Thank you.

I'm looking in terms of mitigation here with this next question, and I know that when I attended a public consultation meeting when the original berm was being constructed, and I forget the engineering firm that was doing the presentation at the time, it will come to me, but at that time there was considerable concern by, I think it was Ann Browne with the university, that the new core science facility was now at risk of flooding, flood damage with the berm that was being considered at the time. That's a multi-million dollar facility.

I'm just curious now, as to flood mapping and considering that we've now extended the berm and we had seen the possibility of where the flooding might go, have those concerns been allayed or what mitigation measures are going to be in place to protect a brand new facility?

MS. SQUIRES: Part of the reason this project has been in assessment for a number of years is to try to get at some of the questions that you've raised. The proponent originally submitted just the berm on the hospital side of that wetland area. We required them to complete and show the impacts of the displacement of the water that would result from that berm, both under one in 20 and one in 100 storm scenarios, but also adding climate change and a 30 per cent sensitivity ratio. So we have four sets of flood-risk maps for that berm.

Because of the identified impact of the berm and where that water is displaced, their most recent submission looks at that and actually proposes a berm on the Prince Philip Parkway side of that wetland area. So, not the side closest to the hospital, the side closer to the CBC building, for example, and wrapping around Clinch Crescent to be on the opposite side of the road as the science building to contain the water from going on to the Parkway and the area of the science building.

MR. J. DINN: If I may, I guess what we're doing is, to counteract the effects of the berm on one side, we're building a berm on the other side, instead of maybe moving the hospital to up north of the current site. If you look at any natural river, as I've been doing, the way the flooding in a natural river takes place is far from what takes place inside of a city because we constrict.

I just can't help but think, looking at the amount of money that's going to be going into this, if we – the whole purpose of wetlands would be sort of a natural mitigation, all that, but it looks like we're now adding a third berm to take care of the extended berm.

MS. SQUIRES: If I could clarify that.

MR. J. DINN: Sure.

MS. SQUIRES: The area that was flooded – if we think of, for example, Igor in 2008, there was water on a significant portion of the Prince Philip Parkway, as well as up to the Health Sciences Centre. Pre-any conversation of berm, there certainly was flooding and there would be flooding in the area of the Core Science building, the Prince Philip Parkway and the Health Sciences Centre.

The berm, in and of itself, does not cause that level of flooding. The proposed two berms work together to actually lower, even under a low storm scenario of 1 in 20, less flooding on the Parkway and near the Science building.

MR. J. DINN: No and I understand that. My point is that in the development of the river, the straightening of the river that used to go there and the increasing development around that river, what we've actually done is we've

eliminated the methods by which water is absorbed and so now we're trying to mitigate that by building a berm. That's my point.

We're adding more construction there and less ability for the water to run off and be absorbed naturally. I understand that, but then, if you look at the whole area there, part of that river runs under the Avalon Mall. It's been gradually encroached upon by development and therefore it has affected its ability to absorb these hundred-year storms.

What's the risk level then to the new Core Science Facility as a result of this? Have you determined what the risk level will be? Is it 10 per cent, 5 per cent, zero per cent in protecting that new facility?

MS. SQUIRES: The information is not presented in percentages, but the projected flood maps are presented on the project website in the environmental preview report document. They show the anticipated level of flooding with berms present and without the berms and that's still under review. So no decision has been made on the final outcome for that project.

MR. J. DINN: I'm just wondering if I were a homeowner and say I'm going to get an insurance company for this, what would they say to me. Would they say no way, your risk level is too high? That's what I would be looking at here, the potential of risk to a multi-million-dollar facility along with the infrastructure as well.

The department monitors transmission line construction such as the Labrador Island Link. I'm just curious, what monitoring activities will continue after, now that it's completed? I'm just wondering what the monitoring activities are for that.

MS. SQUIRES: The project was released with a number of conditions – eight if I recall correctly. There are a number of environmental effects monitoring plans associated with that project and those set out the follow-up monitoring that's required and reporting structures.

MR. J. DINN: If I may, what will be monitored in that?

MS. SQUIRES: There's a list there. Everything from avifauna to fish habitat and things.

OFFICIAL: Caribou.

MS. SQUIRES: Caribou – yes, certainly. There's a list of things they have to account for.

MR. J. DINN: Finally, this question has sort of been asked and I just want to clarify though. I know your role in monitoring aquaculture sites – and I talked a little bit about the use of therapeutic chemicals and waste management. I understand also that FLR, Fisheries and Land Resources, do monitoring, but I'm curious – just to nail down to clarify – specifically what your department, Minister, is responsible for; our role in monitoring aquaculture sites.

MR. CHIPPETT: Largely, as we talked about earlier, our major intersection with aquaculture development is through the environmental assessment process. For example, in the case of the Grieg project, one of the terms and conditions of release was that Grieg pay for a monitor that would be a staff member of our department. I think it's for a period of 10 years.

MR. J. DINN: For 10 years, okay. How often do these sites get monitored then? What would be the schedule?

MR. CHIPPETT: I don't know that there is a specific schedule at this point in time. Obviously, the monitor needs to be in place before there is anything going in the water. That would be something that would be determined between now and then.

MR. J. DINN: Thank you.

CHAIR: Okay, time is up.

MR. LESTER: Section 4.2.02, the Water Quality Agreement. Could you provide some explanation as to the breakdown of both federal and provincial revenue?

MR. CHIPPETT: I have a list of revenue once I find the right one. There are 35 real-time water-quality stations for industry in Newfoundland and Labrador and they pay for those stations. That's frequently a condition of environmental assessment that they enter into

one of these agreements with us and pay for it. That's the provincial revenue you're seeing there.

Then, the federal revenue relates to participation in special projects under the Canada – Newfoundland and Labrador Water Quality Monitoring Agreement. That agreement has been around for a large number of years. There are things such as the development maintenance of the national water monitoring program, chemical management plans and northern monitoring programs. There are numerous special projects that we enter into with the federal government based on the Canada – Newfoundland and Labrador Water Quality Monitoring Agreement.

MR. LESTER: In reference to Supplies under the same section, could you just give me an explanation of what supplies would be included in this?

MR. CHIPPETT: There's a lot of technical equipment involved in this particular branch. For example, a hydro lab, which would be used to drop in the water to test the number of chemical parameters at the same time, from time to time those are replaced or we might have to purchase warranties and so on for those. That's really what's encompassed there.

MR. LESTER: Okay.

I guess while we're on the topic of water, can you provide an update on the methylmercury file?

MR. CHIPPETT: The Premier wrote to Indigenous organizations and governments in early April to request a meeting. There was a meeting on June 11 with the groups. The department had drafted a draft terms of reference to work on implementing recommendations, in particular around monitoring and health management.

Two of the groups have now responded. I know the Premier spoke to it in the House today. Since today, a second group has responded and we're waiting for feedback from one additional group. Then the idea would be to get the implementation committee in place and to start

work on implementation of those recommendations.

MS. DEMPSTER: I'd like to add to that, if I could, and it's something that I guess don't get talked about, is that there is a monitoring plan that was agreed to by all the parties and the IEAC certainly applauded the design of that. So there's water monitoring that happens and the results are posted online.

There are over 1,200 samples since 2016, maybe, that have been posted. Of those 1,200 samples, the current levels of methylmercury in Lake Melville are very low and quite a number of the samples were actually below the limit that could be detected. Out in the public, in the media, we heard people like the Calder group talk about things we needed to be concerned about. We are not even yet with a level of water at 23, I believe, where they actually started – where they said we would be from their starting, we're not there yet.

The data, for anybody who's interested in following that, there's a lot of science that's been gathered and the data is open and certainly on the website. We're going to continue with that water-monitoring plan because, obviously, the health of the people trumps everything.

MR. LESTER: Okay.

When we do hit this critical level, because undoubtedly the levels will rise as the material decomposes under water and releases into the water body, do we have a plan as to how we will compensate the individuals who may be affected by being no longer able to access that food source?

MS. DEMPSTER: The people who've been here longer than me can correct me, but I don't think there's any data or any science or any indication yet, to date, that people are not able to eat the food in the area, from everything I've understood and from the reports that I have read. We're going to continue with the water-monitoring plan and I guess the future results, what happens down the road, will certainly inform public education, public health around methylmercury and food in water, should we get to that.

MR. LESTER: Very good.

In reference to the environmental assessment process review, I understand consultations are under way. Are you getting much response to that review?

MS. SQUIRES: We have a few dozen emails directly into the email system, but we've not got results from the EngageNL survey. So I'm not sure at this point how many people actually responded to the survey itself. But from emailed letters, for example, we got a handful, or up to a dozen. But most people, I imagine, are completing the survey directly online.

MR. LESTER: Okay.

Section 4.3.01, in relation to the Salaries there was almost \$120,000 less spent last year than was budgeted and there is more budgeted for this year. What would that be just vacancies within the department or ...?

MS. DEMPSTER: The decrease of \$125,000 reflects lower salary cost for the Bay du Nord Project and lower cost due to recruitment period for vacant positions.

MR. LESTER: Okay.

In reference to Supplies, there's a steady decrease. What is included in that? Does that have to do with more services being contracted out? Because it's not referenced in the budget.

MS. DEMPSTER: Yes, that's actually tied to the Bay du Nord as well. The decrease of \$3,300 reflects forecasted budget reduction for the Bay du Nord Project, plus zero-based budgeting adjustment – that was just \$300. And, again, the decrease of \$2,700 reflected lower supply cost for the Bay du Nord Project offset by higher divisional office supply cost.

MR. LESTER: In reference to the environmental permitting process, it was also indicated that the department would be reviewing the environmental permitting process. Can you provide some details on your plan?

MR. CHIPPETT: One of the things that we said we would look at, through a lean process, was our environmental permitting processes. So

we've been through a review, for example, of water resources permitting requirements and I think made some small changes. But the bigger change would involve new software and so on for tracking. So that would have to come with a budgetary approval at a later date.

MR. LESTER: In reference to composting, we've seen several composting projects basically stalemated by public pressure. Is the department going to clearly define where and how people can propose composting operations?

MR. CHIPPETT: So there is one project currently under environmental assessment which is proposed for the Long Harbour area – same proponent that was looking to do it on the Argentia Access Road. That will go through the same type of process, because obviously with a new location there are new considerations around the distances as you reference to towns or municipalities or cabin owners or what have you.

I do know that, from a waste management perspective, there are set boundaries in terms of how close you can have a landfill, for example. I'm looking to Dan or Susan to help me out in terms of whether anything exists for composting projects, specifically.

MS. SQUIRES: There's nothing for composting facilities specifically. Not having an industrial composting facility like this in the province before, we have looked other jurisdictions, and they actually can be very close, much less than a kilometre to even things like residential areas. So composting, if done correctly, should have no odour whatsoever. But as you've alluded to, certainly we've had some public interest in these composting facilities and some concern around odour, quite far distances, actually, away.

CHAIR: Your time has expired.

Mr. Dinn.

MR. J. DINN: Thank you, Mr. Chair.

Just to follow up on 4.2.01, two quick questions on that. Minister, I think you had said with regard to the EIS conditions set on Grieg there about 15 or so. Would your department be

responsible for monitoring compliance of those conditions? And would that be through the proposed person that they're going to hire for that?

MS. DEMPSTER: I don't think it is a specific number, for the record, I just said there are a number of stringent conditions. I didn't actually say a number, but (inaudible) –

MR. J. DINN: No, I'm just wondering, will your department be responsible for monitoring those –

MS. DEMPSTER: Yes.

MR. J. DINN: – compliance with those conditions, regardless of the number?

MS. DEMPSTER: Yes.

MR. J. DINN: Okay, and will that be with the person that's hired on?

MS. SQUIRES: The person that's hired on, and the proposal for that person, certainly will assist in providing oversight and adhering to those conditions. In part, due to the scale of the project, is the reason why we have that person. But certainly not all projects have an environmental monitor, so the Environmental Assessment Division is responsible for making sure proponents submit the required plans or adhere to conditions as set out.

MR. J. DINN: I think you indicated that that person was going to be in place for 10 years?

MS. SQUIRES: Yes, the reason for the 10 years was the proponent described a phased-in approach of going to their maximum production scale, that would take upwards of eight years to reach that phased approach. So the reason for the 10-year mark was to make sure we were reviewing the project up until peak production.

MR. J. DINN: Who will be responsible for monitoring those conditions after that if we don't have a person on site?

MS. SQUIRES: The various conditions that they adhere to would still be the responsibility of environmental assessment division and the proponent. We'll evaluate the types of

compliance and types of oversight that they would be required to have, but the proponent will also be responsible to answering any questions we have on compliance.

MR. J. DINN: Very good. Because I know there are a number of production stoppages due to ISA breakouts and the rendering of fish, so I would recommend that continue.

I'm sorry, I hate to say it, but I would like to see something other than the fox in charge of the henhouse, and that would be – I think it's good to have government an independent oversight paid for by the company to watch what they're up to.

With regard to waste water, one last thing, waste water management. I guess you're familiar with the waste management facility in Gander, Glenwood, there on the Gander River, which I must say is pretty impressive. Certainly, it has cleaned up the water enormously there. I'm just thinking in terms of as an investment, to me it looks like low cost or low maintenance in many ways compared to the one that's down in St. John's Harbour there.

How well has that been doing? Is there a plan to bring it to other communities? Especially this waste water being dumped into waterways. I'm thinking of the Exploits, in particular.

MR. CHIPPETT: The Abydos system, I believe –

MR. J. DINN: Yes.

MR. CHIPPETT: – is the one you're speaking to in Glenwood. I think it has worked relatively well. We have funded similar such projects. I don't know if it's Abydos for sure, but that type of a lagoon system has been funded for, I think, Grand Falls-Windsor, and Stephenville as well.

Normally, we don't push a particular technology or what have you, but certainly we've had numerous communities come to us to apply for those projects. Obviously, I think generally we agree with your assessment in terms of their effectiveness. There's certainly the Investing in Canada Fund, I talked about earlier, that would be certainly an eligible project cost under that.

MR. J. DINN: From a cost-benefit point of view, how do they compare with other systems? I mean, the easiest thing is you just dump the sewage into the water. That doesn't cost you a whole lot except building – but I'm looking at other, more or less, say, elaborate structures such as the one here in St. John's, which is dealing with a much larger area, but I'm just looking at other treatment options. Where does it compare?

MR. MICHIELSEN: It really depends on the size of the community and the volume of waste water. These types of systems do require a significant amount of real estate that wouldn't be available in the City of St. John's or the metro area, for example, in terms of where the flows go now. They're really much less the operational cost than traditional, but, again, they have their limitations in terms of size of communities that they can service.

MR. J. DINN: Thank you very much.

4.2.02; I think for the most part that's covered.

4.3.01; Transportation – and I think some of this has already been covered by my colleague, but Transportation and Communications may not have been, or I didn't hear it. A decline last year of – well, actually, a decline of almost \$60,000 for Transportation and Communications. I apologize if that's been asked and answered.

MS. DEMPSTER: That's okay. Yes, and I did answer your colleague.

The decrease reflects forecasted budget reduction for the Bay du Nord project, plus a zero-based budgeting adjustment. Then there was also lower travel and communication cost, again, related to the Bay du Nord project.

MR. J. DINN: Okay, and I actually do remember that answer.

With regard to – and I think we've talked about this already – the deadline for public consultations for the environmental assessment review is early July. I think you had mentioned, Minister, there was an overwhelming response, but I took that to mean to the plastic bag consultation.

MS. DEMPSTER: Yes, correct.

MR. J. DINN: I'm looking here for the environmental assessment review. What's the next step for that? And I think you said this, but will you publish a What We Heard document in relation to that?

MS. DEMPSTER: Yes. So we had gone out to start the consultation, I believe – that predates me – and then we were in caretaker mode for a little while in the province, and since we just recently opened up the consultation process again until the third of July, right? And then we will produce a What We Heard document.

MR. J. DINN: And what has been the response so far?

MS. DEMPSTER: I'm going to look to Susan.

MS. SQUIRES: We got about, approximately, a dozen responses into our email that we set up for the review. I haven't received an update from EngageNL.

The Public Engagement division monitors and sets up those online surveys that are conducted through the EngageNL website. They have that data. I haven't received an update from them on how many have responded, but we certainly could get that. They will provide us that when they provide us all the data at the close of the public consultation period. So we will certainly have it. We just don't have it yet, because the public consultation is currently open.

MR. J. DINN: So the feedback is solicited primarily through online?

MS. SQUIRES: Yes, because –

MR. J. DINN: Text based.

MS. SQUIRES: Pardon?

MR. J. DINN: Text based, like typing. You can type in –

MS. SQUIRES: Yes, correct.

MR. J. DINN: Has there been any other ways in which information or feedback has been solicited, in public forums or anything like that?

MS. SQUIRES: The discussion document that we've placed online is available for people to fill in and they certainly can mail us in a copy. They can scan in a copy and send it in as well.

MR. J. DINN: Has there been any thought given to – when you're looking at using video response where people can actually email a video that can be captured online. Sometimes it's much easier, as you know, to give an oral presentation, but even if – if it's going to be online, you can easily do that through your computer as well or iPad, just send in a verbal, oral, an audio oral response. Any thought to that?

MS. SQUIRES: EngageNL web-based program doesn't allow for a submission like that, but if someone sent us in a video through the website we set up, eareview@gov.nl.ca, we certainly could take that.

MR. J. DINN: It's just a thought.

MS. SQUIRES: Yeah.

MR. J. DINN: I always like multiple ways of seeking responses. Not everyone is a text-based individual to respond, and writing is a vastly different experience than speaking, too. I know, I taught it.

Okay. I'm done with 4.3.01. That's it, and I have no more questions on that.

CHAIR: Mr. Lester.

MR. LESTER: Just a couple of questions regarding 4.3.01. In reference to the provincial revenue, what would be included there? And what explains the \$148,000 decrease in the revised from last year?

MS. DEMPSTER: The revenue decrease of \$148,000 reflects forecasted budget reduction for the offsetting revenue for the Bay de Nord project. Again, the same amount, the revenue decrease of \$148,000 reflects lower revenue from the Bay de Nord project.

MR. LESTER: Thank you.

CHAIR: That's it. There are no other questions for 4.1.01 to 4.3.0.1, Environmental Management and Control.

CLERK: 4.1.01 through 4.3.01 inclusive.

CHAIR: Shall 4.1.01 to 4.3.01 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.3.01 carried.

CLERK: Climate Change, 5.1.01 and 5.1.02.

CHAIR: We'll start off with Mr. Dinn.

No, sorry, Mr. Lester.

MR. LESTER: Some general questions in reference to line by line.

Section 5.1.01, what would be included in Purchased Services and why would there an extra, almost, \$20,000 spent last year?

MS. DEMPSTER: The increase of the \$18,300 reflects consultant contracts that was actually reimbursed by Natural Resources Canada.

MR. LESTER: In reference to the Grants and Subsidies, what is included in the Grants and Subsidies?

MR. CHIPPETT: This is one of the energy efficiency programs that are available under the Climate Change Branch.

MR. LESTER: Okay.

A question on Salaries, would any of these salaries be, I guess, appropriated to the province's requirement of protected environmental spaces as dictated by the feds?

MR. CHIPPETT: No, I don't think so.

MR. LESTER: Okay.

Why was \$1 million less spent last year than budgeted when it comes to the Grants and Subsidies?

MR. CHIPPETT: Go ahead.

MS. DEMPSTER: We're all pretty eager given the hour of the day, Mr. Chair.

The decrease of \$1 million reflects a lower uptake under the Energy Efficiency Loan Program.

MR. LESTER: Okay.

What would explain the increase in the budget this year if last year we did not spend \$1 million?

MS. DEMPSTER: I'll turn it over to Jackie.

MS. JANES: The maintenance of the subsidy line this year is because government announced in their pre-election its intention to bring forward a new program, a heat pump replacement program. That would be additional to the ongoing Energy Efficiency Loan Program. So that will make up the residual spending.

MR. LESTER: Okay.

In reference to the carbon tax, do we have an idea of how much has been collected to date in the form of revenue?

MS. JANES: I don't have the figures in front of me. The revenue for the first period of the carbon tax is fairly low, because the carbon tax only came in on the 1st of January, 2019. So there are only three months of that fiscal year. That's one reason why the revenue would be lower. Obviously, in 2019-2020, you'll get a full fiscal year, so revenues will be higher, but I'm afraid I don't have the figures in front of me.

MR. LESTER: Okay.

So, really, we won't expect to see any increase, it would just be – right now we have a proportionate sample of six months of tax collection. So if we go in a year, well, it will be twice what we collected in six months. Am I correct in assuming that?

MS. JANES: That will depend on whether the carbon tax rate will increase in future. The provincial carbon program, the government said that it would only increase the carbon tax rate if there was headroom once the calculation had been done of what increase had occurred across Atlantic Canada to try and ensure parity from a taxation and a trade perspective, and maintain competitiveness. So that will need to be done for future years for 2020 and beyond.

For the calendar year 2019, the rate is \$20 a ton, which on a litre of gasoline translates into 4.42 cents a litre.

MR. LESTER: Okay.

The Parliamentary Budget Office projects by 2030 – as it pertains to emissions – we'll be looking at \$52 a ton in order to meet the Paris targets. Does our department think that's reasonable that we'll also have to follow suit? We're looking at \$50 a ton when it comes to the fuel charge as well.

MR. CHIPPETT: As Jackie outlined, the position of the government in development of its carbon program, which included the price on carbon for the carbon tax, was that the province would not adjust upward unless it could do so and retain parity with the Atlantic Provinces from a taxation perspective.

MR. LESTER: Okay.

Do we have a schedule of projection as to what positive effect this will actually have by reducing our emissions and production of CO₂?

MS. JANES: We do. There are two components to the provincial carbon program. There is a carbon tax that applies to electricity and building fuels, although there are exemptions to the application of that tax, and then the second part of the system is a performance-based system that applies to large industrial emitters. So a large industrial emitter is a company that emits in excess of 25,000 tons of greenhouse gas emissions a year.

For those large industrial emitters, under the performance-based system, they have been given a legally binding greenhouse gas reduction target. It starts in 2019 and it's a 6 per cent

reduction against the defined baseline, which is the historic emissions, and it will increase by 2 per cent a year until it reaches 12 per cent by 2022. We have calculations for the estimated greenhouse gas reductions that will be delivered through that measure.

With respect to the tax, there's a kind of short-, medium- and long-term story to that. A tax is meant to send sort of an economic signal into the economy that the polluter pays for the damage done by the greenhouse gas emissions. That, we hope, will influence people's behaviour so maybe people won't idle their car, for example, or they'll put in LED light bulbs in their house. Those types of measures.

In the medium term, you would hope that you would see a more significant shift on behaviour. So, for example, whilst in the short term you might choose not to idle your car or to car share to get to work, in the medium term if you're choosing to purchase a new vehicle, you may think about the fuel economy of that vehicle and select a vehicle that might be a little bit more fuel efficient.

Then in the long term you would hope that the carbon pricing signal has created an incentive for greater innovation into low carbon technologies. You would see more transformative things happening in society. A good illustration of that in the transportation sector might be, for example, increased penetration of electric vehicles. As the availability of those vehicles increases, the price of them falls, the range improves so you might see greater penetration of those.

It's difficult to assess with the carbon tax exactly how much reduction we would see in the short term. It's more of a sort of long-term game to try and achieve reductions out to 2030.

MR. LESTER: Okay.

Is there a defined mechanism within the Department of Finance to collect and segregate the monies collected via the carbon tax? Subsequently, is there a program designed to administer those funds into projects that will accelerate our compliance with the Paris accord?

MS. DEMPSTER: I think questions around taxes and finance would be best answered by Finance.

MR. LESTER: Is there a defined program which consumers or businesses can apply to access these funds that had been collected in efforts to reduce our impact?

MS. DEMPSTER: As you probably will recall, in March we announced our five-year action plan on climate change that was \$89.4 million. That includes a number of pillars, some that Jackie has already alluded to: Energy efficiency, the heat pumps, a number – I'm not recalling them right now.

We've put in place a program that we're pretty proud of actually, because it is a polluter-pay, it's looking at large industry paying. We've exempted things. Home heating is not being hit; I believe airline travel is not being hit. Had we not implemented our own hybrid program and the federal backstop came down, that would've been four times the cost of what we were able to negotiate.

CHAIR: Okay, your time is up.

Mr. Dinn.

MR. J. DINN: Thank you, Chair.

I'll start off by saying this: As the owner of a pickup truck, I'm quite happy to pay the carbon tax and whatever comes with it. If nothing else, anything that's going to be helpful to protect the environment, I'm fine. The next truck vehicle might be an electric one when they're here.

With regard to the Grants and Subsidies, there was a statement made that there was a lower uptake on the Energy Efficiency Loan Program. I'm just curious, has there been any analysis as to why there was a lower uptake on that? Is it a lack of awareness or the application process too cumbersome? I'm just trying to get an idea of why that drop.

MS. JANES: When we designed the program we had no prior information on how it would be received in the market. Government voted an amount of money to support the program in the budget and we worked with the electric utilities,

Newfoundland Power and Newfoundland and Labrador Hydro, to design and to deliver the program.

The way we did calculations, based on the uptake was, we have X amount money, we need a percentage of that to cover the administration costs of the program and the remaining amount of money will be available for grants. But until we went into the market we didn't know what demand there would be for that program. We started with giving people a preferential interest rate, but it is still a loan. People apply; they can borrow up to \$10,000 over a five-year period to pay for either improving their insulation, heat pump installation and purchase of a heat pump, or a home energy assessment.

Whilst there hasn't been as much demand as we had money available, the program has still been extremely successful. To date, since its launch in October 2017, we've helped over 353 people invest through these loans, up to \$2.8 million, to cover the upfront costs of purchasing energy efficiency upgrades. That's the explanation for why the spend has been lower than the budgeted amount.

MR. J. DINN: No and I understand that, I'm just trying to get a reason. Is there any analysis as to why the uptake has been – what's preventing people? Is it just a lack of knowledge, the awareness of it? The fact that it is a loan and they have to pay it back, maybe with some interest.

I guess that's what I'm looking at. I understand that, I'm just curious. Have you done an analysis as to why the people haven't been taking up on that offer? Is there a plan then to respond to that and maybe increase the uptake?

MS. JANES: We have looked at it with the electric utilities. You're absolutely right; loans generally are not as attractive as grants. People prefer grants. One thing that we have looked at is the interest rate and maybe the prospect of potentially lowering the interest rate to make the cost of borrowing less, which may improve the attractiveness of that program and increase uptake.

MR. J. DINN: Thank you.

The interest rate is what?

MS. JANES: The interest rate is – hang on I have to remember it. I think it is prime minus one. I'm sorry; I'd have to double-check that. I can't remember off the top of my head.

MR. J. DINN: It sounds like a pretty good interest rate.

MS. JANES: Yeah, it is competitive in the market. Still, people who have collateral – like say you have a house that you can borrow against – can still get a more attractive rate than that. That might, in part, answer your question.

MR. J. DINN: Okay.

With regard to some general questions, why were home heating fuels exempted from the carbon tax instead of providing a low income rebate?

MR. CHIPPETT: I know some of the consideration, obviously, around the taxation would be with Finance. One of the initial pillars of consideration was to mirror any exemptions that already existed under the gasoline tax.

MR. J. DINN: Thank you.

Are you working on measures for reducing emissions in the transportation sector – and maybe even in government's own fleet for that matter – beyond the carbon tax? I'm thinking electrification of vehicles and the like.

MS. JANES: Yes, one of the programs that Minister Dempster mentioned that was rolled out under the Low Carbon Economy Leadership program is targeted at the freight transportation sector. It's to help part fund, through rebates, the cost of devices that can improve the fuel economy of those vehicles: skirts that go along the bottom of freight vehicles or aerodynamic devices that go on the cab, those types of things. That's one measure that's specifically targeting the transportation sector.

Another measure that government announced prior to the election was the investment of \$2 million to invest in electric vehicle charging infrastructure. As you'll be aware, one of the concerns that impedes uptake of electric vehicles

is range anxiety, the fact that the vehicles need to be charged every 150 kilometres or so. Money is intended to be invested in improving charging infrastructure, both Level 3 charging stations, which are the fast-charging stations that can fully charge a car in less than half an hour, and Level 2 charging stations, which take a little longer. They take three to four hours to fully charge a vehicle, but might be good to deploy, for example, at people's places of work or shopping centres or leisure centres where people tend to go and park their car for a number of hours at a time.

Those are the two initiatives that are currently being driven forward.

MR. J. DINN: Are you tracking the number of electric vehicles that are sold or purchased? More importantly, is there a plan by government to electrify its vehicle fleet?

MS. JANES: With respect to your first question, we do get data from Service NL on vehicle registrations. It's a little complicated because, of course, there are different types of electric vehicles. There are some that have a combustion engine and an electric component, and there are other electric vehicles that are pure 100 per cent electric and that you have to plug in.

The challenge that we have with data is the vehicle registration system lumps together those sort of hybrid vehicles and electric vehicles that also have a backup combustion engine. There's one VPN for those vehicles. There's a separate one for fully electric vehicles. So whilst we have a broad idea of the number of electric vehicles in the province, it's not absolutely precise.

With respect to government's plans; I understand the Department of Transportation and Works is looking at procuring two electric vehicles for government, and the Department of Natural Resources has installed two electric vehicle charging stations at its building on Elizabeth Avenue. So those types of initiatives are being advanced as well.

MR. J. DINN: Thank you.

Are the major emitters likely to meet the required 6 per cent emissions reduction in 2019

as required by the *Management of Greenhouse Gas Act*?

MS. JANES: It's a legally binding target, but they have a number of mechanisms through which they can comply with that target. They can achieve reductions at their facility or they can purchase reductions from another industrial facility that has overachieved its target and has surplus reductions to sell.

It is a legally binding obligation, so our expectation is that the industrials will comply with it. We did develop the performance standard system in close consultation with industry, and it seeks to achieve real greenhouse gas reductions to help tackle climate change whilst also being cognizant of the fact that these large industrial companies all export into international markets.

So they're competing with companies that are located in countries that are not subject to carbon constraints and their price take is on international markets. We're seeking to drive down emissions, but, of course, retain the competitiveness of those large industrials at the same time.

MR. J. DINN: If a facility can't make the reduction target it pays into a greenhouse gas reduction fund, as I understand it. I'm just wondering if that fund has been established. And, if not, when will it be and what will it be used for?

MS. JANES: You're correct. One mechanism through which large industrial companies can comply with their target, if they fail to make reductions at their site, is to pay into a greenhouse gas reduction fund. That fund is not part of the Consolidated Revenue Fund. It is earmarked. Any money that goes into that fund has to be used, under the legislation, to invest in greenhouse gas reduction opportunities elsewhere in the economy.

The fund has yet to be established. The reason for that is companies who are obligated to reduce their emissions under the *Management of Greenhouse Gas Act*, that 6 per cent target applies to 2019, but they have to demonstrate compliance with that by November of 2020. So it's only at that point companies, when they do

their true up, will determine if they're short greenhouse gas reductions and at that point be required to pay into the fund.

So it will be set up, but it's not needed as of today.

MR. J. DINN: Yes.

Thank you very much.

CHAIR: Your time has expired, Mr. Dinn.

Mr. Lester.

MR. LESTER: Okay. You just referenced to competitive necessity. Who decides where we draw the line between competitive necessity and regulatory compliance? Is that done within the department? Is there specific staff that would examine that?

MS. JANES: We look closely at the companies, the extent to which they export. The large industrial companies in Newfoundland and Labrador, most of them export 100 per cent of their product into international markets. Probably the least trade exposed company is actually the refinery, which exports only between 80 and 90 per cent of its product.

The reason why it's so important to consider competitiveness is if you develop a system that puts a very severe carbon constraint on large industrials, what you could do is you could drive that company out of business, because they're dealing with an additional cost base that their competitors – say, the refinery is competing with a refinery out of India – don't incur. Therefore, the Indian refinery might be able to sell its product more cheaply. In that instance – this fictional instance – the refinery could close down.

From a greenhouse gas perspective, the globe would be worse off, because in Newfoundland and Labrador that refinery is required to be efficient and drive down its emissions. The refinery in India may not be subject to any such carbon constraints. So, as a result, global emissions may increase. But from an economic perspective, we in Newfoundland and Labrador have lost hundreds of well-paying jobs that are important, contributive to our economy.

So we do work very closely with the Department of Finance. We do modelling to understand the impacts of different prices and carbon constraints on companies to try and find that balance that Cabinet can determine to make real reductions whilst ensuring the economic health of our economy.

MR. LESTER: I think you just explained why C-69 is not a very good bill, but anyways.

How many industrial organizations are in Newfoundland and Labrador that would meet the level of 25,000 tons?

MS. JANES: The number of companies, whilst I mentioned 25,000 tons, there is an opt-in clause under our *Management of Greenhouse Gas Act*. So if a company emits more than 15,000 tons it has to report to government, and it can choose to be regulated under the *Management of Greenhouse Gas Act* rather than be subject to the carbon tax.

When you take into account those potential opt-in companies – like, potentially, Fluorspar down in St. Lawrence might opt in to the system, you're talking roughly about a dozen companies, and they include both onshore and offshore large industrials. So all four of the offshore platforms are regulated under the system.

MR. LESTER: Is there a ratio of what of those companies will be able to reach the targets versus the ones that won't by the set deadlines?

MS. JANES: Our expectation is that they will all achieve their target because the system provides for flexible compliance option. As you'll appreciate, climate change is a global problem; therefore, from an environmental perspective it doesn't matter where the greenhouse gas reductions occur, so long as they occur. However, from an economic perspective, it does make sense to reduce those emissions where the cost is lowest.

Our system applies across the province, the industrial players within the province. However, we know the marginal cost of abatement and the cost of reducing a ton is very different for the different industrial players. An illustration of that would be an offshore facility. Once you've sunk that capital and you've put that platform

300, 350 kilometres out into the ocean, it is very, very difficult to do major retrofits. You're space constrained, you're weight constrained and you can't just tie into a renewable electricity grid; therefore, the cost of complying, reducing emissions there is going to be very different, for example, to a company that might be doing a major turnover and a major retrofit or can possibly hook into the grid and use more renewable electricity to displace diesel or fuel.

As a result of that, we've created alternative compliance mechanisms. So the offshore facilities, if they can't achieve cost-effective reductions on their platform, they can purchase reduction credits through the greenhouse gas fund that we previously discussed, or purchase reductions from large industrial emitters that have got surplus reductions because they've reduced their emissions by more than target. By building in these different flexible compliance options, we're trying to ensure that all companies have a cost-effective way to reduce their emissions to maintain their competitiveness, while at the same time they all contribute to the greenhouse gas reductions that we need to achieve.

MR. LESTER: Would an example of investment in – if they couldn't comply within their own organization and they invested outside – I remember probably a decade ago when this was first talked about a lot of farmland was purchased in the Maritimes, in through Nova Scotia and New Brunswick, by large oil companies, and part of their credit was to reforest this farmland. Yes, that sounds great in theory, but, basically, what it did was it tied up a lot of the province's ability to produce its own food and become more sustainable.

Would that type of activity also be considered in Newfoundland and Labrador?

MS. JANES: Although the legislation in Newfoundland and Labrador, the *Management Of Greenhouse Gas Act*, does provide potentially for the use of offsets, which is what you're describing, which is certified emission reduction projects that occur in sectors that are outside the large industrial regulated facilities like forestry, agriculture and waster, that is not a part of the system we have developed regulations or brought into effect at this point.

So that does not apply at this moment in Newfoundland and Labrador.

MR. LESTER: Okay. Will that be something that the department would consider in the future?

MS. JANES: It is provided for in the legislation, so further work will be done to look at the cost and benefits of that system for consideration by government.

MR. LESTER: Okay.

All right, some quick line-by-line questions in reference to 5.1.02. Why was there no Salaries spent last year?

MR. CHIPPETT: There are a couple of places where, obviously, there's a lower revised budget figure than the original budgeted one. So, just in terms of the set-up of the \$89.4 million that the minister reference earlier, that's an agreement with the federal government on the Low Carbon Economy Leadership Fund.

When budgeting was done last year it was anticipated that agreement would be signed in the spring of 2018 but it was actually signed in September of 2018. So, once you sign the agreement, there's a process you go through to have individual projects approved, again, through Environment and Climate Change Canada. Some of those programs were rolled out on January 25, 2019 and March 8, 2019 and actually two other ones rolled out on March 15, 2019.

So, because it was so late in the fiscal year, based on when the agreement was signed, that's why you get those lower figures throughout the revised budget in that area.

MR. LESTER: The federal revenue contribution, what program would that be coming from?

MR. CHIPPETT: It would be any of the projects I just listed. Generally, it's the cash flow for the \$89.4 million, but in terms of the federal revenue, for example, in '19-'20, there would be expected expenditures under those four or five programs that I just listed.

MR. LESTER: Has there been any study to the carbon footprint created by our bottle and container recycling program?

MS. JANES: I'm not aware of any specific analysis that's been done on that program. There has been analysis done on some of the carbon footprint aspects of waste management but I'm not aware of anything on that particular component.

MR. LESTER: Thank you.

That will be all.

CHAIR: Mr. Dinn.

MR. J. DINN: Thank you, Chair.

With regard to 5.1.01, it was just in the news very recently that Ottawa has earmarked \$50 million for school retrofits in provinces that fought climate change. I'm just wondering, we're not one of the provinces that did that, but would there be a possibility of using the green fund or the carbon taxes towards retrofitting schools in the province to make them more energy efficient? Whether that's about putting better insulation in, windows or converting from oil burning. Is that a possibility or a use of the fund?

MS. JANES: Obviously, that would be for consideration by the Department of Education. Work is being done through the Low Carbon Economy Leadership Fund to look at improving the energy efficiency and fuel switching in public buildings, and I know that there are some educational facilities being retrofitted through that initiative.

MR. J. DINN: Thank you.

Just so you know, in some schools the way of making sure air circulation was taken care of was to basically open windows in the dead of winter. It might've brought in fresh air, but I don't know what it did for the heating bill for that month.

With regards to new charging stations; with \$2 million for new charging stations will government ensure an adequate number of Level 3 quick-charging stations to be made available

along the TCH for access to rural areas and the possibility of travelling for longer distances? Is that a possibility?

MS. DEMPSTER: That's something that's in the budget and something that'll certainly be looked at longer term as we go forward. That's the whole idea, we want to start in the more populated areas and spread out.

MR. J. DINN: Yeah, it's sort of like a chicken and an egg as to what you need first.

Will these stations be operated by private companies, and will the rates at these stations be comparable to residential electricity rates?

MS. DEMPSTER: I would say that's to be determined.

MR. J. DINN: Thank you very much.

I have just a few other questions now, not many more. One that I did miss that my colleague asked had to do with the – if you wouldn't mind repeating it – reduction on Salaries in the 2018 budget.

MS. DEMPSTER: Are you in 5.01 –?

MR. J. DINN: Sorry, my apologies, 5.1.02.

MS. DEMPSTER: Okay.

The decrease of the \$198,000 reflected requirements of the Low Carbon Economy Leadership Fund and building regional capacity and expertise. So, there was salary cost. I believe that's the one that only came into effect – the agreement was signed in September, so we were well into the calendar year before that was finalized.

MR. J. DINN: Okay, thank you very much.

One quick question, I'm just thinking, if any of you've gone done the Argentia highway by Dunville and the huge mound of tires, I'm just wondering – years ago I had seen a documentary on this about using recycled tires in asphalt. I know now, currently, I think they're shipped out to Quebec and we pay them, do we not, to take the tires and burn them?

MR. CHIPPETT: We pay the shipping charge to have them moved to Quebec and for them to be burned by Lafarge.

In terms of the notion of use of tire-derived aggregate, I know the Multi-Materials Stewardship Board, MMSB, they've undertaken some work this year on a study to look at how well tire-derived aggregate could be used in Newfoundland and Labrador. One of the big challenges with tires, of course, is the volume. It's difficult to have a steady supply of aggregate for any other projects.

MR. J. DINN: A quick question: How much do we pay for the shipping of tires up to Quebec? It seems like it's a pretty good deal for them.

MR. CHIPPETT: I don't recall what the number is. We wouldn't have that number. The Multi-Materials Stewardship Board would have that.

MR. J. DINN: Would it be possible to get that from you?

MR. CHIPPETT: Yes.

MR. J. DINN: Okay, I appreciate that.

As a commentary, if we're paying to ship tires to another jurisdiction so that they can burn them, I'm assuming for their own energy purposes, or is just simply disposal?

MR. CHIPPETT: It is for their own energy purposes.

MR. J. DINN: So we're actually subsidizing another province's or another jurisdiction's energy needs. I'm just wondering if we could use that money towards investing in some local technology and innovation and maybe hire people – that's where I'm going. We talk about efficiencies, zero-based budgeting and all that stuff, rightsizing and so on and so forth. I think here is an opportunity where we can take that money and become innovators in that way, in that field, and look at how we can take the recycle tire aggregate and mix it in with the rest of the aggregate.

I didn't realize it, but that technology has been around since, I think in the States, 1960. I guess

all good things come to those who wait. We've imported a lot of other ideas from the States; this sounds like a good one.

MR. CHIPPETT: I know there's an interest in finding a provincial solution but, obviously, if you go back to the stockpiles that we talked about, there was a considerable fire risk associated with those. I think one of the cost-benefit pieces to this would be how much would you have to invest, given the volume. I'm aware of pilot projects, for example, of people involved with glass as an example because we know we can't recycle our glass bottles right now either, aside from the alcoholic ones.

It always becomes a question of volume in terms of supporting some of these initiatives. So, certainly if there's a solution and that's why MMSB has been doing a fair amount of work on tire-derived aggregate and so on to see if there would be some way that we could utilize it cost effectively here.

MR. J. DINN: Thank you.

CHAIR: Are you finished, Mr. Dinn?

MR. J. DINN: That's it.

MR. LESTER: Just a couple of quick questions while we're talking tires. So if a company or an individual decided to use those tires here in this province as either a form of fuel or electrical generation, would they also be subject to a carbon tax for the consumption of those tires?

MR. CHIPPETT: I could ask Jackie to step in if I miss the point, but it would depend on their level of emissions. Obviously, if it was lower than the opt-in level Jackie talked about, which I think is 15,000 tons, then they would be subject to the carbon tax.

MR. LESTER: Okay. I guess that's basically it for me. Once again, I'd like to thank everybody for offering the knowledge that we received tonight. If you'd be so kind to provide all your documentation and briefing notes, it would be greatly appreciated.

MS. DEMPSTER: Thank you.

Week's in, it was somewhat of a good briefing for me too. So I want to thank the staff for answering all of the questions that they did. Thank you, guys.

MR. LESTER: Thank you.

I'm going to text Kevin Parsons and let him know I got this right now.

CHAIR: Do not share it with him.

MR. LESTER: Only a copy for me, that's it.

CLERK: 5.1.01 and 5.2.02.

CHAIR: Shall 5.1.01 and 5.1.02 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 5.1.01 and 5.1.02 carried.

CLERK: The total.

CHAIR: Shall the totals carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Department of Municipal Affairs and Environment, total heads, carried.

CHAIR: Shall I report the Estimates for the Department of Municipal and Environment carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Estimates of the Department of Municipal Affairs and Environment carried without amendment.

CHAIR: I, too, would like to thank everybody for their co-operation tonight and all the valuable information that you shared.

I will now ask for an adjournment.

MS. STOODLEY: Motion to adjourn.

CHAIR: Sarah.

We are adjourned. And everyone have a great night.

On motion, the Committee adjourned *sine die*.