



**PROVINCE OF NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY**

Fourth Session
Forty-Seventh General Assembly

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

May 25, 2015 - Issue 3

Department of Service NL
Workplace Health, Safety and Compensation Review Division

Published under the authority of the Speaker of the House of Assembly
Honourable Wade Verge, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Service NL

Chair: Clayton Forsey, MHA

Vice-Chair: Steve Crocker, MHA

Members:

John Dinn, MHA
George Murphy, MHA
Paul Lane, MHA
Calvin Peach, MHA
Kevin Parsons, MHA

Clerk of the Committee: Elizabeth Murphy

Appearing:

Department of Service NL

Hon. Dan, Crummell, MHA, Minister

Jason Card, Director, Communications

Ken Curtis, Departmental Controller

Kim Dunphy, Assistant Deputy Minister, Occupational Health and Safety

Anita Hynes, Executive Assistant

Donna Kelland, Assistant Deputy Minister

Leigh Puddester, Deputy Minister

Julian McCarthy, Assistant Deputy Minister, Consumer and Commercial Affairs

Workplace Health, Safety and Compensation Review Division

Hon. Sandy Collins, MHA, Minister

Jean Bishop, Manager, Operations

Ken Curtis, Departmental Controller

Marlene Hickey, Chief Review Commissioner

Also Present

Ivan Morgan, Researcher, NDP Office

Randy Simms, Researcher, Official Opposition Office

The Committee met at 9:00 a.m. in the Assembly Chamber.

CHAIR (Forsey): As I said, we are going to be doing the Commission review first this morning, Minister Collins, and then we are going to continue on with Service NL.

Before I do, I will call for the subheads.

CLERK (Ms Murphy): Subhead 5.1.01.

CHAIR: Subhead 5.1.01.

Before we get into the questions, I do not know if the minister will have an introduction or just introduce his staff. I will ask for the introduction of our Committee and the people attending. I will start with you, Paul. If we could get –

MR. LANE: Paul Lane, MHA for the District of Mount Pearl South.

MR. SIMMS: Randy Simms, Official Opposition Office, Research.

MR. MURPHY: George Murphy, MHA for St. John's East.

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

MR. DINN: John Dinn, MHA, Kilbride.

MR. PEACH: Calvin Peach, MHA, Bellevue.

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

CHAIR: I am Clayton Forsey, MHA for Exploits and Chair of Government Services.

Before you introduce yourself there, Minister, we circulated some minutes of the Government Services Committee May 6, 2015, for the Government Purchasing Agency.

Can I have a motion to adopt these minutes?

MR. DINN: So moved.

CHAIR: Moved by John Dinn.

Do I need a seconder?

CLERK: No.

CHAIR: Okay.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Thank you.

On motion, minutes adopted as circulated.

CHAIR: Okay, Minister, back to you. You can introduce your staff, and if anybody responds to a question it would be nice to identify yourself when you do so the media can pick you up.

MR. S. COLLINS: Perfect.

Okay. Well, I am Sandy Collins, Minister Responsible and MHA for Terra Nova District, and I am joined by three staff. I will allow them to give their names and full titles, if they will, starting with Marlene over to my right.

MS HICKEY: Marlene Hickey, Chief Review Commissioner with the Review Division.

MS BISHOP: I am Jean Bishop, I am the Manager of Operations with the Review Division.

MR. CURTIS: Hi, I am Ken Curtis, I am the Departmental Controller.

MR. S. COLLINS: Okay.

CHAIR: Okay, that is it?

MR. S. COLLINS: Yes. Well, it is only one page, and of course I thought it would be important to have this today and to particularly be joined by staff, so if there are any questions the folks opposite have. I know in the House of Assembly we go back and forth and have questions, but it is nice to be able to direct them to staff as well.

The Review Division, obviously, hears appeals from the – decisions made by WHSCC. It is pretty limited in its scope with regard to what we

are speaking about here today, but anyhow, we would be happy to take any questions they have.

CHAIR: Okay. Thank you, Minister.

I guess, Paul, if we go a bit long we can go ten minutes and pass it over to George maybe, but we will start with you.

MR. LANE: Okay.

First of all, I just want to go through a couple of line by lines. There is not much there, as you said, but the Professional Services under – well, it is all 5.1.01, actually.

Professional Services; the 2014-2015 budget was \$200,000, and you spent \$122,000. This year you are at \$142,000. So there is a bit of a variance there on this one. If you can explain the variance, please?

MR. S. COLLINS: Well, most importantly, Paul, with regard to 2015-2016, the \$142,500. We are re-profiling \$57,500, a portion from that, to go towards a new full-time Commissioner. In addition to the \$57,500 that will be reprofiled from that line, \$37,500 will be an additional amount coming from the WHSCC fund. Again, we are anticipating about \$90,000 to \$95,000 for the salary of another full-time Commissioner, and that is where those dollars would come from.

MR. LANE: Okay.

Minister, you are saying \$57,500 is coming up for a Commissioner. A full-time Commissioner is \$98,000 you say?

MR. S. COLLINS: We anticipate between \$90,000 and \$95,000. The \$57,500 and the \$37,500 would give you \$95,000. So between \$90,000 and \$95,000 is the anticipated cost.

MR. LANE: Okay.

You say \$37,500, I believe you said or something like that, is coming from the workers' comp fund. I was always of the impression – maybe I am incorrect, so if you can clarify. I was always of the impression that the workers' comp review division, the funding was 100 per cent from the workers' comp fund; 100 per cent

employer paid, not taxpayer paid. Was I incorrect or is there something I am missing here in terms of –

MS HICKEY: No, you are absolutely correct, Mr. Lane. The funding for the Review Division is 100 per cent recoverable from the WHSC injury fund.

With respect to your question there about the \$200,000 allocated in last year's budget and \$122,000 spent, that number fluctuates depending upon the volume of cases that are heard in a given year. Each Review Commissioner is paid \$750 per case. If we do 100 cases by part-time Review Commissioners, that is \$75,000. So that number varies.

What we have done this year is because we knew we would have to spend \$57,500 anyway in \$750 increments, we took \$57,500 from the original forecast of \$200,000 back last year and we have taken as well – that \$57,500, put that in salaries, and we have asked for additional funding in salaries of \$37,500 to cover that additional salary for a full-time Commissioner.

MR. LANE: Okay.

What you are doing is the \$200,000 then would have been used for these part-time Commissioners, we will say, and basically you are saying instead of having a bunch of part-time people, we are going to take some of that money and throw some more into it from the injury fund to have a full-time permanent person to deal with claims.

MS HICKEY: Yes, we are. A dedicated resource gives us a lot more flexibility in the scheduling and our ability to manage and process the cases. We have done a little bit of looking around in terms of the salary that would be expected and it comes in at around \$90,000 or \$95,000.

MR. LANE: Okay, thank you.

The next line then, Purchased Services was \$167,000 but last year you spent \$120,000. There was \$47,500 that was not spent, but you are budgeting it again. What would that have been attributed to?

MR. S. COLLINS: The \$167,500 was allocated for a lease renewal, and we anticipated that lease going up. We were not able to finalize it and, hence, we realized some savings. Again, it is in there for this year, the \$167,500. It is for the renewal of the lease – and you would be familiar with that – at the bottom of Mount Carson, at the intersection of Mount Carson and – is it Canada Drive?

OFFICIAL: Commonwealth.

MR. S. COLLINS: Commonwealth, sorry; I need to get my Mount Pearl geography better.

Again, I think the lease went from \$90,000 to \$120,000 and that would be reflected in that increase.

MR. LANE: Okay.

Going back then to the other point we were speaking on, the Review Commissioners, the fact that you had budgeted \$200,000 last year, yet you only spent \$122,000. That means it was a little better than half; maybe 60 per cent was spent and 40 per cent was not spent.

Can you tell us why that money was not spent? Particularly given the fact that we had, as we all know, a number of outstanding cases which got quite a bit of attention, so I would assume that this is directly linked. Obviously, if cases are not being heard, money is not being spent. Can you explain what happened there?

MS HICKEY: Certainly.

Last year, we had a Review Commissioner go on leave for an illness. We had another Review Commissioner on maternity leave, and myself, I had some family illness. So our availability last year as Review Commissioners was very limited, but it was all for short periods of time.

It was not such that we could have somebody else appointed in the interim because it takes so long to get these individuals up and trained. We would all be back in our seats before these individuals would be trained. That is why part of the rationale for the full-time, dedicated resource is because as part-time Review Commissioners, with only one full-time, the

Review Division is very vulnerable in terms of its ability to continue processing cases.

Last year, I think we did 200 hearings, which in fact was not too bad considering the availability of Review Commissioners, and we did them throughout the Province. The year before that when we were at full strength, the first year I was appointed, we actually did 300 cases that year.

We hope this year to go back in – and hopefully these dollars will reflect that next year to be worth the investment. We hope to hit the 300-plus mark on hearings again for this coming year. We do receive about 300 applications a year. Hopefully that will sort of neutralize itself and balance out at the end of the day.

MR. LANE: Yes.

You had three permanent people last year, including yourself. Is that correct?

MS HICKEY: No, no, no. There are five Review Commissioners. I am the only permanent full-time.

MR. LANE: Okay, so in terms of the full-time people, it is just you –

MS HICKEY: Yes.

MR. LANE: – now there is going to be two, and, what, three part-time?

MS HICKEY: We can have up to seven. Right now, there are two vacancies. So the full-time will fill one of those vacancies and there is an opportunity to appoint another part-time person.

MR. LANE: Okay.

Last year, in total you had how many people: yourself, full-time, and five part-time?

MS HICKEY: Yes.

MR. LANE: Now, as of today, you have – or is this position filled, by the way?

MS HICKEY: No, we are in the process of recruiting for this position right now.

MR. LANE: Okay, so you are anticipating that is going to be happening soon?

MS HICKEY: Within the next month, absolutely.

MR. LANE: Then you will have two full-time and how many part-time, three?

MS HICKEY: Four.

MR. LANE: Four?

MS HICKEY: Yes.

MR. LANE: Are the four filled or they have to be filled?

MS HICKEY: No, they are filled but there is still one vacancy which we hope to have filled this year as well.

MR. LANE: Okay, so you have a maximum of five and two.

MS HICKEY: Yes, the maximum is seven by legislation.

MR. LANE: Okay.

CHAIR: You have time for one more question, Paul, before we go –

MR. LANE: There is money in the budget there for the fifth part-timer?

MS HICKEY: Oh, yes.

MR. LANE: Okay.

CHAIR: Paul, you have time for one more question.

MR. LANE: Okay, you can go to George and then come back to me.

CHAIR: Okay, that is fine.

George.

MR. MURPHY: Thank you, Mr. Chair.

Thanks to the staff for coming out here today. We have had the pleasure, I guess, once or twice

of working with some of the Commissioners in there – keep it up.

I guess, Mr. Minister, just a couple of policy questions because I think the line items are pretty much covered for here. I want to come back to the caseload of issues that are outstanding there now versus what they were this time last year. Do you anticipate having picked up on the backlog in the next little while? What is the plan for that?

MR. S. COLLINS: Yes, absolutely. As Ms Hickey had just talked about, the issues that we had last with regard to people going off on maternity leave, sick leave and those types of things, we have improved quite a bit and actually we are turning around decisions, currently. The most recent data shows us we are turning around decisions within thirty days. That was considerably longer last year due to the fact we had people on leave. Whereas it took months last year, we are within thirty days, currently, when you look at our most recent numbers.

We have made great progress and I think that is just evident in what can be done when you are fully staffed. We are not even there yet. When we get the second full-time person, I think you will even see improvements on that.

MR. MURPHY: So you are looking at roughly a thirty-day turnaround in cases now?

MR. S. COLLINS: Currently, but again it is important to look at there are a number of variables. Of course that is what we can do when everything goes smoothly, but then there are variables on the outside with regard to the person's case we are hearing. They may want to call in new witnesses, or they may change representation, or they may submit a new doctor's letter or something. So that can throw off that thirty days; but if everything is in order and when they bring it to us, we are very confident that we can have it done within that thirty days, if everything is straightforward and there is continuity throughout.

MR. MURPHY: Okay.

I just wanted to get an update on some of the other initiatives as well. Safe Work NL's Who

Wants to Save a Life? – how are these programs working out? We are looking at partnership with Skills Canada of course and we have Workplace Safety 3220, the high school course, as well. Can you give us an update on what is happening there?

MR. S. COLLINS: I do not want to wade into those waters too much here as it is not really relevant, but I will say I know that just a short time ago I gave a Ministerial Statement with regard to Who Wants to Save a Life? and we have had great success with that. You can see the rates in the Province have dropped but they seem to have plateaued, as we have talked about, George.

We are always trying to get that number down lower. Certainly, we have seen great success, particularly with the younger age people. I think when you look at the demographic of that show, if I can talk about that in particular, we have seen success in that, but there is still work to be done definitely.

MR. MURPHY: If we can get into some statistics out there, what was the lost-time incident rate in 2014 here in the Province? Has there been any noticeable drop in that?

MS. HICKEY: That would all come through in the Commission's annual reporting. That is information –

MR. S. COLLINS: I can certainly get you that number.

MS HICKEY: That is information directly related to the WHSCC and not the Review Division, so I would not have that information readily available but it is generally reported in their annual report each year.

MR. MURPHY: Okay.

MR. S. COLLINS: George, if I can, I can get that for you this afternoon because I do have that. That was a number with regard to what I said, it is at a historical low but it seems to have plateaued in the last number of years. I can guess at the number. I would not do that; I will get it for you this afternoon.

MR. MURPHY: Okay and if we can have an update as well around workplace violence and working alone initiatives. I do not know what the workers' division has been doing as regards to any work around those circles. I do not know if you can give us an update.

MR. S. COLLINS: There is – again, as with regard to the last, I can certainly endeavour to get you some information on that.

MR. MURPHY: Sure, great.

Are there some sectors out there where workplaces need improvement in getting active safety committees and a safety culture in place? Are we still dealing with some issues out there where – I hate to say it – people almost believe that they do not have a role in safety in the workplace?

It is hard to put a finger on it, exactly, but there are some workplaces out there that are still dealing with – I suppose they have a refusal to believe that they have a role to play in workplace safety almost. How does Workers' define that and how do they meet that challenge?

CHAIR: Excuse me, I will probably butt in here; we are doing the Review Commission now this morning. This is not – but if you want to –

MR. S. COLLINS: George, we can have a chat about that –

MR. MURPHY: Sure.

MR. S. COLLINS: – because I understand where you are going with that. There are some areas – I think I know what you are referring to, but we can have that chat certainly.

MR. MURPHY: Okay, I appreciate that.

MR. S. COLLINS: No problem.

MR. MURPHY: I want to talk about the number of Occupational Health and Safety Officer positions that are out there too.

OFFICIAL: That is Service NL.

MR. S. COLLINS: Yes.

MR. MURPHY: That is Service NL; that is right. That is farther on.

Mr. Chair, at this particular time, I do not have any other questions right now around this particular section.

CHAIR: Okay. Thank you, George.

Paul, do you have anything?

MR. LANE: Yes, I do.

CHAIR: Okay.

MR. LANE: Thank you.

First of all go, going back to what George alluded to, can you tell us exactly what the number of backlog cases are at the Review Division last year compared to this year, where we currently stand? Minister, I heard you refer to the fact that the turnaround time was thirty days and I think that is a legislative turnaround time – I thought it was sixty but if it is thirty that is good. That is great, but having a turnaround for the new cases does nothing for all the backlog cases that were there. I am just wondering the exact numbers of how many are backlogged.

MS HICKEY: We have 140 cases in backlog.

MR. S. COLLINS: Do you want to say that again, Marlene?

MS HICKEY: We have 140 cases in backlog.

MR. LANE: One hundred and forty in backlog.

MS HICKEY: One hundred and forty.

MR. LANE: Okay.

MS HICKEY: Seventy of those cases, we have been notified that the individuals are not ready to proceed. That means, as Minister Collins had said earlier, those folks are generally waiting for something. They are either waiting for their union rep to become available. They are waiting to see a physician to have a medical report. Some of these individuals may not be well and are not ready to proceed at this time, waiting for treatment, et cetera; but, right now, we do have

140 cases and seventy of those are on hold and seventy of them are ready to be heard.

If you file an application at the Review Division today, and baring no obstacles in the processing of your application, you will have a hearing early this fall. The hearings I did in May, this month, were mostly applications that were submitted to the Review Division in the fall past.

MR. LANE: In the fall, okay. That is certainly not thirty days. That is like five months or what have you.

MS HICKEY: Yes. The thirty days, when we monitor and report our timing, our timing is broken down really into two segments. It is from application to hearing and hearing to decision.

Application to hearing is a period of time, for the most part, that we rarely have a lot of control over. We do have some control over it in terms of if an individual is ready to proceed with their our application, we can pretty much be ready within, say, three months, but a lot of these individuals are not. That is where those seventy people are. They are not ready to proceed.

So then that adds on to the time because the clock starts ticking when the application comes in. What we strive to do – and we have had some success since January came in – once a hearing is completed, we are trying to get a decision out to a worker within thirty days. The last number that we looked at, we are now turning 90 per cent of them around in thirty days. That is from a hearing to a decision. That is the piece that we can control and we work within our office, within our resources and supports, to get a decision to an individual within thirty days.

MR. LANE: Okay. So it is thirty days once their case is heard?

MS HICKEY: Yes.

MR. LANE: Okay. That sounds perfectly reasonable to me, personally.

MS HICKEY: Overall (inaudible) –

MR. LANE: My concern is not about the thirty days from once they see a Commissioner. My concern is how long it takes a person to actually get in front of that Commissioner. Grant it, I would agree with you, there are times that it is the worker who chooses to seek additional information, medical or whatever the case might be. The concern I have – and I have heard from injured workers who have told me that they might have waited six months or seven months to even get heard.

If somebody, obviously, is in a situation whereby they are availing of workers' compensation or they are not and they feel they should be, what do they do for six or seven months while they are waiting to hear their case and then another thirty days on top of that? In the meantime, they are starving to death or they are on Income Support or whatever the case might be.

What is being done to ensure that once somebody puts in an application and they are ready and they do not need information, they are waiting for the Review Division, that they are going to be heard?

MS HICKEY: A full-time Review Commissioner is what hope will be the appropriate response to that. We will see the results of that by this fall. With another full-time Review Commissioner we can possibly do another eight to ten extra cases a month.

Right now, we are doing about twenty-five cases a month amongst us all. With an extra full-time person, we have that individual five days a week, just as I am available five days a week. With the part-time individuals, that availability is less. They have to travel sometimes. They just do not have the schedule. They did not commit to full-time; they committed to part-time. We are hoping, with a full-time Review Commissioner, we will be able to take a real big chunk out of our wait time.

As it is right now, if you filed today, you will be heard the fall, so you are looking at about four to six months. The other piece that also factors into that is the complexity of the file that we are trying to schedule. Sometimes files are, as you know, thousands of pages, and it takes a long time for some of our staff to get through those

files. We go through a page-by-page review to redact any private information, personal information, that is not related to the matter under review and we spend a lot of time preparing for the hearing.

So the bigger the file, the longer the wait time is for that. As well, the more that we do upfront, the more assistive it is to workers and employers when they get to the hearing, we do not have any delays, everyone understands the process, and they have a copy of the file. We hope we have provided them with as much assistance as we could by the time they actually get to a hearing.

Just to answer your question more directly, another full-time Commissioner, we hope, will be the answer to that, for sure.

MR. LANE: Okay.

Can you tell me what is the legislative requirement, because I am pretty sure – and I stand to be corrected – when I went through the legislation that there is a legislative requirement that within so many days of somebody filing an application with the Review Division that their case will be heard. That is not talking about once it is heard that it takes thirty days. I think it might include all of it. It might be from beginning to end there is a legislative requirement. What is that requirement?

MS HICKEY: Sixty days.

MR. LANE: Sixty days.

So, basically, what has currently been happening and is happening is that we are nowhere within that legislative requirement, right?

MS HICKEY: The Review Division was legislated in 1994 with that particular provision – well, through some modification.

MR. LANE: Yes.

MS HICKEY: We have never met that sixty days. We may have made it in 0.1 per cent of cases over the years. Because of the upfront period of time, we have so little control over it, individuals are not even ready to go sometimes in sixty days.

MR. LANE: Obviously, we would require either a legislative change so that we are operating within our own laws, our own rules –

MS HICKEY: Yes.

MR. LANE: – or if not, then there is a resource issue. Instead of five Commissioners, we need ten Commissioners, in theory; or instead of one more full time, we need two more or three more if we are going to meet the legislative requirement, which currently we are not. Is that correct?

MS HICKEY: Right. I understand the Statutory Review Committee actually looked at that issue and I believe they have made some recommendations around that. So that is something that is currently under review, but it is something that we are very much aware of. That is why we have put the effort in at the end of the process to try and get the cases finalized after they are heard.

MR. LANE: Statutory Review –?

MS HICKEY: Committee.

MR. LANE: That would be contained in that report?

MS HICKEY: Yes.

MR. LANE: The legislation that we have not seen yet, right.

MS HICKEY: The Statutory Review Report that –

MR. LANE: On workers' compensation.

MS HICKEY: Yes.

MR. LANE: Okay.

The report was tabled – no, it has not. The statutory review that was done, just for clarity and for the record I suppose, that was completed about a year ago.

MS HICKEY: Over a year ago.

MR. LANE: Then it went out to some stakeholders looking for feedback on the

recommendations and then it went back to the government. It has been in their possession now for how long?

MS HICKEY: I understand government is currently in the process of reviewing those recommendations and feedback.

MR. LANE: It has been in their possession for how long?

MS HICKEY: I cannot speak to that. Minister Collins may speak to that.

MR. S. COLLINS: It has been there a number of months. I can get you the exact time.

MR. LANE: Are you able to provide us here with some insight as to when we can expect to see legislation to deal with these recommendations and these issues?

MR. S. COLLINS: Yes. I have spoken about that before in Question Period with regard to the action plan that is being put together now. I would suspect, I cannot give you a definitive timeline, but I would expect very soon.

MR. LANE: Can we expect some legislation this fall?

MR. S. COLLINS: I do not determine when legislation goes on the books. Again, I suspect that review of the action plan will be finalized very soon.

MR. LANE: Okay.

The other issue I wanted to raise or question is the workers' comp review division, as we have indicated, is 100 per cent employer funded. The rationale for having it as part of Estimates, given that it is not publicly funded – what is the rationale of having it here as part of our Estimates given the fact that it is not publicly funded?

MS HICKEY: I would just have to make a guess at that, to be honest with you, Mr. Lane.

MR. LANE: Okay. Yes.

MS HICKEY: Possibly because it is administered through a government department

and it does form part of Service NL's overall responsibility in terms of if we go through Mr. Curtis' group for all our accounts payable, payroll, and all other funds are administered through Service NL, recovered back by Service NL from the WHSCC, but that is a good question because we have asked that several times.

MR. LANE: I asked that question for a reason, to lead into another question, quite frankly. I am trying to understand.

The Workplace Health, Safety and Compensation Division – not the Review Division but workers' comp itself – for the last two years it was part of these Estimates, this year it is not here. I am wondering, given the fact that the Review Division is 100 per cent – I was thinking perhaps the reason why workers' comp would have been removed from this whole process was, well, it is not public money. It is employer money and so on, but so is the Review Division. I am trying to understand who decided and why we decided that workers' comp itself, given the fact that we still have that regulatory responsibility – whether we actually fund it or not we have that regulatory responsibility.

Like George had some questions about Occupational Health and Safety. Well that is directly, as we know, under Service NL, the inspection side; but, it is not just the inspection side. It is the awareness side. It is the training side that kind of touches on what George said about changing the culture and so on. That all falls under the Workplace Health, Safety and Compensation Commission, yet we have no ability, George here or I, to ask questions about what initiatives are being taken to protect workers in Newfoundland and Labrador. Because when we get to Service NL we are going to be told, well, the OHS Division is responsible for enforcement. We are not responsible for awareness and we are not responsible for training.

We cannot ask them; we cannot ask you because this is about the Review Division. So when do we have an opportunity to ask questions and find out what is going on in terms of awareness, training, education, and changing culture in our workplace to protect our people when they go on the job, because we do not have any ability now

to do it? I am wondering why it is not here. I do not know if anybody can answer that question; maybe the minister.

MR. S. COLLINS: I will not often say this to you, but it is a good question.

I will try to get an answer for that. As you can appreciate, I cannot really tell you why part of it is here and why it is not. I understood that last year it was not part of Estimates.

MR. LANE: It was.

MR. S. COLLINS: It way, okay.

MR. LANE: The last two years it was.

MR. S. COLLINS: Okay. All right, I can certainly find out for you, definitely.

It is a good question, one I do not have an answer for.

OFFICIAL: I do not think it was last year.

MR. S. COLLINS: The Review Division was part of last year, but I do not think the Commission as a whole was part of it.

OFFICIAL: Just the review last year.

MR. S. COLLINS: I could be corrected on that.

MR. LANE: Maybe it was the two years before that. Maybe it was 2013-2014.

MR. S. COLLINS: Okay.

CHAIR: I chaired it last year and I do not think –

MR. LANE: I thought I asked questions about workers' comp last year, though.

CHAIR: You may have, but it was not there.

MS HICKEY: Sometimes, Mr. Lane, Ms Galway will attend with some of us or some of the other – Occupational Health and Safety maybe. Perhaps that might have been your opportunity to have asked some questions at that time. I do not recall that they were there last

year. I was here last year. I do not recall that they were there last year.

MR. LANE: Perhaps it was the two years prior to that. We went back and it was definitely there for a couple of years. I thought it was there last year, but whether it was there last year or not the point is still the same. Even though it may be employer funded, government still has responsibility for safety in our workplaces from a regulatory point of view and so on. We can deal with the enforcement side under Service NL, but we have no ability to deal with or ask questions or raise any concerns about the awareness, the training or anything else, because now it is here under workers' comp and outside of any public scrutiny whatsoever.

If you could find out, Minister, why it is not there, I would appreciate that. Because you are responsible for that division, correct?

MR. S. COLLINS: Yes. I would not say it is not open to public scrutiny as it stands now, but of course it does not fall within the Estimates purview. I will find out for you, definitely. Like I said, it is a good question. One I cannot answer right now but I will get you an answer.

MR. LANE: Okay.

I think that concludes my questions on this particular piece.

CHAIR: Thank you, Paul.

MR. LANE: Thank you for answering the questions to the best of your ability, I appreciate it.

CHAIR: I will call for the subheads for workers' compensation review.

CLERK: Subhead 5.1.01.

CHAIR: Subhead 5.1.01.

On motion, subhead 5.1.01 carried.

CHAIR: Shall the total carry?

SOME HON. MEMBERS: Yes.

On motion, Workplace Health, Safety and Compensation Review Division, total heads, carried.

CHAIR: Shall I report the Estimates of the compensation review carried without amendment?

AN HON. MEMBER: Carried.

CHAIR: Okay. Thank you.

On motion, Estimates of the Workplace Health, Safety and Compensation Review Division carried without amendment.

CHAIR: Thank you, Minister.

MR. S. COLLINS: Thank you.

MS HICKEY: Thank you.

CHAIR: We will just continue on now with Service NL.

We will take a couple of minutes to get them to change. We will take five minutes.

Recess

CHAIR: Okay, we are ready to go again, I would imagine. Now we are going to do the Estimates for Service NL and we will ask the minister to introduce his staff or they can introduce themselves. If you need a couple of minutes for introduction, it is fine. What we will do is we will give each one ten minutes for questions and rotate back and forth.

Before I do, I will ask for a subhead.

CLERK: Subhead 1.1.01.

CHAIR: Subhead 1.1.01 to –

CLERK: Are we going to call them all?

CHAIR: No, we are going to go to 2.1.04.

CLERK: Oh, I see.

Subhead 2.1.04.

CHAIR: Subhead 1.1.01 to 2.1.04 is what we will start with.

Minister, when someone is responding, they can probably identify themselves, please.

MR. CRUMMELL: Yes, will do. I will have my staff introduce themselves, I guess, first, Mr. Chair.

Of course, I am Dan Crummell the minister, and we will continue on down the line.

MR. PUDESTER: Leigh Puddester, the Deputy Minister for Service NL.

MR. CURTIS: Ken Curtis, the Departmental Controller.

MS DUNPHY: Kim Dunphy, Assistant Deputy Minister, Occupational Health and Safety.

MR. MCCARTHY: Julian McCarthy, Assistant Deputy Minister, Consumer and Commercial Affairs.

MS KELLAND: Donna Kelland, Assistant Deputy Minister, Government Services Branch.

MS HYNES: Anita Hynes, Executive Assistant to the minister.

MR. CARD: Jason Card, Director of Communications.

CHAIR: Okay.

MR. CRUMMELL: We are good to go?

CHAIR: You are good to go.

MR. CRUMMELL: I just want to welcome everybody here this morning and certainly take the opportunity to thank the members opposite and the research staff for doing the bit work in getting ready for today's session.

Just a little bit of background: Service NL delivers a number of services to the public in the areas of public health and safety, environmental protection, occupational health and safety, consumer protection, and provision and preservation of documents related to vital statistics.

In addition, through the Office of the Queen's Printer, the department provides printing, micrographic, and digital documentation services for the provincial government, and printed materials to the general public. Service NL consolidates, where possible, the licensing, inspection, and regulatory functions within government with the aim of providing a single window point of access to the public for those services. The authority to carry out the department's mandate is derived from over 180 statutes and regulations as well as standards and codes of practice.

Again, in order to make the most of the time we have here this morning, I will turn the proceedings over to the Opposition and you can ask your questions.

CHAIR: Okay, Paul, what we have done is call for subheads 1.1.01 to 2.1.04 first. So we will start with you, when you are ready.

MR. LANE: Okay, I am ready.

I do not have a big, huge amount here and I am not going to be nitpicking over small amounts, but some of the more significant variances, I guess.

First of all, under 1.1.01, Salaries, we had budgeted \$252,500 last year, spent \$244,900, which is reasonable. We are down to \$198,000, so that is about \$57,000. It looks like maybe we have lost a position somewhere. Is that correct?

MR. CRUMMELL: No, that would not be correct. The decrease of \$54,500 was that the minister's salary is no longer budgeted in Service NL. My salary is captured in Environment and Conservation.

MR. LANE: Okay.

Under Purchased Services, last year had budgeted \$18,800, doing the same again this year, but last year only spent \$1,600. There is a variance there.

MR. CRUMMELL: That is a good question as well, and that is an obvious one, but the decrease of \$17,200 is mainly due to compliance with the discretionary spending freeze that we put in place last year. In the Minister's Office,

Purchased Services can vary annually depending on a number of factors and ongoing initiatives. Last year was less than anticipated, so it is a combination of two things.

MR. LANE: Okay.

Mr. Minister, if we engaged in discretionary spending last year, which is good, given our financial situation, we are in the financial situation or maybe even a little worse this year, so why are we budgeting the same amount?

MR. CRUMMELL: Any time that you budget a line item, you look at historical spends in the past. So the historical spends in the past have been around that amount. I would anticipate us to be as frugal as possible. If you look at any of my spending in my past, I have been very efficient and effective, and my staff have as well in terms of managing our budgets in a proper manner.

I would be hopeful that we would keep that spend under that \$18,800 for this year coming up; but, again, based on historical spending, we thought it was necessary to leave that number like it is.

MR. LANE: Okay.

Under 1.2.01, Executive Support, in Salaries last year we budgeted \$1.4 million, spent \$1.6 million, and now this year we are at \$1.5 million. There is not a huge amount, I suppose, but there is a variance here. Just an explanation on that one.

MR. CRUMMELL: We spent more money last year than we anticipated, and that was mainly due to retirement paid to the former deputy minister, the retirement benefits. That gentleman was working with the government for over thirty years and received benefits based on his years of employment. The following year, that \$151,000 increase versus 2014-2015 is basically the 3 per cent increase to all salaries.

MR. LANE: Okay, it makes sense. Perfect, thank you.

Moving down to Transportation and Communications, \$66,300 was budgeted last

year and this year, but last year we only spent a little less than half of that.

OFFICIAL: Forty-eight per cent.

MR. LANE: Forty-eight per cent my colleague is telling me.

MR. CRUMMELL: Yes, absolutely. It was definitely substantially lower than it was anticipated.

Transportation and Communications varies year to year based on new and ongoing initiatives. Obviously, we had a spending freeze. I was in the office for a good bit of last year as well. So we did our due diligence in making sure that we were taking care of the people's money.

MR. LANE: Okay.

I guess it is the same with the next one, the \$31,100 under Supplies. It was budgeted last year and again this year but only spent \$5,000. That was a substantial savings last year, but we are budgeting the \$31,000. Is that just being frugal with the dollars?

MR. CRUMMELL: Absolutely, it is that. It was just lower than anticipated to begin with, and then when we got into the spending freeze we adhered to it very strictly.

MR. LANE: Okay, but we are still going to budget the same amount this year even though –

MR. CRUMMELL: We are, and again based on historical spending.

MR. LANE: So does that mean the freeze is off or –?

MR. CRUMMELL: We have a budget for this year, obviously, that we have in front of the House to approve. It is based that we would spend that amount of money based on historical spends and what we are tasked to do and our mandates given to us by the Premier.

So right now we have been budgeted this amount of money. We intend to spend that money, but we will be very frugal. If we can come in under budget, we will endeavour to do so to protect the people's money.

MR. LANE: Thank you, Minister.

I am not questioning your ability to be frugal or anything like that. I guess my only point was that you made the point to say last year there was this concerted effort, there was this freeze on discretionary spending, which is a good thing given the financial situation, but we are budgeting the same again this year. So I am just wondering, beyond your personal mantra of spending money wisely, which is a good thing, is there an official freeze on discretionary spending? Is that maintained this year? Obviously, it is not per se.

MR. CRUMMELL: Obviously, supplies are needed and are necessary to the orderly running of the executive component of our department. I would anticipate we are going to spend more than \$5,000 this year. Obviously, we played tight halfway through the year, and I anticipate we are probably going to be spending a good majority of that money based on the fact that we are going to need more supplies to do our business.

MR. LANE: Okay. Fair enough. Thank you.

Moving on to 1.2.02, Administrative Support, Property, Furnishings and Equipment; last year we budgeted \$300,000 but spent \$355,000, but this year we are budgeting only \$130,000. That is a significant drop. So if you can just provide me with some information on that.

MR. CRUMMELL: Sure. The increase of \$55,000 last year relates to the purchase of a cutter that was used in our Queen's Printer. It is a piece of machinery we did not anticipate that we had to purchase, and we had to purchase that.

Also, we did purchase a new vehicle, which required additional funds. We did transfer other funds, actually, from some dropped balances that we did not use over to this line budget item.

MR. LANE: Why \$130,000 this year?

MR. CRUMMELL: Well, again, we were tasked this year to find some savings. We purchased, actually, thirteen vehicles last year. We anticipated that we would have had to purchase some vehicles this year, but we managed to purchase them last year and get

them into last year's budget. So this year our requirement for new vehicles is not as high as we would have anticipated. We did purchase thirteen new vehicles under last year's budget, and we managed to get it in under last year's budget. So we do not need to purchase those vehicles this year.

MR. LANE: This year you are not going to have to purchase as many.

CHAIR: Excuse me, Paul.

MR. LANE: Do you want to move on and give George an opportunity?

CHAIR: Yes, please.

MR. LANE: Sure, go ahead.

CHAIR: George.

MR. MURPHY: (Inaudible).

MR. CRUMMELL: So, you are looking at 2.1.01, 02 Revenue – Provincial?

MR. MURPHY: Yes.

MR. CRUMMELL: That revenue for that provincial revenue – that is an increase of \$3,400. That was due to higher than anticipated revenue generally related to application fees paid by applicants seeking to have complaints adjudicated. That is residential tenancy hearings, is where that revenue would come from.

MR. MURPHY: (Inaudible) the review, when it is going to be released?

MR. CRUMMELL: What I can tell you is this, what I have said in the House, in that we are doing the due diligence on that, making sure that legislation is as tight as possible. Again, George, that probably would be a better question in the House of Assembly than in Estimates.

MR. MURPHY: Okay.

Coming down to 2.1.02, Financial Services Regulation; under 01 Salaries, it was \$926,000 budgeted for this year – I am sorry, \$1,094,000 is budgeted for this year against \$926,000 that

was in actual spent on salaries. I wonder if we can get a breakdown on this line.

MR. CRUMMELL: I am in Environment and Conservation as well, of course the Minister Responsible, and usually when you see line items like that it is usually due to vacancies and delays in recruitment. We do have a couple of positions there vacant that we are still recruiting for. That is timing as much as anything, George, in terms of positions being vacant before we do the hiring.

MR. MURPHY: Okay. Are they going to be contractual hiring or full-time hiring of new staff and that sort of thing?

MR. CRUMMELL: My understanding is these two positions that we are referring to here are full-time positions.

MR. MURPHY: What would those two positions be?

MR. CRUMMELL: One is a Director of Financial Services and the other is an investigator.

MR. MURPHY: What would they be investigating? Can you give us an idea?

MR. CRUMMELL: Again, providing oversight in that division. So you are talking about a wide range of consumer affairs activities with different companies, organizations, and that type of thing.

MR. MURPHY: Okay.

Coming down to the Transportation and Communications line here as well, in the same section 2.1.02, \$41,400 was last year against \$25,400, and an anticipated \$35,000 this year. I wonder if I can get a breakdown here.

MR. CRUMMELL: Yes. Again, that would be compliance with the discretionary spending freeze, as much as anything. The lower amount of \$35,000, we had to look to line items to find savings this year to keep costs down. Obviously, we experienced a 3 per cent salary increase this year.

If you look at the overall budget, we are pretty well level for the previous year. So we had to find savings in other areas. This is one of the areas we thought we could, based on historic spending, that we could probably save a few dollars.

MR. MURPHY: Okay.

I guess I cannot ask you any questions around the Financial Services Regulation end of things. I would like to, but I will carry on to 2.1.03, under the Salaries line. Your Salaries line is up for this year in line 01. I was wondering if I could just get a breakdown of what is happening here. It looks like probably just the 3 per cent.

MR. CRUMMELL: Yes. If you did the math, I think 3 per cent of \$210,000 is about \$12,700.

MR. MURPHY: Yes. Okay.

In 2.1.04, in Commercial Registrations, your Salaries line is well up this year to \$1.37 million from \$1.194 million. I wonder if I can get a breakdown of what is happening there.

MR. CRUMMELL: The reason we did not spend as much money last year as we budgeted was due to vacant positions that were offset by some retirement costs. The vacancies are planned to be filled as soon as possible.

We are talking five Data Entry Operators, four Clerk Typist IIIs, one Clerk II, and one Clerk IV. We get a fair bit of turnover within the Clerk levels and the Data Entry Operator levels. They are lower entry-level positions within government. There are people always looking to apply for jobs at a higher level, so there is a fair bit of turnover in these positions in government.

MR. MURPHY: Okay, so you will be looking at more hirings that are going to be happening here again, Mr. Minister. Are these going to be contractual hirings or will they be full time in the system?

MR. CRUMMELL: There are full-time positions.

MR. MURPHY: These will be full-time positions.

MR. CRUMMELL: Yes. These are being actively recruited now as we speak.

MR. MURPHY: Okay, so new hirings there for people.

MR. CRUMMELL: Yes.

MR. MURPHY: The government is hiring, people.

MR. CRUMMELL: There is always going to be turnover, as we well know. We have an aging demographic.

MR. MURPHY: I could use a turnover myself.

Under Purchased Services, Minister, 2.1.04, \$726,000 was the actual for this year against \$790,000 that was budgeted. You are anticipating Purchased Services of \$833,600 this year. I wonder if I can get a breakdown of what is happening here.

MR. CRUMMELL: Sure.

The difference between the budget line item and the revised number; basically \$64,500 is the difference. That was due to lower than anticipated transactions which lowered Moneris fees. You are familiar with Moneris fees. That is your Interac fees that would be used and your credit card fees.

Also, some purchases were deferred for the first half of 2015-2016, again due to the discretionary spending freeze. We did hold back a little bit there. For next year, the increase of \$43,100 is mainly due to the increase in requirement for the personal property registration system. We have a new system that is going in place and there are increased costs for that.

MR. MURPHY: Okay.

That is all I have in questions as regards to the line items up to this point.

CHAIR: That is it under that one? Okay George.

Paul, do you have anything left under that subhead?

MR. LANE: Yes.

CHAIR: Okay, Sir.

MR. LANE: Okay, so just a couple of general questions. First of all, Minister, without going through every line here – and George covered a couple.

There is a lot there that I am not going to get into, other than to say that if you look at pretty much every line in all the various divisions there when it comes to transportation, supplies, purchased services, furniture and so on – if you look at all of them you tend to see a trend there where there was a budgeted amount last year, you went well below it, and then we budget it back to where we were. That is a common theme I think it is fair to say, with pretty much all of them.

You talked about the discretionary spending freeze accounted for, I guess, all or most of this. It would seem that the freeze – looking at it you would say the freeze is off.

MR. CRUMMELL: Yes.

MR. LANE: You know, maybe that is just a comment more than anything. If you want to respond you can.

MR. CRUMMELL: There is no freeze right now in terms of hiring and in terms of purchasing. We all have our budgets. It is still in the first quarter of the first year, or this year, in this fiscal year. We look at our historical spends.

In some of the historical spends some line items are actually down for various reasons. We cannot whitewash it with all the same brush, but, yes, I mean you are trying to make the argument, perhaps, that maybe we do not need all that money. We could have been had the line items that had changed, then, to the lower numbers. We look at past history and we know that we had a freeze on discretionary spend the last half of last year, so we know that we are going to have to spend extra money this year to make up for that spending freeze.

MR. LANE: Yes, okay. Thank you, that is fine

Okay, so I just have a couple of other questions. You are probably going to say they are policy, but they do relate to the – I am going to try to relate them to the budget, okay?

When I look at 2.1.01, which is under Consumer Affairs, what it says here, “Appropriations provide for the mediation of consumer complaints, the mediation of residential landlord/tenant complaints” the Lotteries Licensing Program and so on. Forgive me on that one, I was going to ask about the landlord tenants’ act, but I think George asked about that. Basically you said it is a question to ask before the House, correct?

I will just say for the record, though, that this has been – the landlord tenants’ act has been ongoing for quite some time. I think two or three years, if I am not mistaken. There were consultations done. Why we need to continue to consult – I do not know who we are consulting for three or four years. Can you at least answer do you anticipate bringing some legislation to the House this fall?

MR. CRUMMELL: There is a lot of work that has gone into new legislation, a considerable amount of work that is moving forward. We are not going to be bringing this before the House until we are satisfied that we have done everything we can in making sure that we have the best legislation possible. I cannot make a commitment here that we will have that in front of the House in this session, but we are working towards getting this to the House as soon as possible.

MR. LANE: Okay, 2.1.02, Financial Services Regulation, that is the one, really, I wanted to ask about. Under that heading it talks about, “Appropriations provide for the regulation and supervision of the insurance, securities, real estate, mortgage broker and prepaid funeral industries.” That is where I just had a couple of questions.

When we look at the staffing, the Salaries; it seems to be on par with last year with the 3 per cent increase, as just the little adjustment I would assume. That tells me the staffing is pretty much status quo. I am wondering if you can give me a breakdown. When it comes to things like, for example, prepaid funeral audits,

it certainly was my understanding, based on the legislation that was put in place – and we know why the prepaid funeral audits were put in place.

We had a situation a number of years back where consumers were basically left holding the bag when a company folded with their money that they had paid for prepaid funerals. As a result, there was a fund set up and government are supposed to be auditing funeral homes in terms of prepaid funerals. Last year we know that only about half of those were actually submitted and audited.

I think I heard you or somebody say that this year, or last years’ experience has changed, and if that has happened that is a good thing. In terms of the staff assigned, is there a dedicated person responsible for prepaid funeral audits so we can ensure that every single audit that is supposed to be done and submitted is submitted, followed up on and the audits are done, because it did not happen last year when we looked.

MR. CRUMMELL: Our financial services regulatory division is a small shop. As you can see, the salaries are around a million dollars in salaries. We did have two vacancies last year in our financial securities, the director and an investigator. So, with the staff we have there, they wear many different hats. They do different activities. Just like we are a small Province, a small government, sometimes people in these departments wear a couple of different hats, three or four different hats, and have oversight in different areas, especially when it comes to financial services.

Do I have a dedicated staff here? My understanding is we have people who do take on responsibilities in different ways. Is that correct?

MR. PUDESTER: That is correct. We have multiple people who would service all of (inaudible).

MR. CRUMMELL: We have multiple people who would service in all of these different areas and have some responsibilities in these different areas.

We are at a very good level in terms of compliance when it comes to prepaid funerals.

There is not a huge issue out there with regard to that. It is absolutely not a huge issue at all. It is very minor. Anybody who is not in compliance is dealt with quickly and communicated with.

There are only so many people in this Province and only so many funeral homes. We know who the players are. If we see an issue we identify it. We know these people by name. We know who to talk to. So we are on top of this. There are no issues around this whatsoever, and if there is an issue we jump on it ASAP.

MR. LANE: Minister, when we did the access to information last year, we discovered that only 50 per cent of the audits that were supposed to have been submitted that year were submitted. That is 50 per cent. That is not in compliance with the regulations, which is legislation. It is a requirement of the government to make sure it is done. I am puzzled as to how 50 per cent would be an acceptable number. It is supposed to be 100 per cent.

So this year, because I have not done an access to information to see if it is improved now – if you can give me the answer I will not have to do it. Can you comment on this year, if we are up to 100 per cent where we are supposed to be? Do you know?

MR. CRUMMELL: It is a good question for the House, but I will just briefly answer this.

We are at a much higher level of compliance right now. We want to be at 100 per cent compliance, and these companies need to be at 100 per cent compliance as well. The legislation is there for a reason. We provide oversight. If somebody does not submit the proper information, we contact them and let them know that you need to get your audits in ASAP. So we work with these companies to make sure they get them in on a timely basis. This year we are at a very much higher compliance rate.

Deputy –?

MR. PUDESTER: Yes, we are not at 100 per cent but we are quite (inaudible).

MR. CRUMMELL: Yes, we are not at 100 per cent, and the few that are not in compliance we are working with to make sure they get the

paperwork done. It is just like anything, you are never going to get 100 per cent compliance in anything. That is why we have these people doing the work, to make sure they are contacted and that they get the proper paperwork done.

MR. LANE: Mr. Minister, the funding for this – I do not know if you know or maybe your deputy might know. The funding for prepaid funeral audits, this is paid for by the funeral industry is my understanding. There is a fund and they pay into this to ensure that this oversight is in place. They want it by the way, because, obviously, like anything, if you have a bad apple in the barrel then it paints everybody negatively, and nobody wants that.

My understanding is they are paying into a fund which is supposed to pay for this audit. Was that ever supposed to be a dedicated position to ensure that this was being done or –?

MR. CRUMMELL: Some of what you are saying is not correct. The way prepaid funerals work is not like that at all.

Maybe I will let Julian, or yourself.

MR. PUDESTER: Sure, I can start.

MR. CRUMMELL: Yes, I will let my deputy speak to it first.

MR. LANE: Sure.

MR. CRUMMELL: Then the assistant deputy minister will give you a little bit more on a factual basis. We do not mind answering this question because it is good to make sure you are clear on how on this goes.

MR. PUDESTER: There is an assurance fund that funeral companies selling prepaid funeral contracts pay into a percentage based on the value of the contracts. That money collected sits in a trust account. That is there to protect against if there ever was a problem with one of those companies going under or not honouring a prepaid funeral. That money would be used to cover the cost of the funerals itself, that the families would be looking to have covered.

They do also pay a registration fee every year; but, Julian, I do not think that was ever intended to be a dedicated position. Is that correct?

MR. MCCARTHY: I do not know the history, but since I have been there, and I think for the last seven or eight years, the idea is that we have a number of programs and it would be a lot more efficient if we had people with the expertise in these areas to look after it. Sometimes it is not enough to cover one area. It would not be a full-time position, type of thing. What we do, we will get the expertise in these areas.

So I could not tell you, but we have a number of people who are involved in the regulation of prepaid funerals. It is not their only duties, but that is a priority and it is certainly handled.

MR. LANE: I thank you for the explanation and Mr. Puddester as well.

That was the way I understood it, that there was a fund. I could not remember the name of it, the assurance fund. That is basically the insurance policy. If someone goes under there is a pool of money so that people are not left holding the bag.

Also, the registration fee, or whatever you call it, my understanding in talking to people in the industry was that fee was supposed to ensure that there was someone within Service NL who would do the audits to make sure that we never had to use the fund, because it was being audited and we knew that companies were doing what they were supposed to be doing.

I understand you said that we have several people who are involved. I can understand that if there are only so many companies in Newfoundland that operate funeral homes and so on, that if there is only enough work there for a half-time position or less, it would make sense that you would have them do – okay, you are responsible for this, now you are also going to take on this and this.

It is not one individual who looks after all of this. I would have thought you would have had one individual who looks after prepaid funerals, plus then they do this and this. As opposed to ten people, you can do two companies. You can do some assurance. You can do a bit of

everything. It is like if everybody is responsible, nobody is responsible.

I am just wondering what set up you would have there to ensure there is one person who has that oversight to say: yes, I need to make sure that every company is checked off on this list. As opposed to: I am doing two, you are doing two, someone else is doing two, and nobody really knows what is done.

MR. MCCARTHY: No, that is not exactly the way it works. I mean we have a number of individuals – no. So there is a person who is responsible with regard to the audited financial statements and the annual reporting. There is a specific person who is tasked with that duty to ensure that they are submitted, and if they are not submitted, to follow up.

MR. LANE: Okay.

MR. MCCARTHY: With regard to if someone is not doing it, or if we decide to do an on-site audit, or if we want further information, there is more than one person who has the authority to carry out that task.

MR. LANE: Yes.

MR. MCCARTHY: So that is the way it works. Then we have a manager who is responsible for the assurance fund also.

MR. LANE: Okay. So there is one individual responsible to make sure these are all checked off and done?

MR. MCCARTHY: Correct, yes, so with regard to the report that should be followed.

MR. LANE: So obviously there was an issue with that individual not making sure last year, when only half of them were done. If there was one person responsible, and only 50 per cent were done, then obviously it must have been an issue.

MR. CRUMMELL: In that moment in time and when that audit was done, if there was 50 per cent non-compliant, you can pretty well rest assured that our people in our department were contacting the ones who were not in compliance.

So, at any moment in time you could have that number there.

Obviously, that number is not a good number. It is much higher today. This year has gone much more smoothly. So, again, the onus has to be on industry and companies to be in compliance. We provide the oversight. Where they are not in compliance, we let them know. That is where we are on that.

MR. LANE: Okay, we will move on. Thank you.

The other question I have then, I guess falls under that category. It talks about how these staff are responsible – it says here – for insurance, supervision of insurance. So, we had an issue there. I have spoken to the insurance association, the Insurance Brokers Association of Newfoundland about this. They were concerned by the fact that like the funeral homes, they want to ensure that everybody who is representing their industry are doing everything properly above board, so that you do not have a situation where somebody is not doing something that they should be doing, and then they all get a black eye for it. They want regulation.

They indicated to me that there was a decision made all of a sudden to stop collecting their audits, requiring their audits. I am wondering why we are not requiring annual audits from the insurance companies here in Newfoundland, why that would be? Is that a staffing issue? Is the reason why that is not being done to free up time, or we do not have enough staff to do it? What is the rationale?

MR. CRUMMELL: I will give you a short answer on that one and then that will be it on this question. That is a question for the House of Assembly.

The short answer is this: There is no other jurisdiction in Canada that requires that kind of reporting. The reporting that is required here – the reason we changed it is to be consistent with other jurisdictions. We have Mainland companies that operate a certain way that do business here; they are not required to do it elsewhere. There is no other jurisdiction in Canada that requires that kind of reporting.

There is other reporting that is required in this Province that these companies need to provide to us on a regular basis. We can provide the oversight that is needed. We do not think that type of auditing is necessary, just like it is not necessary in any other jurisdiction.

Really it is a question for the House of Assembly and I will leave it at that.

MR. LANE: Okay. I will make sure I ask the question in the House of Assembly.

Okay, I am finished with that section. Thank you, Minister.

CHAIR: Okay. Thank you, Paul.

If there are no more questions on that particular subhead we will call for the vote, so call for the subhead.

CLERK: Subheads 1.1.01 to 2.1.04 inclusive.

CHAIR: Subheads 1.1.01 to 2.1.04.

Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

Okay, thank you.

On motion, subheads 1.1.01 through 2.1.04 carried.

CHAIR: Now we will carry on with the next subhead which is –

CLERK: Subheads 3.1.01 to 3.3.03.

CHAIR: Subheads 3.1.01 to 3.3.03.

George, I almost forgot your name that time. It was so long since I got back to you.

MR. MURPHY: That is okay, Mr. Chair. I forget my name all the time.

CHAIR: Paul apologizes for that.

MR. MURPHY: I have been trying to forget myself all week. I actually succeeded on the

weekend. I woke up and did not know who I was.

We are going to be doing as far as – what was the other section?

CHAIR: Subheads 3.1.01 to 3.3.03.

MR. MURPHY: Subhead 3.3.03, very good. I am just making a personal note here.

Okay, I will start off with a couple of questions around 3.1.01. Under the Salaries line, I guess I will start there, under 3.1.01, Administration and Motor Vehicle Registration. The Salaries line actually takes a dip for this year. I am just wondering if you can give me a breakdown of what is happening here in the Salaries line.

MR. CRUMMELL: You are talking about the budget and the actuals for 2014-2015. The actuals for 2014-2015 actually goes up. Is this your question?

MR. MURPHY: Yes.

MR. CRUMMELL: It went up versus the budget and it had to do with severance costs. We had a number of retirements, so there was an increase in severance costs. You are talking \$43,000, \$44,000. With regard to the changes from 2014-2015, you are talking a 3 per cent government-wide increase. There are also some attrition savings as well in that department. The net is about \$9,000 more than the previous year.

MR. MURPHY: Okay. Down on the Supplies line it is \$248,600 that was in the budget, the revised figure is \$185,000, and the estimates for this year are coming in at \$215,000. If we can break down here of what is happening.

MR. CRUMMELL: Yes, the \$63,000 in the difference between budgeted and spent last year was to reflect the discretionary spending freeze. The line item number for the \$215,000 versus the \$248,000; the decreases reflect anticipated requirements based on recent expenditure levels, so our understanding of what we have been spending in the last little while. We thought we could cut a few dollars there and get down to where our actuals should be on that line item.

MR. MURPHY: Okay.

Under Property, Furnishings and Equipment the revised figure for this year showed a \$41,100 load of purchases, I guess in this case, compared to \$11,700 that was budgeted. What was bought here, Mr. Minister?

MR. CRUMMELL: We actually moved the medical records sections over to the MRD building in Mount Pearl. Is that correct?

OFFICIAL: Combined (inaudible).

MR. CRUMMELL: Combined, yes. So we had to do some renovations. By combining those services over at MRD, the increase of about \$30,000 was due to that.

MR. MURPHY: Okay. That was –

MR. CRUMMELL: Office furniture and things like that, George.

MR. MURPHY: Yes, the move from Mews Place into Mount Pearl, basically.

MR. CRUMMELL: Yes.

MR. MURPHY: Okay, that is fine.

Under 3.1.02, Driver Examinations and Weigh Scale Operations, I noticed that there was a good drop down in Salaries this year of about \$420,000. I wonder if I can get a breakdown of what is happening in this line, because of course the number pops up again a little bit to about \$2.2 million.

MR. CRUMMELL: Yes, and it is pretty straightforward there. Again, vacancies that were not filled at different times during the year – that are now all filled, by the way. So there are savings that were incurred there. Good to note, though, looking at stats, we have actually increased inspections versus previous years. We actually did a lot of work last year, despite having a few vacancies there.

Also, when you look at the estimates for this year, the decrease between the budget for last year and the budget for this year is about \$276,000. That is due to a number of changes, including savings due to removal of funding for market adjustments. There is a temporary vacancy that was maintained for one year to

fund a service delivery improvement – so that is in there as well – and there are other planned savings as well for 2015-2016 of about \$88,000. The decreases that we have incurred are offset by the 3 per cent salary increase of \$71,800. So, there is a bit of a mix there in terms of extra costs and a decrease in costs, and the net is some savings overall.

MR. MURPHY: Okay, so you mentioned that there were new employees hired here too at the same time. I guess it will be reflected in this year's budget, certainly in those numbers. Could you tell me what those jobs are, those positions that were filled? Are they people working, for example, the National Safety Code highway inspectors, or what would they be?

MR. CRUMMELL: Weigh scale operators, mostly, is where that was, George, where we had some vacancies that we filled. Again, we are doing a little reorg there right now as we speak that will realize some savings, but we anticipate to have the same level of service that we have had in the past.

MR. MURPHY: When it comes to weigh scale operations, I will ask you about Pynn's Brook out there. I know that is a pretty busy spot and a lot of the times some of the guys and the girls were being dragged away, of course, to go on up the Northern Peninsula and have a portable station set up. So I am just asking if there was any staffing requirements that were filled out there too at the same time? Has that been filled out a little bit more out that way?

MS KELLAND: We have six positions at the Pynn's Brook station –

MR. MURPHY: Yes.

MS KELLAND: – including two portable positions which do those runs up and down the peninsula, down the West Coast, and onto the side roads or the non-TCH roads. So those are included in that staff complement which runs the fixed station as well as the portable unit that does that patrol stuff.

MR. MURPHY: Okay, so there were no more staff that were hired out that way, Donna, do you know?

MS KELLAND: We might have had a vacancy or two out there during the year. Some of these folks are applying for other jobs, so they might be promoted to highway enforcement and then we backfill as we need to.

MR. MURPHY: All right. So it is all good out there right now?

MS KELLAND: As far as I know. We might have one vacancy out there; I am not exactly sure. Again, we have had some recent promotions, so it is a bit of a –

MR. MURPHY: That is a good thing. Thanks for that.

Mr. Minister, just further down to Property, Furnishings and Equipment, the budget line item shows \$45,200 was budgeted for. We only spent \$100 and this year they are looking at \$30,000 in spending. I wonder if we could get a breakdown on what is happening here.

MR. CRUMMELL: Obviously, we were trying to save some money there last year in different buckets and different things that we thought we could hold off in purchasing. That reflects a little bit of that, but it also reflects savings that were partially offset –

OFFICIAL: (Inaudible).

MR. CRUMMELL: Right, okay.

Actually, some of the savings we found here we transferred to other line items for other equipment that we needed, renovations that were ongoing, and furnishings in other branches of Service NL. So we did transfer some funds.

MR. MURPHY: Okay. So you did not –

MR. CRUMMELL: If you look at Administration, Motor Vehicle Registration, the above line item up there.

MR. MURPHY: Yes.

MR. CRUMMELL: That extra \$30,000 would have come from this line item here because overall, at the end of the day, we are under budget in our costs. So we moved some money around there, George.

MR. MURPHY: Okay.

Under 3.1.03, if we could just get a quick breakdown on the Salaries line. There is \$138,400 difference, number one, if we can a breakdown of what is happening there between this year and the actual. This year's estimates show a little over \$2.1 million budgeted.

MR. CRUMMELL: Right. The difference from budget to actual last year, that decrease was mainly due to staff turnover. That was partially offset by retirement-related costs as well, so we did save some money last year from retirements and staff turnover. That is, again, consistent in other line items that are similar to Salaries.

When we look at the increase, again we are going to fill those vacant positions, but we also have that 3 per cent government-wide increase, which on a base of \$2.1 million from the previous year is another \$61,000 – or I should say \$48,000, I believe.

MR. MURPHY: Okay.

MR. CRUMMELL: It is \$61,000, sorry; \$62,000 would represent 3 per cent of that number.

MR. MURPHY: If I can get a breakdown too of the Employee Benefits line here: \$55,300 against \$9,000 that was anticipated.

MR. CRUMMELL: From year to year, we will see a difference in these types of line items when it comes Employee Benefits, and it has mostly to do with workers' compensation payouts, which again, vary from year to year. If you have one employee who has a claim, or two employees who have claims that you did not have the previous year, it could bounce that number fairly high.

Overall, when we look at the historical costs associated with that, usually we are in that \$9,000 range. Last year was one of those unusual years where we did have some people who did file workers' comp.

CHAIR: Okay. Thank you, George.

We have to go back to Paul.

Paul.

MR. LANE: We are going to 3.1.03, right?

CHAIR: Yes.

MR. LANE: Okay.

Under 3.1.01, Purchased Services totalling \$288,900, that has been pretty consistent, it almost seems like a contract or something. Is that for one specific contract? Because it is not a round number, per se, and it is exactly the same each year. It would almost seem like it is one contract or something. Can you tell me what is included in those Purchased Services, what it would be for?

MR. CRUMMELL: Purchased Services would be advertising contracts that we would have, vehicle maintenance, repairs, things like that, office rentals in certain areas of the Province. It is a line item that obviously we have been very good at identifying exactly what we need to spend and how we spend it.

MR. LANE: Mr. Minister, the point I am trying to make – maybe I was not clear, I will try again; \$288,900 was budgeted and according to the figure you actually spent \$288,900. There is not even a one-cent discrepancy there and now you are budgeting \$288,900.

Given the fact that the projected and the actual for last year, and then the projected for this year is the exact same figure, it would just appear that it was – it seems strange that you have a whole bunch of Purchased Services and items and they just happen to all add up to the exact number, right to the cent, of what you budgeted for. It just seemed a little odd. I am just wondering –

MR. CRUMMELL: No, it is a good question.

Ken.

MR. CURTIS: The biggest cost in that area is the office lease costs. The office leases are obviously a fixed cost so it does not tend to vary much from year to year. If you are renting a space for a certain amount every year, it does not change much. That is the biggest area which does not cause that to fluctuate.

MR. LANE: Okay. So what we would be leasing there? That is for the Motor Registration Building, is it? What are we leasing there?

MR. CURTIS: No, the Motor Registration Building is a government building.

MR. LANE: That is our building.

MR. CURTIS: Other sites around the Island would be in some leased space – I am not sure.

MR. LANE: Like the Harbour Grace Motor Registration, type of thing?

MR. CURTIS: Yes.

MR. LANE: That would be a leased building – Marystown?

MR. CURTIS: Yes, standalone offices where they are not part of a government building. As I said, the MRD building in Mount Pearl, obviously, is a government building. In other sites around the Island they are not in government buildings, they are off in leased accommodations, wherever they might be.

MR. LANE: Okay.

OFFICIAL: Lewisporte, Springdale, and places like that.

MR. LANE: Okay. Can we get a list of all these leased spaces? I do not need it right now, but can you provide us with a list of the breakdown?

MR. CRUMMELL: I do not see any problem with that.

MR. LANE: Okay. Thank you.

Transportation and Communications is over \$900,000. That is a fair bit of money. Can you provide me with some insight as to what is included in that? What part is transportation and what part is communications?

MR. CRUMMELL: Ken or Leigh, can you give a little breakdown on that one?

OFFICIAL: Donna will speak to that.

MR. CRUMMELL: Donna.

MS KELLAND: The bulk of that money is for postage. We mail out vehicle and driver renewal notices. We mail out stickers to people. We ship plates and other inventory around the Province to different offices. That is about \$815,000 out of that amount. There is some travel in there as well, but most of that is for postage and freight.

MR. LANE: Okay, thank you.

Still under Motor Vehicle Registration, I do not see under any of these categories anything here for employee training. I guess that is done through human resources or something so it would fall under their budget and not yours. Is that the rationale?

MR. PUDESTER: A lot of the training that would take place for our employees is done internally through the human resources area, as opposed to spending money with external training companies.

MR. LANE: Okay. I am just wondering has there been any training done with anybody there as it relates to – because we had an incident with Motor Registration with privacy breeches and so on. I am just wondering has there been any staff training related to those types of issues.

MR. CRUMMELL: When it comes to privacy, when it comes to our employees – when anybody gets hired by the provincial government there is training that occurs around protection of privacy and access to information. That training is done upfront when you are hired and you sign a confidentiality agreement.

Everybody does that in government. Everybody here has done that. From that, there are periodic times where there would be reminders and there would be other training as well. It all happens internally.

When incidents do occur we immediately find out what happened, what caused that incident, and try to talk to the employees and make sure they understand what happened, how it happened, why it happened, and what we need to do to correct further incidents of that nature – whatever nature it happened to be at the time –

from happening going forward. So it is an ongoing exercise in terms of making sure people are as trained up as best they possibly can be.

MR. LANE: Okay. Thank you, Minister.

Still under 3.1.01, Grants and Subsidies, the number is the same so there is no issue there. I am wondering if you can provide us – again I do not need it at this moment, but if you could provide us with a list of who is receiving these Grants and Subsidies and what they are for.

MR. CRUMMELL: No problem there again. Yes, it is not a lot of money. We can provide that for you, no problem at all.

MR. LANE: Thank you.

Subhead 3.1.02, Driver Examinations and Weigh Scale Operations, the Employee Benefits section; I am not sure if George asked about that or not. If he did, I never caught it. Four thousand dollars was budgeted last year and again this year, but the actual last year was \$15,700. Is that somebody getting some retirement benefits or something? Is that what that is?

MR. CRUMMELL: No, actually that line item there, the reason for the increase would be the same reason I gave earlier for another line item that was higher than the previous budgeted year. That was due to WHSCC costs which vary again from year to year. You might have one employee who goes on compensation and there are some costs associated in terms of employee benefits that we would incur. It does happen on occasion. It is unusual.

MR. LANE: Okay. Thank you.

The Transportation and Communications budget of \$125,000; can you just give us some insight as to what is included in that? I am not questioning the variance; I am just wondering what is included in there.

MR. CRUMMELL: I think somebody would be better to speak to that directly who is dealing with it on a day-to-day basis.

Donna.

MS KELLAND: Most of that is for travel for our weigh scale patrols and our driver examiners. We do itinerant service to a number of areas in the Province for driver examinations. Those would be travel costs that those folks would incur. As well, our weigh scale people do things like escorts of heavy loads, large loads. That would be their expenditures for that.

MR. LANE: Okay. Thank you.

Subhead 3.1.03, Licence and Registration Processing, under Transportation and Communications last year we had budgeted \$7,700 and only spent \$700. It is back up to \$7,700. Again, that was the temporary discretionary spending freeze, I am assuming, the same as the others?

MR. CRUMMELL: That would be correct.

MR. LANE: Okay.

Purchased Services was \$1.8 million. I am just wondering what types of things would be included in that? What will we be purchasing for \$1.8 million annually?

MR. CRUMMELL: I think Donna could probably speak to that in greater detail, but Moneris fees are really high. That is the big part of that.

MR. LANE: What fees? I am sorry, Minister, I never heard you.

MR. CRUMMELL: The Moneris fees, the use of Interac; the company that delivers that service.

MR. LANE: Okay.

MR. CRUMMELL: Actually, their costs went up last year, I believe, significantly. Donna, can you expound on that?

MS KELLAND: This is the area where we do our over-the-counter processing and our transactions for driver's licences and vehicle renewals. So those Interac and credit card fees are a very high percentage of our business, which is mostly what is driving that cost.

MR. LANE: There is a cost to using it.

MS KELLAND: Right. It is a percentage fee.

MR. LANE: Yes, I understand.

I have a couple of quick questions on this section that we are still on. Unless George has something else under this section because we are ending at –

CHAIR: Just a couple of quick ones and we will make it up with George; that is fine.

MR. LANE: Okay.

The first one, I am just wondering, in Marystown, this was an issue that was raised – I guess this would come under supplies, equipment, whatever, we can say. There is an issue that was raised by some people in Marystown over the fact that you can go to Motor Registration in Marystown and get your licence and so on. I think they take your picture and what have you, but then you have to wait two or three weeks to get your actual card in the mail.

I am told the reason is because there is no printer in Marystown to actually print your card on the spot the same as anybody else would have, say, in the St. John’s area. I am not sure if the other places are the same or not, but I am just wondering are there any thoughts about correcting that situation. Is there any money budgeted? I am just wondering has anyone done a cost-benefit analysis in terms of what it is costing us to go mailing licences out on the Burin Peninsula. Would it not be cheaper to have a printer and do it there?

It is pretty specific, I know, but I do not know if –

MR. CRUMMELL: That is fine. That is a reasonable question. We want to deliver the services to the people of the Province as efficiently as possible and have as much services in different regions as we possibly can. We know that is not always possible. We know we live in a Province where we are a lots of people spread out over God’s creation.

It is desirable to be exactly what you just said. We are always looking at ways to improve

service delivery. In this specific instance, we are looking at that very closely as well.

MR. LANE: Okay.

The only other question I have – I do not see it anywhere here, maybe it is later. For Motor Registration, where is the revenue? Because, obviously, there should be a revenue piece to all of this. People are paying for their driver’s licences and registrations and so on.

MR. CRUMMELL: Actually Service NL generates about \$130 million a year in general revenue. So that goes into general revenue. It is not captured here in our line items; it goes right into general revenue.

MR. LANE: Okay.

MR. CRUMMELL: If you want to know that amount, I am sure that would not be difficult to get at some point.

MR. LANE: You are saying it is around \$130 million?

MR. CRUMMELL: It is \$130 million in all of the fees and services that we provide as a cost to the people of the Province.

MR. LANE: Okay.

MR. CRUMMELL: In Service NL, we generate about \$130 million in revenue for the government in fees and expenses.

MR. LANE: Okay.

Can you provide us – if you do not have the number now – as to what the revenue is at Motor Registration?

MR. CRUMMELL: We could probably give you a quick (inaudible).

MS KELLAND: I think it is around \$70 million, give or take, annually for Motor Registration that goes into the Consolidated Revenue Fund. I could be wrong, on a marginal amount.

MR. LANE: Okay, but that is a good ballpark.

MS KELLAND: Give or take, yes.

MR. LANE: Okay, thank you.

That is it, Mr. Chair, on that particular section.

CHAIR: Okay, thanks, Paul.

George.

MR. MURPHY: Thank you very much, Mr. Chair.

Heading 3.1.04, National Safety Code.

CHAIR: We are going to 3.3.03 right now, George.

MR. MURPHY: Heading 3.3.03.

CHAIR: Yes, 3.1.01 to 3.3.03.

MR. MURPHY: Yes.

MR. CRUMMELL: That is where we are now.

MR. MURPHY: Okay, I was just looking to see where my notes ended off here. I was coming back to 3.1.04. I wanted to get a breakdown of the Transportation and Communications line in 3.1.04. It shows \$112,400 was budgeted for, there was only \$55,000 that was spent, and \$75,000 is the budget item this year. I wonder if I can get a breakdown of what is happening there.

MR. CRUMMELL: Again, that has to do with the freeze on spending and travel, so that is the savings that we realized under that policy the second half of last year.

MR. MURPHY: How about under Professional Services, \$40,000 was budgeted for, nothing spent, and \$40,000 budgeted this year.

MR. CRUMMELL: That decrease is less than anticipated, obviously – we did not spend any. Requirements vary from year to year and most years, we use up that budget. When we went through the line items we looked at that and we looked at historic spends, we made a case to make sure that was included in this year's budget, based again on what we spent in the past.

MR. MURPHY: What was it in Professional Services that you anticipated that you would have spent it on but did not, in this particular case, and you are obviously anticipating to be spending about \$40,000 this time around?

MR. CRUMMELL: I will turn that over to the deputy minister.

MR. PUDESTER: Yes, the National Safety Code is a co-operative effort between all of the provinces and the federal government. So from time to time, there may be a joint research that is done or studies conducted all around improving highway safety, particularly with respect to the commercial trucking industry.

We may also have requirements from time to time as we are inspecting commercial trucking fleets to potentially bring in additional professional support for that. That is the type of thing that the budget is there to cover. As the minister said last year, we did not have a need for those initiatives; also, in the interest of the discretionary spending requirements, we made sure to lower that, but we would anticipate it going back to more normal levels.

MR. MURPHY: Okay.

Under the same heading, Purchased Services, it shows \$9,400 was budgeted, there was \$50,000 spent in this particular case this year, and you are only anticipating to be spending \$9,400 again. What was spent under this \$50,000 amount?

MR. CRUMMELL: The explanation for that, George, that was provided – because I certainly asked that same question; that certainly jumps out – is that we had higher than anticipated vehicle repairs and maintenance that was required for our fleet. We do have a number of vehicles certainly in our fleet.

MR. MURPHY: That would be highway inspection vehicles, that sort of thing?

MR. CRUMMELL: Just maintenance and repairs is what I am talking about here.

MR. MURPHY: Okay.

What were the issues around the repairs and the maintenance here because it seems like it is an awful lot?

MR. CRUMMELL: I do not have specifics, but maybe Donna Kelland can provide some detail.

MS KELLAND: The budget here is used for things like vehicle repairs and maintenance. To be honest with you, when we looked at this, this probably should have been an expenditure under MRD, Administration, 3.1.01.

MR. MURPHY: Yes.

MS KELLAND: We did have a new manager there last year, and I think some of that should have been grouped with that other expenditure grouping in the other subhead, but it is a fairly large fleet. It is things like highway, the trucks we would use for patrols and things like that.

MR. MURPHY: Okay. Thanks, Donna.

Mr. Minister, line 01, Revenue – Federal, if we can get a breakdown on what is happening here. Obviously it is a federal contribution of some kind, \$191,500 right across the board.

MR. CRUMMELL: That there are audits we would do on commercial fleets that would operate out of Newfoundland – based in Newfoundland that would operate in other jurisdictions around the country. So the federal government would reimburse us for doing the inspections and the audits as well.

MR. MURPHY: Okay. Thanks for that.

Subhead 3.2.01, Support Services; there is a difference in Salaries here. Obviously it was the first thing that jumped out at me. It is a drop of \$155,200. I am just wondering if these vacant positions still are vacant, or if there are new hirings? In your Budget you are also showing an increase in your Salaries line to \$2.365 million.

MR. CRUMMELL: Right, so the increase of \$16,800 is mainly due to the 3 per cent government-wide increase. There is some attrition savings as well in there, but the bottom line, the change, the \$16,800 is due to the 3 per cent.

In terms of the less expenditure last year versus Budget, it is again due to vacancies in some hard-to-fill positions, and partially offset by some retirements. We did have some vacancies there and my understanding is that we are continuing to do, or going through our hiring process, and we are going to fill those vacancies as soon as possible.

MR. MURPHY: How many vacancies are there right now?

MR. CRUMMELL: I believe there are a couple. There are two positions.

MR. MURPHY: What positions would they be? Do you know, right offhand?

MR. CRUMMELL: Boiler pressure inspectors.

MR. MURPHY: Boil pressure inspectors. Okay.

MR. CRUMMELL: It is a highly qualified technical job that needs to be done with the requirements that are needed. Sometimes it is difficult to fill those positions when employees retire or move on to different occupations and workplaces.

MR. MURPHY: Okay.

What part of the Province, do you know?

MR. CRUMMELL: I do not know. Are they both based in here?

OFFICIAL: One here (inaudible).

MR. CRUMMELL: There is one here and one on the West Coast, George.

MR. MURPHY: Okay. So you are obviously going to be filling these positions.

MR. CRUMMELL: Absolutely.

MR. MURPHY: They will be full time, nothing contractual about them?

All right, I appreciate that.

Under Transportation and Communications, \$260,000 was spent against \$405,800 that was

budgeted for. Can we get a breakdown on what is happening on this line? This year you are also calling for \$350,000 in spending.

MR. CRUMMELL: Yes, with regard to the actual spend versus the budget line item; the difference is about \$145,000, \$146,000. That is mainly due to vacant positions and also the discretionary spending freeze, George. There is a combination of factors there.

MR. MURPHY: All right.

MR. CRUMMELL: With regard to next year, that is to reflect anticipated requirements in that area based on expenditure levels that we experienced in the past.

MR. MURPHY: Okay.

Under Purchased Services, \$820,000 was the revised figure for this year against \$869,300 budgeted, and \$845,000 for this year.

MR. CRUMMELL: You are in the taxi industry, or use to be, and I used to be as well. You never know when something is going to go wrong.

MR. MURPHY: You used to be in the back seat.

MR. CRUMMELL: Yes, that is right. That is mainly less spent on vehicle repairs than we anticipated.

MR. MURPHY: Okay.

Carrying on to the provincial revenue line, I guess we can get a breakdown on what is happening here, \$1.297 million right across the board here.

MR. CRUMMELL: George, that is revenue that relates to fees for building accessibility plan reviews, fire and safety plan reviews, registration and inspection of boiler and pressure vessel systems, et cetera.

MR. MURPHY: Okay.

MR. CRUMMELL: So obviously that money does not go into general revenue, it is captured here.

MR. MURPHY: Yes. All right, that is good.

Under 3.2.02, under Regional Services there is a considerable increase, about \$250,000, anyway, in the Salaries line between the actual this year and what is budgeted for this year. I wonder if we can get a breakdown on what is happening here.

MR. CRUMMELL: Sure. The increase from one year to the next is the 3 per cent government-wide increases. When you look at the difference between the spend from last year and the – it is vacancies, recruitment delays, so issues related around that. We did have some retirement-related costs that saved us money as well. It is a typical mixed bag of tricks when it comes to the Salaries line items.

MR. MURPHY: Any new hirings that are going to be happening here? I have a note here about vacant positions.

MR. CRUMMELL: Yes, there is no anticipated increase in the number of bodies that we have headcount on, George.

MR. MURPHY: No?

MR. CRUMMELL: Just recruitment for vacancies which is constantly ongoing.

MR. MURPHY: Okay.

Further down in 3.2.02, the Transportation and Communications line, if I can get a breakdown of what is happening here. Four hundred and ninety thousand dollars is your revised figure for this year, against \$466,700 budgeted. That was also the same figure that was budgeted for the start of the fiscal year.

MR. CRUMMELL: Right.

That increase was due to related inspection programs. So I guess year to year different requirements are asked. There are different requests for us to go out and inspect certain things. Sometimes it can vary a little bit, so it is unanticipated costs associated with that.

CHAIR: Okay, thanks, George.

I tried to be a little bit lenient here. We will go back to Paul.

MR. LANE: No problem. Thank you.

Under 3.1.04, George actually asked all the questions, so we do not need to go back there again in terms of the line items. I will just ask one quick question, though, Mr. Minister. You are probably going to say ask it in the house and I will do that too. Not a problem, as you know. I am hoping to get a more complete answer.

The D250 standards for school buses, are there any plans to meet with the industry to try to resolve that issue?

MR. CRUMMELL: You know, when I was minister last year, I did meet with the industry.

MR. LANE: I know you did, yes.

MR. CRUMMELL: We have had conversations. I believe that there has been communication with previous ministers since I left Service NL, and now I am back again.

Right now, there are no planned meetings scheduled that I am aware of. That is as much information that can I provide on that.

MR. LANE: Okay, thank you. I thought I would ask.

Subhead 3.2.01, the Professional Services budget, I am assuming that is the discretionary spending freeze as to why that amount was hardly spent; \$15,800, you only spent \$1,600, back up to \$15,800. Is that correct?

MR. CRUMMELL: Yes. We were in a spending freeze through last year, and we obviously use that budget on a regular basis. That is why we want to make sure that is included at the same level as previous years. So, last year was more of an anomaly than anything, plus the spending freeze.

MR. LANE: Yes.

The same thing, I am assuming, for the Allowances and Assistance line that is there; \$83,100, you only spent \$25,000, and then budgeting – that is 3.2.01, under 09.

MR. CRUMMELL: Yes.

MR. LANE: Is it the same thing?

MR. CRUMMELL: Most of that decrease was – and the decrease was about \$57,400. There was not as much uptake in the bursary programs for students. I have actually talked to my staff about that as well, and called that one out. We want to make sure students are aware that there are bursaries available under this program. We would like to see that used, and we are going to be making sure the awareness is out there and that we do get the applications that are needed to drive that.

MR. LANE: Yes, and that was my next question. You kind of answered it, but maybe if you could explain to me, because bursaries for students you say. Can you explain what that is all about exactly?

MR. CRUMMELL: We want to train the people in this Province in the jobs that are required, certainly in special areas. So, the environmental health officers in particular and other environmental health. We have two student jobs that we try to –

OFFICIAL: Two bursaries.

MR. CRUMMELL: Two bursaries, I am sorry – two bursaries that we would provide to students. That is there to encourage recruitment and training in this area where it is a highly specialized field.

MR. LANE: This is for internal training, then, is it? Is that what it is?

MR. CRUMMELL: No –

MR. LANE: Do you have a staff person and they want to –

MR. CRUMMELL: Any student in the Province can apply for a bursary for their studies in this area. It covers living costs, tuition costs, whatnot. The training, some of it happens here and some happens away.

Go ahead, Donna. I will let Donna give –

MR. LANE: Yes, I am –

MS KELLAND: As the minister said, we use this as a recruitment and retention tool for students to enter our Environmental Health Inspection Program. In past years we have had a number of difficulties recruiting people. We do fund post-secondary studies, primarily at Cape Breton University, where we fund their tuition and other school costs in exchange for return for service when they become eligible to work for us. We provide them with jobs. We have used it in the past as a recruitment tool, primarily.

MR. LANE: Okay. You need somebody in a highly specialized area like health inspections, for argument's sake, so to get somebody you are saying, we will pay for your – it is almost like what they do with doctors, physicians. We will pay for your schooling or give you a bursary towards your schooling and so on, and then you sign a contract saying that you will work for us. That is the idea, is it?

MS KELLAND: That is correct, yes.

MR. LANE: When you do that, what is the requirement on their end?

I think for doctors, they have to work in rural Newfoundland for like three years or something like that. I think that is what it is, something like that. So, is it similar, in terms of the time that they are contracted to work?

MS KELLAND: Yes, it is. It used to be two years. I think we have increased it to three years now, and it is in a position in an area of the department's choosing. So, primarily it is used to fill positions in rural areas of the Province.

MR. LANE: Okay.

MS KELLAND: If they then decide to leave or to move on, they are required to pay that back on a prorated basis.

MR. LANE: Okay.

So, obviously you did not get any applications last year, then. That is why the numbers – right?

MS KELLAND: We actually from year to year will decide how many students we might need to enter the program. We have not yet done that for this year. As the minister said, we are

looking quite seriously at how many students we might need this year. Last year we only had one student. There were two other students working their way through the program –

MR. LANE: Yes.

MS KELLAND: – so they had partial cost associated with that.

MR. LANE: Okay. That sounds like a good program to me.

Do we have a full complement, by the way, of health inspectors now? We do?

MS KELLAND: Yes.

MR. LANE: Okay.

Speaking of the health inspections, are there any plans now to start putting inspection reports – okay, let me ask it in this context. Is there any money budgeted in here to start putting public facilities inspections online?

MR. CRUMMELL: We have done some significant work in that area, and details to come.

MR. LANE: Okay, I will look forward to them. Thank you.

Under Support Services, 3.2.01, part of this talks about what is involved there. It talks about public safety functions, building and safety inspections, and engineering services. Would the people responsible for enforcing the blue zone regulations be included under this staff complement under this section? Is that where that would be?

MS KELLAND: In part. They are also funded under Regional Services for the inspections we do outside of the Avalon region. So this would primarily cover the Avalon people, and then Regional Services will cover the remainder of the staff.

MR. LANE: Okay.

Before we get off the Avalon into regional, again under 3.2.01 and the staff complement there, how many staff do you have that have a

sole responsibility for enforcing the blue zone regulations in the St. John's area or what have you? How many people?

MS KELLAND: In the St. John's area we have one dedicated inspector for buildings accessibility. We also have technical inspectors in this region. There are three in this region, and they would do that partially as part of their other responsibilities. That is just in the Avalon region.

MR. LANE: Okay.

You said building inspection; I am specifically speaking to the blue zone regulations or legislation, whatever, ensuring that all businesses and so on have the appropriate number, size, of blue zones with the proper vertical signage and all that stuff. There is one and three part-time who are responsible for that, or are you talking about – when you talk about accessibility and the technical guys, that is more for if you own a building, making sure there are ramps and elevators and all that stuff, or is it both?

MS KELLAND: The blue zone parking is part of the buildings accessibility regulation. So that when we do inspections we do it in a couple of different ways. One is as new buildings are built, or if there are major renovations to a building, we do a full inspection of those buildings prior to their being occupied. So the parking lot, the path of travel to the door of the building, and then the building itself are all part of that inspection regime.

When we are looking at something that we change – for example, when we changed the regulations recently – and we have to actually go back and do retroactive inspections and enforcement, that is done under a demand type of inspection where we do blitzes and we do checking periodically as those folks who are doing other responsibilities. It is kind of a combination of those two things.

MR. LANE: So how many –

CHAIR: Okay, one more question and then we are back to George.

MR. LANE: Okay, I am not going to change topic on this one. How many people are actually responsible for going out – let me put it this way, in very simple layman's terms. Do we have somebody who is going around, for example the St. John's area today? They are going to pick a day and they are going to drive around from business to business, parking lot to parking lot and say, look, here is one that is not compliant, here is another one, here is another one, and start writing them up. Is that happening?

How many people or staff people are actually doing that? Or, is it a case of we are dealing with new builds, which is a good thing, and all new builds must meet the criteria. As far as anything that already exists, it is more on if somebody makes a complaint we are going to deal with it. Other than that, we might pick one or two days a year to do a blitz, but there is nobody regularly going around patrolling looking for it. Could you explain? I know it is a mouthful.

MS KELLAND: So if I think I understand your question, do I have somebody whose sole job it is to check parking lots? The answer would be no, but we do those combination of things that you mentioned, which includes the periodic blitzes. I think last year we probably did – I would almost be guessing so I would hesitate to give you a number.

There are probably four or five times that we have gone out with a dedicated crew, so it would not be just that one person. We have sent a number of people out to do those checks. We do respond to complaints. We have a number of complaints coming from different people in the community. Then we will send somebody out directly to deal with that complaint.

Does that answer your question?

MR. LANE: Yes, that kind of answers –

CHAIR: Okay, George. We have gone well over now.

MR. LANE: All right, I will come back to it.

MR. MURPHY: Okay. Thank you, Mr. Chair.

Mr. Minister, just on the line of questioning as it is now when it comes to blue zones and inspections, Donna had mentioned that there was one dedicated to buildings and three, I believe, were part time. Do I have that number right?

MR. CRUMMELL: That is correct.

MR. MURPHY: That is in the Northeast Avalon, right?

MR. CRUMMELL: That is in the Northeast, yes.

MR. MURPHY: Okay. How many do we have in the rest of the Province?

MS KELLAND: I think there are five positions which are, what we call, design approval people. They do that as part of their design approval, the buildings accessibility work. There are eleven positions in total that I call the part-time positions. Those are technical inspectors. That would include the three here on the Avalon, plus the rest in other areas of the Province. I think there are eleven in total of those folks.

MR. MURPHY: You feel that the Province is being well served now with the number of inspectors that it has? I know the latest report, for example, that I saw having to do with blue zone inspections – I think the latest report shows something in the order of 600 convictions. Am I right on that? Is that the number that I heard, Mr. Minister?

MR. CRUMMELL: George, that is Justice and Public Safety.

MR. MURPHY: Very substantial.

MR. CRUMMELL: In that enforcement for giving out tickets that would not be our people. We would certainly provide the oversight and the enforcement with the owners of buildings and properties, and making sure that their blue zone requirements are following the legislation and the regulations that we have in place. The broad question certainly would be a question for the House. It is not really a line item here in Estimates.

We feel the amount of complaints that we get, which is not many, we deal with on a regular

basis as soon as they come our way. We are out there with enforcement. We are out there working with owners of buildings and people in this Province.

Compliance rates in recent audits are very high. There is partial compliance and full compliance. We run into problems with partial compliance; one of the elements that are in the regulations is not being met. There are blue spaces in front of buildings and maybe the sign has fallen down, maybe it is an older building and they do not have the aisle lane.

There are a few issues ongoing there where we would work with owners of buildings, and also government buildings as well, to make sure that they meet full compliance. You can always make an argument that we do not have a police officer in every corner and a fire truck in every neighbourhood, but that is back to reality.

MR. MURPHY: If you ask me, I thought that 600 number when I heard it, was pretty high. I thought that the department was doing well when it came to lowering the broom and getting the work done. I do not know. Perhaps if you have more statistics on that you might be able to release them in the future, just to let everybody know how they are doing when it comes to blue zone – well, not just blue zone, but when it comes to the issues surrounding it, certainly.

I want to come back to some line items. Under 3.2.02, Regional Services – I think is where some of the jobs in design and eleven in technical would probably fall in here as well. Your Salaries line last year was \$7.3 million. I think that this is probably just the 3 per cent here that I am looking at. Your salary requirements this year are \$7.552 million. If I could just get a quick breakdown of what is happening there.

MR. CRUMMELL: Yes, so the difference in spend from last year to the previous year's budget was again due to vacancies, recruitment delays, and partially offset by retirement.

MR. MURPHY: Yes.

MR. CRUMMELL: The increase is that 3 per cent government-wide increase. That 3 per cent increase, actually, is \$223,000, but there have

been some attrition savings as well of \$170,000. So the net net is \$72,000.

MR. MURPHY: Okay. I think I asked about this one, actually. The \$466,700 line item under Transportation and Communications was actually \$490,000 this year.

MR. CRUMMELL: Again, that increase was due to the cost related to inspection programs.

MR. MURPHY: Right.

MR. CRUMMELL: You never know in a given year how many times you are going to be asked to go and inspect. You get people go to you and ask you to inspect a building or whatnot. These are mostly electrical inspections, various inspections that we provide to businesses and people of the Province.

MR. MURPHY: This would be inspections that would be done in this case for occupancy for a restaurant pre-opening, that sort of thing? Is that where these inspections would fall in here?

MR. CRUMMELL: Yes.

MR. MURPHY: Okay.

MR. CRUMMELL: Electrical, Environmental Health Officers who would be doing – exactly – restaurant inspections as well, prior to openings. That is correct.

MR. MURPHY: All right, that is great.

Under your provincial revenue line here on the bottom, \$1.983 million right across the board, if I can get a breakdown of where that money comes from. That might be because of fees when it comes to electrical permits, that sort of thing.

MR. CRUMMELL: That would be for issuance of electrical permits, as well as planned review responsibilities that we would go out and do as well.

MR. MURPHY: Okay, a quick note there.

All right, thank you for that.

Coming over to 3.3.01, Vital Statistics Registry; if I come down to the Revenue – Federal and Revenue – Provincial lines, if I could just get a breakdown of what is happening here. It looks like some revenues were a little bit more than what was expected in this particular year when it comes to the federal line and the provincial line as well. Can I get a breakdown of both these lines here?

MR. CRUMMELL: The increase of \$65,800 was due to new –

OFFICIAL: (Inaudible) information sharing.

MR. CRUMMELL: Oh, right on.

There is an information sharing agreement that we have with CRA and Service Canada, so this ended up providing more revenue for services provided this past year. This was a one year only anticipated revenue stream and we anticipate it to go back to regular levels as it has in the past.

MR. MURPHY: What kind of information would you be sharing with CRA?

MR. CRUMMELL: Births and deaths mostly.

MR. MURPHY: Okay.

Under the provincial line there?

MR. CRUMMELL: Just an increase in fees that we received for again births, deaths, marriage licences, and that type of thing. The revenue fluctuates from year to year. We put a marker in there of \$50,000 every year and it is plus or minus.

MR. MURPHY: All right, thanks for that.

Under 3.3.02, Queen's Printer, under Purchased Services here in this line, Minister, it is only \$2,000 that was spent this year against \$48,500 anticipated, and \$30,000 anticipated for this year. I wonder if we can get a breakdown of what is happening there.

MR. CRUMMELL: The difference again is due to less than anticipated requirements, what we spent last year, and also certainly for the discretionary spending freeze that we put in

place, so the due diligence that was done around that. The change from \$48,500 to \$30,000 for this year, again, reflect the anticipated requirements and based on recent expenditure levels. So looking at the trends and where we are to, that is where we think we are going to land.

MR. MURPHY: Okay.

Under the provincial revenue line here as well, if we can get a breakdown of what is happening here.

MR. CRUMMELL: Provincial revenue, it varies year to year. Last year we had a higher demand for services, an extra \$31,000, so that is good for the Province. Again when we look at the increase of \$10,000, it is just what we anticipate to get in revenue based on our experience over the last couple of years.

CHAIR: George, we are almost up to 3.3.03. Do you have a question or two there that we could to finish off on, maybe, if you want to?

MR. MURPHY: Yes, I do. I was just going to go over to that page.

MR. CRUMMELL: George, there were some small fee increases as well with the Queen's Printer, just small increases that will help build that extra dollars in revenue that we are showing.

MR. MURPHY: Okay, that is great.

Moving on then to 3.3.03, Printing and Micrographic Services, I notice an increase in Salaries here against what we had. The actual this year and the budget, of course, there is a little bit of a difference there. I wonder if we can get a breakdown of what is happening there.

MR. CRUMMELL: The increase of \$6,200, that is due to the 3 per cent government-wide increase. That 3 per cent actually is \$26,000 but, again, there are some attrition savings that we are assuming of about \$20,000, so the net-net is \$6,200.

With regard to the previous year, the decrease again of \$87,200 was due to vacancies and recruitment delays that was partially offset by

retirement costs and related costs, so a net-net decrease of \$87,000 last year.

MR. MURPHY: Okay.

Are you looking at anticipated hirings this time around?

MR. CRUMMELL: We are anticipating to have the full complement that we had in the past, so any vacancies that are out there we will be filling.

MR. MURPHY: Okay.

Under the Supplies line, Mr. Minister, \$305,000 was the actual, the revised for this year, against \$467,400 budgeted, and this year you are only budgeting \$337,400.

MR. CRUMMELL: Right. The decrease for last year of \$162,400, that is due to less than expected expenditures from delays in printing service. When we look at the changes again, the decrease of \$130,000 when we look at 2014-2015 versus 2015-2016, that decrease of \$130,000 is due to a reallocation from the Supplies budget to Purchased Services. I might get my deputy to explain that in a little bit more detail.

MR. MURPHY: Yes, because I was just going to ask you about the Purchased Services line there too, so it is just as well to give us a breakdown of the whole works.

MR. PUDESTER: Some of the things required for doing the printing services have traditionally been budgeted in the Supplies line while others were budgeted in the Purchased Services line, but we realized when we looked at year-over-year expenditures we really should be more appropriately adjusting those budgets to reflect what is actually being spent in each.

Purchased Services, for example, we may need to go to hire external printing companies to assist with certain printing jobs from time to time. We rightsize the budgets for both of those basically. So you are seeing a reallocation but when you look at both of them combined, they are pretty consistent.

MR. MURPHY: Okay.

Anything with Purchased Services, is that something that government would tender out in this particular case?

MR. PUDDSTER: I guess if it was a tenderable service over the thresholds then, yes, that would be tendered.

MR. MURPHY: Okay, the majority of it would be tendered out.

MR. PUDDSTER: I cannot speak specifically, George, as to whether the majority is tendered out or not. Donna, you might be able to add something.

MS KELLAND: This area varies, as the deputy said, but Purchased Services is also where we pay for our lease costs on our machinery and equipment. So those are click charges for copies that we make versus, say, the paper that is going through the printer or the copier. Again if we do not have the capacity to do a job ourselves, if it is an emergency or something urgent, we would tend to let that go out to the private sector.

MR. MURPHY: You might have to go outside.

CHAIR: George –

MR. MURPHY: I was just going to say that is all that I have.

CHAIR: Okay, good, thanks.

Paul.

MR. LANE: I want to go back to 3.2.01 because I did not finish the last time on the blue zones. I think I have a handle on where we are, but I am just wondering who, of these staff people who are here, I guess, is there somebody responsible – I know we said we basically have one full-time person for blue zones I think it is from here to Clarendville. First of all, can you correct me? Is that correct when we talk about the one permanent person for blue zone enforcement? How far out does that go?

MR. CRUMMELL: Just the Avalon we are talking about here. That full-time person is there for the Avalon Peninsula.

MR. LANE: For the entire Avalon?

MR. CRUMMELL: Yes.

MR. LANE: Okay.

MR. CRUMMELL: Plus three part-time.

MR. LANE: There is a different person cuts in then in after that.

MR. CRUMMELL: Yes.

MR. LANE: Okay.

Who is responsible for ensuring that all the government-owned buildings, schools, all that stuff – is that being dealt with under these Salaries? Are these people responsible for making sure that government facilities are in compliance with blue zone legislation or is it on the department to do it themselves?

MR. CRUMMELL: First of all, Transportation and Works is responsible to be in compliance just like any other business or entity that is out there. Memorial University or any other entities out there; the Eastern School District, they are responsible to be in compliance. We would provide the oversight. We would provide the awareness. We would do the audits as well, and we do that.

We communicate regularly with TW and with entities outside of government to make sure they are aware of what is in place and what needs to be done. If we need to go out there and correct any problems, we will give them directives to correct the problems.

MR. LANE: I am just wondering, given the fact that there are numerous schools, hospitals and so on – I know there has been some work done, I am not disputing it, in the last year or so in some areas but there are still numerous places throughout the Province where there are government-owned facilities, or even government leased facilities, where –even if it is a leased property, the government is leasing it for the general public to use. I would assume they would ensure that access is provided for those people.

How many directives have been given out in the last year to government departments to direct them to correct the deficiencies?

MR. CRUMMELL: Again, I think Donna could probably answer that, but we would work in terms of communicating, creating awareness of what is required and what is needed out there. That is done on a regular basis, and it was just done recently to all government departments, all entities as well. That happens on a regular basis.

Then after that in terms of directives, I do not have that number. Donna, maybe you have something perhaps?

MS KELLAND: I can find out, but I do not have it in my head.

MR. LANE: You do not have it, or there are none?

MR. CRUMMELL: We do not have that here handy, but certainly we can –

MR. LANE: If you could provide me with –

MR. CRUMMELL: We found in the audits that we have done, and audits that have been done by others, there is a very, very high level, in the high eighties percentage in terms of partial compliance.

What we are finding is where there are areas of concern we are dealing with those areas of concern. It is the type of thing that when you look at private business as well, we do not want to be going around with a big stick. We want to work with business owners. Business owners understand the importance of having their buildings accessible. It is good business for them, and government needs to take responsibility to make sure that we are compliant as well. Where we are not compliant we need to fix it, and we are all about that.

MR. LANE: Mr. Minister, I have one final question on the blue zone issue. I recently saw a report, and actually spoke to the Citizens' Representative, that there was a complaint that had actually gone in about compliance to blue zone legislation. One of the things pointed out by the Citizens' Representative was that the new legislation was actually passed in the House of Assembly, whereas I think most people thought at the time that it applied to existing businesses. I think we said at the time all new builds must be in compliance. Immediately, all existing

buildings must be in compliance. I think we gave them like six months, or whatever the case might be.

It was pointed out in the report that there is actually conflicting legislation with the Buildings Accessibility Act, that basically if a building is an older building – there is a date, I forget what that date is – that buildings do not have to be in compliance in terms of wheelchair ramps, elevators and so on, but that also extends itself to blue zone parking. In other words, the Confederation Building because of its age, technically, we do not need to provide blue zone parking access under the new regulations, which is a major deficiency in the legislation. Can we expect an amendment to the blue zone regulations to correct that?

MR. CRUMMELL: We do not think that there is a deficiency in the legislation at all. What we do know is that the legislation is there for a reason. There is a grandfather clause in that. We follow the national building codes of Canada legislation that is in place nationally, and the regulations that are around that as well.

When we talk about existing buildings and businesses, configurations of buildings that were – especially in the City of St. John's and other areas that is as old as it is, it is very difficult to bring new regulations and legislation in. It is a difficult thing to do. With some of these buildings it is impossible to do that. That is why buildings are grandfathered in, but what I have found – and government has taken responsibility to ensure that we follow the new codes and new regulations that need to be in place, wherever possible.

There are buildings and configurations of parking lots and accessibility requirements internally with buildings that government own and operate and have parking in certain areas of the Province. The courthouse downtown, places like that, where accessibility still can be an issue, but we go in and we are proactive. We make sure that we follow the new legislation. We are at a very high compliance level, and businesses are doing the same thing. Wherever existing businesses are grandfathered in, I am running across it everywhere, they want to be up to code as recent, whatever it is, even though

they are not required to do so. I run across that on a regular basis as well.

We do not think the legislation is incompatible right now with existing statutes and what is in place there. Again, that is probably a better discussion and debate in the House versus a line item here in the Budget, but I know you are passionate about this, Paul. That is pretty much all I can say about that for now.

MR. LANE: Okay. That is fine, and we will move on. The only final point I would make on it, though, is that I can understand the grandfathering in piece where you have existing buildings or old buildings in terms of changing them so that you are going to install elevators or you are going to widen doors, and the impossibility in many cases of doing that. That is really not my issue. My issue was more around the fact of having a blue zone space with a vertical sign.

In other words, if we have an existing building out there and it has a blue zone, we are saying because your building is old you do not need to put in a vertical sign, which someone could very easily do, but they do not have to do it under the legislation. So I do not know why we would not change it to say, yes, you must put in that vertical sign, your blue zone must be of the proper width and so on. Because not everybody who needs a blue zone is somebody who is in a wheelchair. Somebody could have a heart condition or whatever and still qualify for a blue zone because it is the walking to the particular building and whatever the case might be. Anyway, we will leave it for the House of Assembly, but I guess that was the point I wanted to make.

Other than that, the only other point I have, Mr. Minister, in all of this was I notice, for example, if you look under Regional Services and so on, it appears that we did not see the same discretionary spending freeze there because the numbers never changed, unlike in the other department. I do not know if they did not get the memo or whatever, but if you look there, obviously it is not the same trend as we have seen in other areas. So it is just a note to point it out, I suppose. I do not know if you have any comments as to why they would not have done the same.

MR. CRUMMELL: The only thing I can say to that, when you move outside St. John's to these rural areas, there are lots of inspections that are occurring, there is lots of travel that has to take place. It is a lot more difficult to keep these costs down. If somebody wants to go out to a conference and we have a freeze on transportation, we might say, hey, do you know what? You might have to sit back this year, right – coming out of the St. John's office.

MR. LANE: I understand, yes.

MR. CRUMMELL: So, it is a bit different in rural.

MR. LANE: Yes, okay, that is fair enough. A good point. I am just asking.

The last point I have is under 3.2.02, I think it would fall under there. Somebody told me there was some new – I know there were some new oil tank regulations that came into play a couple or three years ago, maybe before that, which we would be responsible for enforcing, that was going to up the standards and cause additional costs for people, but I was recently notified that were more new changes and some concerns that it was going to drive costs of everything up. I do not know if that is accurate or not. I just thought while I have you here and the deputy minister, maybe he can answer the question or you can (inaudible) right in your regulations.

MR. CRUMMELL: It is a general question and probably left best, but I am going to let Donna take a stab at that.

MS KELLAND: We administer field services in areas like environmental protection on behalf of the Department of Environment and Conservation. A few years ago there were some new, what I call smaller oil tank regulations that came into effect, but we do not directly deal with that. We deal with the spills that might occur out of faulty tanks, faulty lines, that type of thing.

To be honest, I am not aware of anything that is newer. Again, it might be over in the Department of Environment and Conservation. I am not exactly sure.

MR. LANE: Okay.

MS KELLAND: I am not aware of anything in our field that we are looking at any kind of major changes, but I would stand to be corrected.

MR. LANE: Okay. That is maybe a question for Environment and I can inquire. It was just a person asked me about it. I thought while I was here I would ask.

That is all I have under that section. I am ready to move on to Health and Safety.

CHAIR: Okay.

We will call for the subheads to be voted on, 3.1.01 to 3.3.03.

Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Thank you.

Carried.

On motion, subheads 3.1.01 through 3.3.03 carried.

CHAIR: Now we will call for the subhead that is remaining under Service NL.

CLERK: Subhead 4.1.01 to 4.2.02.

CHAIR: Subhead 4.1.01 to 4.2.02.

Seeing the time, we have about twenty minutes left, George, so we will give you your ten minutes and then we will come back to Paul.

MR. MURPHY: Thank you, Mr. Chair.

I want to come down immediately to 4.1.01. Under the salary line it shows about \$3 million in salaries. The revised figure against the budgeted one is \$4.155 million, a difference of \$1,091,200, and again this year the salary line is expected to increase to \$4.279 million. I wonder if I can get a breakdown of what is happening here.

MR. CRUMMELL: The increase from this year to next year is around 3 per cent. So that is mainly due to that. The anomaly you see from the budget from 2014-2015 to the revised here has to do with vacancies and recruitment delays. This is a very highly specialized field.

When we recruit and hire people to become Occupational Health and Safety Officers, you just cannot take them out of school. You need people who have experience in the industry on the ground and out there in the field, and finding these highly-competent, qualified people is sometimes a challenge. We find that certainly in Labrador. We have a couple of positions that are still open in Labrador. We are going through another fourth or fifth round of competitions now.

It is a difficult challenge to find the right qualified people, because this is not your normal occupational health and safety position that you would find in a company that have an officer who was trained to do the work there. This is an enforcement position and it takes a special type of person and training and experience to fill these positions. We are actively recruiting and we are actively interviewing. We are hopeful we are going to fill all the positions again in the next little while, and be up and running with a full complement this year.

MR. MURPHY: Okay.

So the two OHS Officers, I guess I could say that is what you were talking about there when it comes to that.

MR. CRUMMELL: Yes.

MR. MURPHY: There has been some issues around there now for the last – well, since I have been elected anyway, I think three years. What is the big sticking point that you are hearing? Are you hearing anything back from people who are turning down these jobs as to why they are turning them down?

MR. CRUMMELL: George, what we are experiencing is no different than CYFS trying to find social workers to work and live in Labrador, highly specialized individuals, to recruit them to live and work there. We have fly in and fly outs in many different positions in government.

The high cost of living in Labrador certainly is a deterrent. The salaries are a little bit of an issue as well. People with these qualifications are getting scooped up by big companies all the time. It is a challenge for us as well within government because again, we have some very highly qualified people.

To get the type of person and the people that we need with the qualifications is the biggest challenge we have. So right now we have a fly in, fly out policy. We have two extra Occupational Health and Safety Officers who are recruited here in Newfoundland and Labrador to make sure that we are in Labrador on a regular basis doing the inspections that are required.

I am pleased to say and happy to say that we are keeping the level of inspections up at a very high level. Anybody in Newfoundland and Labrador knows the quality of our Occupational Health and Safety Branch. The work is getting done; you can trust me on that.

MR. MURPHY: Okay.

When it comes to your Transportation and Communications line here, Mr. Minister, the \$441,800 was the budgeted figure against the revised of \$295,000, and this year they are budgeting \$350,000. I wonder if we can get a breakdown of what is happening here.

MR. CRUMMELL: As we have vacancies and positions that are not filled, obviously there is less cost for travel and whatnot. Again, the work is getting done, people are getting out there. For instance, we are still recruiting for a director. The cost for that director, him or her, coming and going would be a significant portion, a pretty big section of that money as well.

In terms of what is happening for next year; again, we are looking at what we think are the anticipated requirements in the area based on our recent expenditure experiences. So, we have decreased that budget from the previous year.

MR. MURPHY: Okay.

Under Professional Services as well, it was only \$52,000 that was spent against \$174,000 that

was appropriated for last year. This year they are only looking at \$100,000.

MR. CRUMMELL: That decrease of \$122,000; again, it will vary greatly each year depending on the requirements of the division. It was less than anticipated in 2014-2015. Then when we look at this year upcoming, again, we are just looking at what we think is going to be the reality of what we are going to spend at what level. We think \$100,000 is a good marker.

Maybe perhaps we can have Kim weigh in on this one. Kim, would you?

MS DUNPHY: Sure.

With respect to the Professional Services, that is a fund that is held generally for if we require outside expertise in doing a particular investigation. So primarily we consider it a contingency fund that if we do not have the expertise in respect of a particular incident or an accident that happens in the workplace, and we need to, as an example, take equipment out and have it sent for a technical analysis or have people with expertise come in and help us facilitate an investigation, that is the fund that it would come out of.

I guess the good news is we have the expertise internally to do the majority of work that we need to do and we do not need to tap into that, because, again, knock on wood, we have not had a significant event that would require us to bring in outside expertise in a particular area.

MR. MURPHY: Not yet, anyway, hopefully.

MS DUNPHY: That is what I said (inaudible).

MR. MURPHY: Hopefully, you will never have to.

MS DUNPHY: Exactly, so I consider it primarily a contingency fund.

MR. MURPHY: Okay.

Mr. Minister, just a final thought before I leave this section. When it comes to the recruitment of OHS officers for Labrador and everything, and you say that the work is getting done, but at the same time there are obviously some cuts

they have experienced this year, and the anticipated spending is not exactly meeting what it was required for the year before.

Does the minister think there is still going to be enough funding here to get the work done, the fly-ins and fly-outs done at the same time, in the staff who are currently doing the work? Is there going to be enough there to cover it all off and get the work done to what government would deem to be a happy place, I guess you could say?

MR. CRUMMELL: I certainly feel confident, but I am going to let Kim speak to that.

MR. MURPHY: Sure.

MS DUNPHY: I am fully confident that we have the budget to be able to deliver the services that we need.

MR. MURPHY: Okay. Thank you very much for that.

Under 4.2.01, I think we will end up going through this particular section kind of quick like. Under 09, Allowances and Assistance, I take it there is less money being paid out to dependants of families of the former workers of the fluorspar mines that is happening here in this particular budgeted line item. It was \$46,000 last year, it is down to \$34,700 this year, and again budgeted for \$46,000 this year.

MR. CRUMMELL: This amount of money, and I could stand corrected, but if my memory serves me correctly on this one, these allowances and assistance were provided by the former company, the Aluminum Company of Canada, that were agreed to with the families at the time. When the company ceased operation we agreed to continue with these supports going forward. The \$11,300 reflects a lower number of claims than anticipated. These are separate from WHSCC claims. These are separate individual one-offs that the company agreed to provide for the workers at the time.

Am I correct on that deputy? Yes, good.

CHAIR: Do you have another quick question, George?

MR. MURPHY: Yes. Under 4.2.02, a breakdown of the Grants and Subsidies line here; \$16,500 was budgeted this year. Well, it was \$16,500 last year but there was drop there in revenue of about \$14,500 between that line and the actual that was this year, \$2,000.

MR. CRUMMELL: Again, this is driven by applications and by demand for service. We just had a lower demand for services in 2014-2015. The \$16,500 is the marker we are using, that we are comfortable with, and that is what we are using again this year.

MR. MURPHY: Okay.

CHAIR: Thank you, George.

Paul.

MR. LANE: Thank you.

Just one about the silica dust study for Lab West. Is that something the department would be responsible for, the cost of doing that? I would assume, and I am assuming it is in these numbers somewhere. I am just wondering has it started and what the progress is?

MR. CRUMMELL: That is captured in our budgets here. It is a three-year study. We are in the second year of that study, and that is ongoing.

MR. LANE: That study was behind by a year or so was it? Did that start on time?

MR. CRUMMELL: My understanding is –

MR. LANE: My understanding is it was behind.

MR. CRUMMELL: I am going to let Kim speak to that one. It was a little slow starting up, but I will let Kim speak to that.

MS DUNPHY: We have a steering committee that oversees this whole study representative of the employers, the union, and the government to manage this project and the consultants. I guess it took us a little longer to get the consultants sorted out and finalizing the languages and terms of reference and contracts signed.

Once that started, then there was a process that needed to be engaged in in terms of advertising to inform workers about the project, what they needed to do to get involved. There was a little more of a delay in getting that process started but we are in the meat of the year now in terms of the study. Still numbers are relatively low. We still only have 640 workers who have volunteered to participate in the study.

We have done everything in terms of meeting with the consultant, and the consultants and us meeting with the steering committee and the people in the community to try to encourage more participation. Again, it is voluntary. You cannot force people to participate.

MR. LANE: Yes.

MS DUNPHY: We went even so far as to establish an intake clinic in the area to help people fill out the forms, but that really only got an extra thirty applicants. We are putting every effort that we can into trying to encourage people to participate but at the end of the day we will have to say the number is the number that we have. Then the next phase will kick in in terms of the actual quality control checks of the X-rays that need to be accessed. So the medical piece of it will be done.

MR. LANE: Okay. Thank you.

I want to go back to where George went with the safety inspectors in Labrador. I think we had three at one time, and then down to two, one. Now we are fly-in, fly-out. I could be a little off. It was two for sure. Somebody told me at one point there were three, but I do not know if that is totally accurate.

In terms of that, when they are flying in and flying out, is that simply to deal with the mines or does that have to deal with everything that is going on in Labrador, whether it be Muskrat Falls, whatever, just day-to-day businesses?

MS DUNPHY: Everything.

MR. LANE: How is that working? How much time do they spend in Labrador when they are flying in and out?

MR. CRUMMELL: First of all, I will say this. Labrador is no different than the Burin Peninsula. It is no different than the Bay Verte Peninsula. It is no different than a mine in Central Newfoundland and Labrador. We service all of these areas of the Province from different locales from here on the Island. Labrador is no different from that perspective, it being serviced from any other rural part of the Province.

With regard to more details to your answer, I am going to let Kim speak to that.

MS DUNPHY: Just as an example, last year we did a fall protection blitz across the Province. As part of that fall protection blitz, officers went to Labrador to do the same activity in Labrador that was done elsewhere in the Province, in terms of inspection of roofing jobs and other types of activity that would require fall protection.

Generally, they will go in, and they will go in for the week to make the best of the time that they spend in there. If they need to stay longer, we will schedule it accordingly. That is really a discussion at the management level with the staff in terms of what is the workload that needs to be accomplished while they are in there, and what is a reasonable period of time for them to go and accomplish that.

Generally, we send in two people at a time. It is just more efficient that way; it works out better that way. We also generally send in people with different discipline. So you are getting broader coverage with that presence on the ground there. We will deal with the mining properties; we will deal with the automotive shops. We will deal with anything that we feel needs to be done while we are in that area of the Province.

MR. LANE: From a percentage point of view, I am assuming there is a – I am going to call it a quota for lack of a better term, but a certain number of inspections that get done, surprise inspections, whatever you want to call them, that get done throughout the Province. On a percentage basis, is Labrador getting the same percentage of routine inspections as everybody else?

MS DUNPHY: It is hard to answer it that way, because we have a system where we prioritize in terms of level of risk and hazard. So, those areas of the Province that would have a grouping of employers that fit that higher risk category would get more attention than an area of the Province where the employment level would be a lower risk.

MR. LANE: Yes.

MS DUNPHY: We operate our business on risk-based. So if Labrador hits the number of employers with the higher level of risk, they will get a lot more activity. In fact, because of the mining properties that are there, there is a lot more presence in Labrador because it is higher risk.

MR. LANE: Okay.

I am just wondering; there was money allocated for a fish harvester's safety association. There had been an announcement of \$500,000 a couple of years ago. It never did get spent. Now, I was told it was set aside somewhere. Is that set aside in this department or is that workers' comp that would set that aside or –?

MR. CRUMMELL: You answered your question –

MR. LANE: It is workers' comp.

MR. CRUMMELL: Yes.

MR. LANE: Okay, but you would have involvement in it. You would have a rep, I would assume, on that. So, is there – I know the fish harvesters finally got theirs going. I think last June was their inaugural meeting or whatever, but the fish processors never did get off the ground. Has that changed?

MR. CRUMMELL: I will speak to it first, and I will let Kim expound on that.

Certainly, you are correct in what you are saying. It took a while to get it off the ground. The fish harvesters are in place there now. That was a milestone that we reached just in the last little while. You are right, the fish processors and that industry has been slow getting on board for a number different reasons. It is very

difficult to get all the parties together and make sure that things happen as they should happen. The funding is in place.

I used to be minister responsible, but Kim can speak to the situation with regard to our participation.

MS DUNPHY: As an example, with the fish harvesters' safety sector council we have a representative on that council in an advisory capacity. So that would be our role. They would attend meetings, and also we would feed in information to that organization in terms of what we are seeing on the ground with respect to inspection and enforcement in the fish harvesting sector. The executive director and I have conversations regularly about those kinds of things. So we have a good line of communication with that sector.

With respect to the processors, we would not be involved in setting that up, but once one was set up, then we would make sure we also had representation and communication with that sector.

MR. LANE: Yes, okay. It is just that it is not set up yet?

MS DUNPHY: Yes.

MR. LANE: Okay.

Safety inspections on fishing vessels, do you have – because there was a report that came out, it was in the media. I think it was CBC that did a story on how they were very, very low. I know there are issues around provincial legislation versus federal, on the dock versus on the water and all that mess; nonetheless, even when they are tied up on a dock you could still have somebody make sure that they have a safety program in place, that they are doing inspections, they are doing toolbox talks and all that good stuff. According to the story it was really down, you were not doing much of it. Is that factual, and, if so, are you doing anything to increase the number of inspections in the fishing industry?

MR. CRUMMELL: The challenges around the fish harvesting sector are – the workplace is floating and moving. It is really difficult to do

these inspections, and that is a challenge. That is why the fish harvesters safety council has been established, that we have this committee established. Education awareness is the biggest piece that we need to bring to light when it comes to that. There are still enforcement requirements, and we need to do more. We recognize that, but it is really, really difficult.

Again, I will let Kim talk to that just for a minute because I know we are running out of time. Kim, perhaps you can expound on that a little bit.

MS DUNPHY: Yes, there are challenges in terms of inspecting at the wharf. Again, if you look at driving down Water Street, those workplaces are always there. You just need to know the hours of operation generally.

With respect to the harvesting vessels, they are in and out. An officer can show up and there could be no vessels at the wharf. They may come in at 2:00 o'clock in the morning, offload, get supplies, and be gone again at 5:00. So there are challenges in terms of how their work is organized in terms of making sure we can get inspections at the wharf, but we still do whatever we can to make sure that when we are there we get inspections done at the wharf.

The learnings that we have is that for the most part there are common problems on these, so we do not need to inspect 1,000 to know if we inspect twenty we know there are common problems. We get that information and we deal with the inspections and what the issues are, but we also provide that information to the fish harvesters' safety sector council because they can then spread that information to a broader audience.

MR. LANE: Yes, okay. Thank you.

Mr. Chair, I realize we are – I have one last question and then I will be complete.

CHAIR: One quick question.

MR. LANE: I appreciate some lenience in that regard.

We have working alone legislation but certainly there is some thought out there, I suppose – it is

very broad. It calls for hazard assessment and then you have to put mechanisms in place, et cetera.

There have been some people talking about the fact that it has to be more targeted, specifically when we talk about holdups and so on at gas bars at night, people working alone and so on. I am just wondering, in terms of the staff allocations and so on that we have, has there been any blitz, I will call it, or any move afoot to try to deal with those issues?

I know I have seen a couple of gas – I saw one up on Torbay Road where they had a real neat system where they had like a Plexiglas thing, so if you go in in the nighttime you cannot go in the store, you pass it out through the window. It seemed pretty good. Has there been anything done by the department to try to target that specific area of employees working alone, just beyond the general legislation?

MR. CRUMMELL: I know for a fact that we have participated in conversations and certainly training for convenience store operators and the association, as well as the taxi association in the City of St. John's when it comes to taxi drivers. There are issues around that as well.

MR. LANE: That is another one, yes.

MR. CRUMMELL: You are right, there are regulations and legislation in place that need to be followed and safe practices need to be adhered to.

In terms of compliance, I will let Kim speak to that.

MS DUNPHY: Yes, working alone and violence prevention is a huge issue on our radar, just as general safety requirements are. We have good working relationships with the RNC and the RCMP in respect of – because there is a criminal element as well involved in that.

We have an officer who 90 per cent of his work is dealing with violence prevention, working with the franchises, such as the gas station franchises, the convenience store franchises, to make sure they adhere to the requirements of working alone and violence prevention initiatives. There has been a huge push on it in

the last number of years. We will continue to do it. It is not something that is going to go away.

We do in-services with our other staff. So it is not just one person doing it all, that all the other officers are also sensitized to the issues of violence and working alone in terms of when they go in to do inspections.

So it is on our radar. We put a heavy focus on it, and I believe we are making a difference on it.

MR. LANE: Thank you.

CHAIR: Okay.

Thank you, Paul.

I will call for the subhead to be voted on.

Subhead 4.1.01 to 4.2.02.

On motion, subheads 4.1.01 through 4.2.02 carried.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Department of Service NL, total heads, carried.

CHAIR: Shall I report the Estimates of Service NL carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Thank you.

On motion, Estimates of the Department of Service NL carried without amendment.

CHAIR: Our next Government Services Estimates will be tomorrow evening, Tuesday, at 7:00 p.m., and that is for Finance.

I would like to thank the Committee and thank the minister and his staff for your co-operation.

I will have a motion to adjourn.

MR. DINN: So moved.

CHAIR: Moved by John Dinn; seconded by Kevin Parsons.

Thank you.

On motion, the Committee adjourned.