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Government Services**

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Department of Service Newfoundland and Labrador  
GPA/OCIO/WHSC

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Honourable Ross Wiseman, MHA

## **GOVERNMENT SERVICES COMMITTEE**

Department of Service Newfoundland and Labrador  
GPA/OCIO/WHSCC

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Chair: Clayton Forsey, MHA

Vice-Chair: Dwight Ball, MHA

Members:

John Dinn, MHA  
Randy Edmunds, MHA  
George Murphy, MHA  
Paul Lane, MHA  
Calvin Peach, MHA

Clerk of the Committee: Kimberley Hammond

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Appearing:

### **Department of Service Newfoundland and Labrador**

Hon. Nick McGrath, MHA, Minister  
Donna Brewer, CEO, Labour Relations Agency (Workers' Compensation Review Division)  
Vanessa Colman-Sadd, Director of Communications  
Kim Dunphy, Assistant Deputy Minister, Occupational Health and Safety  
Leslie Galway, Chief Executive officer, WHSCC  
Denise Hanrahan, Department Controller, Service NL  
Donna Kelland, Assistant Deputy Minister, Government Services Branch  
Tom Mahoney, Executive Director, Workplace, Health, Safety and Compensation Review  
Julian McCarthy, ADM, Consumer & Corporate Affairs Branch  
Marietta McGrath, Executive Assistant  
Sonya Payne, Director, Government Purchasing Agency

### **Office of the Chief Information Officer**

Jennifer Bragg, Manager, Finance & General Operations  
Ellen MacDonald, Chief Information Officer  
Shelley Smith, Executive Director, OCIO

### **Also Present**

Kevin Pollard, MHA  
Peter Miles, Researcher, Official Opposition Office  
Susan Williams, Researcher, NDP Office

Pursuant to Standing Order 68, Kevin Pollard, MHA for Baie Verte – Springdale, replaces Calvin Peach, MHA for Bellevue.

The Committee met at 5:35 p.m. in the Assembly Chamber.

**CHAIR (Forsey):** Good evening, everyone.

First of all, I would like for the Committee to introduce themselves, please. We will start with you George, if you want, down in your end.

**MS WILLIAMS:** Susan Williams, Researcher.

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

**MR. MILES:** Peter Miles, Researcher.

**MR. EDMUNDS:** Randy Edmunds, MHA Torngat Mountains.

**MR. LANE:** Paul Lane, MHA Mount Pearl South.

**MR. POLLARD:** Kevin Pollard, MHA Baie Verte – Springdale.

**MR. DINN:** John Dinn, MHA Kilbride.

**CHAIR:** I am Clayton Forsey, District of Exploits and Chair.

Our first order of business before we get into questions and the introduction of the department, we have from the Government Services Committee the minutes of the Department of Transportation and Works. I just need a motion to adopt the minutes.

**MR. DINN:** So moved.

**CHAIR:** Moved by John Dinn.

Thank you, John.

On motion, minutes adopted as circulated.

**CHAIR:** Minister, what we normally do is we allow fifteen minutes, generally, for one member

to ask and then we will go to the other party for another fifteen minutes. There are three hours allotted for the estimates and if we finish before that, that is fine, too. I do not have a problem with that. I understand that we are going to do and you can tell us that we are going to be doing OCIO first and then so on. You can introduce your staff or they can introduce themselves.

Also, when you are answering the question – not so much for the minister because he will probably be answering most of it and they will know who it is - if you are responding to a question, it would be nice to announce your name so the media can pick up where you are sitting and record it. Then you can have an address to the Committee if you like before we start questions.

We will start with you, Sir.

**MR. MCGRATH:** Thank you very much, Sir.

First of all, I would like to start by thanking the staff for staying this evening, accompanying me, and protecting me. For the sake of Hansard, I am going to have everybody introduce themselves. That way it is put into the record. So, I will start.

**MS BRAGG:** Jennifer Bragg, Manager of Finance, OCIO.

**MS SMITH:** Shelley Smith, Executive Director of Corporate and Information Management Services, OCIO.

**MS MACDONALD:** Ellen MacDonald, Chief Information Officer for OCIO.

**MR. MCGRATH:** Nick McGrath, Minister of Service Newfoundland and Labrador and Minister Responsible for Labrador Affairs.

**MS KELLAND:** Donna Kelland, Assistant Deputy Minister for Government Services Branch with Service Newfoundland and Labrador.

**MS HANRAHAN:** Denise Hanrahan, Departmental Controller.

**MS BREWER:** Donna Brewer, Chief Executive Officer for the Labour Relations Agency.

**MR. MAHONEY:** Tom Mahoney, Executive Director, Workplace Health, Safety and Compensation Commission.

**MS GALWAY:** Leslie Galway, CEO of Workplace Health, Safety and Compensation Commission.

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

**MR. MCCARTHY:** Julian McCarthy, ADM, Consumer and Commercial Affairs, Service NL.

**MS PAYNE:** Sonya Payne, Director of Planning and Admin, Government Purchasing Agency.

**MS COLMAN-SADD:** Vanessa Colman-Sadd, Director of Communications, Service NL.

**MS MCGRATH:** Marietta McGrath, Executive Assistant to Minister Nick McGrath.

**MR. MCGRATH:** Thank you very much.

Welcome to George and your staff, Randy and your staff, John, Kevin, and Paul. Welcome tonight, my colleagues from the House of Assembly. I am just going to give you a quick overview of what the department is all about, and then I am going to turn it over to questions.

Service NL was created to consolidate services to business and the general public through a single-window model. The department delivers a wide variety of services including public health and safety, environmental protection, occupational health and safety, protection of consumer and financial interests, and registration of documentation and vital events. The department also provides internal printing, and micrographic and digital document services for the government.

Service Newfoundland and Labrador has 500 permanent employees with an operating budget

of approximately \$42 million. There are three main branches: Government Services, Consumer and Commercial Affairs, and Occupational Health and Safety.

Government Services includes our Government Service Centres, which are the Public Health and Safety, Environmental Protection and other regulatory services, Motor Registration, Vital Statistics, Engineering and Inspection Services, and Printing Services. Included in this list are field inspection and enforcement services delivered on behalf of six other government departments.

Consumer and Commercial Affairs regulate financial services, provides consumer protection services, and maintains nine legal registries for the Province, including the Registry of Companies and Deeds.

Occupational Health and Safety oversees workforce health and safety through oversight of the Province's Occupational Health and Safety legislation, including workplace inspections and investigation of workplace complaints, incidents, serious injuries, and fatalities.

The staffing and budgets for the Government Purchasing Agency and Workplace Health, Safety and Compensation Review Division are also included in the core departmental Estimates for Service NL. The Government Purchasing Agency, known with the acronym of GPA, operates under the authority of the Government Purchasing Agency Act and oversees the Public Tender Act, which is the primary legislation that governs procurement within the public sector.

The Workplace Health, Safety and Compensation Review Division is an independent, quasi-judicial body which represents the final level of review within the Workers' Compensation system. The division is responsible for reviewing decisions of the WHSCC to ensure those decisions were made in accordance with the legislation and policies governing the commission.

As minister, I am also responsible for several other public entities. These include the Office of

the Chief Information Officer. You will hear that referred to with the acronym OCIO. With approximately 345 employees and an operating budget of approximately \$74.9 million, it is housed within Executive Council. The OCIO coordinates the development and implementation of information technology and information management systems across government.

The Workplace Health, Safety and Compensation Commission, better known as WHSCC, serves approximately 12,000 injured workers and over 19,000 employers, and is fully funded by employer premiums. In addition to providing workplace injury compensation and health care benefits to injured workers, the WHSCC provides a number of other services, such as return to work and labour market re-entry programs, injury prevention services, and coverage for occupational disease. The Credit Union Deposit Guarantee Corporation protects the qualifying investments of credit union members, and facilitates the financial stability of the credit union system by monitoring credit unions to ensure they comply with legislation and exercise sound business practices.

As with other parts of government, we have had to make some difficult choices in meeting our budget objectives. Our focus was on balancing our expenditures and revenues in ways that did not compromise our key responsibilities in managing public, consumer, and worker protection in delivering front line services to the public, and in providing internal support services to government.

In total, we reduced our staff complement by thirty-two positions in Service Newfoundland and Labrador, ten of which were occupied, and by sixty-three positions in the OCIO, seventeen of which were occupied. This was largely accomplished through streamlining of management responsibilities, attrition management, and some realignment of support functions. We were also able to identify some modest savings in operating dollars, and increase revenues through the elimination of the 10 per cent incentive for online vehicle registrations.

Mr. Chair, Service Newfoundland and Labrador and the other entities that fall under my responsibility are dedicated to serving and protecting the citizens of Newfoundland and Labrador. I am confident that we will continue to fulfill these responsibilities. I continue to be very proud of the work that our staff does day in and day out in providing these services.

That concludes my opening remarks. I look forward to the questions and comments from the Committee. We will do our best to provide whatever information we can.

Thank you very much.

**CHAIR:** Okay, thank you Minister.

What we are going to do, for the information of the committee, is we will do OCIO first. That why then when they are finished they can leave. There is no need of different Committees staying if you do not want to. You can stay now if you like, you do not have to leave on my account.

By the way, George, we are going to go with the clock tonight. I have been at this now for four or five years and they finally talked me into going with the clock.

**MR. MURPHY:** (Inaudible).

**CHAIR:** Well thank you very much.

**MR. MURPHY:** Go in peace.

**CHAIR:** We will start with calling the subhead. We are doing Executive Council, 4.1.01?

**CLERK (Ms Hammond):** 4.1.01.

**CHAIR:** Thank you; 4.1.01.

Okay, Randy we will get you to start.

**MR. EDMUNDS:** Okay, I will go through the line by lines and if there are any questions that come out. I heard the minister talk about cutting back there, but I see some of the amounts throughout. OCIO are fairly substantial based on last year, so it will raise a few questions.

Right off the bat 4.1.01.01 there is almost a \$600,000 discrepancy there. I am assuming that has to do with the cutbacks in staff?

**MR. MCGRATH:** That is correct.

**MR. EDMUNDS:** Okay. With Corporate Operations and Client Services how many layoffs were there in total? (Inaudible).

**MR. MCGRATH:** Say that again, Randy.

**MR. EDMUNDS:** How many layoffs were in Corporate Operations and Client Services?

**MS MACDONALD:** There were six positions in that branch: three were vacant; one was a temporary; and two were permanent positions.

**MR. EDMUNDS:** Okay. I am just going on down there number 03, Transportation and Communications. You had budgeted \$174,000 last year, your actual was just under that. What you are budgeting for this year is substantially higher at \$234,100?

**MR. MCGRATH:** That reflects, Randy, a savings of \$3,300 due to lower than anticipated community expenses. The request reflects an increase of \$60,100, which is primarily attributed to the reprofiling of funding for other activity.

**MR. EDMUNDS:** Okay. Line 05, Professional Services, I notice you budgeted over \$500,000. You actually spent just over \$5,000, and now you are budgeting again for \$520,000. Why the big drop in expenditures last year, your actual, and then an increase again for this year?

**MR. MCGRATH:** Okay it has to do with federal money. It reflects savings of \$514,800 due to lower than anticipated federal expenses, and requirements from contracted resources during this fiscal year. We will budget again the same for this year, and if it is used, fine, if it is not, we still have to budget for it.

**MR. EDMUNDS:** Okay, I do not know, maybe it is a batch that – you have already answered my next question. In terms of federal revenue,

you had budgeted for \$500,000 last year. You actually only received \$11,200, but yet you are budgeting for \$500,000 this year. It is the same context.

**MR. MCGRATH:** The same context. You will find that quite a bit throughout the Budget.

**MR. EDMUNDS:** Information Management 4.1.02 – and as I said earlier in terms of the number of layoffs that the minister mentioned, Salaries have gone up from \$1,369,800 to \$1,432,100 this year in terms of what you are budgeting for.

**MR. MCGRATH:** Okay, that reflects a decrease of \$183,200 comprised of the following rationale: you have \$113,300, which was removed related to attrition management; \$232,400 was removed related to Budget 2013-2014 savings; \$137,500 is an increase related to repatriated positions again, these positions were subsequently removed through the attrition management and the various savings initiatives proposed for fiscal 2013-2014; and \$25,000 reprofiled from other activity, salary accounts in support of OCIO's 2013-2014 staff complement.

**MR. EDMUNDS:** Okay. Just carrying on down to line item 05 Professional Services, you budgeted just over \$700,000 last year, and you actually used just over half of that. This year you have not budgeted anything at all?

**MR. MCGRATH:** Yes, it reflects a decrease of \$715,200 comprised of the following: \$366,400 was removed due to repatriation of contract positions, and \$348,800 removed related to Budget 2013-2104 on savings initiatives proposed.

**MR. EDMUNDS:** Okay. Let's go right over to Solution Delivery, 4.1.03. There is not a substantial increase, but definitely a marginal increase in the Salaries again. I keep going back to the layoffs that occurred in the department as you said earlier. It is one of the reasons why I am saying that I am somewhat surprised when I see Salaries increase. So there is a fairly marginal increase in Salaries here at line 01, 4.1.03.

**MR. MCGRATH:** There is \$125,300 re-profiled from other activity salary accounts in support of OCIO 2013-2014 staff complement. That shows for the increase. The decreases I can explain if you want me to.

It reflects a decrease of \$98,900. That is comprised of \$637,400 removed related to the Budget 2013 savings initiative proposed, and \$413,200 increased related to repatriated positions again. These positions were subsequently removed through the attrition management and the various savings initiatives. That gives you your \$98,900.

**MR. EDMUNDS:** In line item 05, last year you had budgeted \$9,670,600 and you used \$8,819,400. This year you have budgeted for Professional Services half of that amount at \$4,394,300.

**MR. MCGRATH:** The Estimates here reflect a decrease of \$5,276,300. That is comprised of the following: \$1,477,200 was removed due to the repatriation of contract positions, and again you are going to hear that quite a bit because there was quite a bit of contractual work there; \$4,261,100 removed in support of the Budget 2013-2014 savings initiatives proposed; \$924,500 reduction due to a re-profile of IT funding to support the project portfolio planned for 2013-2014; \$663,500 increase due to approved forecasted adjustments related to the priority projects, Human Resource Management System, FMS, R12 upgrade, and the Child, Youth and Family Services case management system; \$723,000 increase due to the return of funding related to the one-time Budget reduction for fiscal 2012-2013 to support the 3 per cent reduction analysis.

**MR. EDMUNDS:** Line 07 shows a substantial increase this year over your actual last year, which was actually higher than what you budgeted for at \$29,300. What you are budgeting for this year is \$156,000.

**MR. MCGRATH:** Yes, Estimates reflect an increase of \$126,700 comprised of the following: you have \$136,700 increase due to a re-profile of IT funding to support the project

portfolio which is planned for 2013-2014; and the \$20,000 removed in support of the Budget 2013-2014 savings initiative proposed.

**MR. EDMUNDS:** Again, I am probably going to hear the same answer, but Application Services, line 01. There is a substantial increase in what you are budgeting this year, it is actually higher than what you budgeted for last year, and you did have a reduction in what you actually spent from what you budgeted. This year you are back up again in Salaries, line 01, Application Services.

**MR. MCGRATH:** Estimates reflect an increase of \$106,700 comprised of \$215,500, which was removed related to the attrition management. That was two positions. I have \$1,190,700 removed related to the Budget 2013-2014 savings initiatives proposed and a \$1,122,900 increase related to the repatriated positions. Fourteen of the seventeen positions were subsequently removed through attrition management and the various savings initiatives proposed for fiscal 2013-2014; and \$390,000 was re-profiled from other activity salary accounts in support of OCIO's 2013-2014 staff complement.

**MR. EDMUNDS:** One thing I see here based on your answers there, the question is: How many contract positions were removed overall in OCIO?

**MR. MCGRATH:** In positions of OCIO, four temporary positions have been eliminated, eighteen vacant positions were not filled, and there were no full-time positions here, I do not think.

**MS MACDONALD:** Not in this branch. There were actually twenty-four contract positions overall within OCIO at least.

**MR. EDMUNDS:** Just one question, Mr. Chair, on lines again before I turn it over to my colleague, because we have almost gone through the line-by-lines, and that is the Budget for last year at \$3,805,000. You actually spent about \$200,000 more than that and this year you are projecting a budget of almost double from what

you actually spent last year. This would be line 05 under Application Services, Professional Services.

**MR. MCGRATH:** The Estimates reflect a decrease of \$2,953,600 and it is comprised of: \$2,548,400 was removed due to the repatriation of contract positions, \$865,000 was removed in support of the Budget 2013-2014 savings initiatives proposed, and \$459,800 is a one-time Budget reduction for 2012-2013 related to the 3 per cent reduction analysis returned to Budget 2013-2014.

**CHAIR:** You have a couple of minutes left. You are finished on this particular one, Executive Council?

**MR. EDMUNDS:** I am going to give my hon. colleagues the rest to go through the rest of the line-by-lines.

**CHAIR:** Oh, you are going to do some line-by-lines?

**MR. EDMUNDS:** (Inaudible)?

**CHAIR:** Okay.

**MR. EDMUNDS:** I will stop there and turn it over to my colleague.

**CHAIR:** Yes, that will be fine

George.

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

I would like to thank the staff for coming in this evening and giving us in advance some answers and probably an explanation as regards what some of your roles are. This is only my second year in Estimates asking questions and that sort of thing.

Minister, I would like to thank you as well for the detail in advance tonight. As well, if I was going to accost you, by the way, I would have taken you out to dinner and given you flowers. I just wanted you to know that and that is on record now.

**MR. MCGRATH:** I did not get flowers the last time.

**MR. MURPHY:** No, but you will get flowers next time.

**MR. MCGRATH:** Excellent.

**MR. MURPHY:** Thanks to everybody for coming out here tonight and for the work that you do. I understand that over the last couple of weeks, probably what some would consider a pressure-cooker situation, knowing that there were so many layoffs and everything coming and knowing that government had to do what they had to do, with quotation marks around it.

I wanted to come back first of all to the line-by-line items. I wanted to get a little bit more detail as regards some of the items. Line 05, in 4.1.02 Information Management, I missed out on the explanation of that one; if you can just touch on that one again. There was a \$715,000 budget, \$445,000 was spent, and nothing in that line item for this year.

**MR. MCGRATH:** Anticipated Information Management, Professional Services for various projects to support the management and protection of government information and records. The revised reflects savings of \$269,900. OCI committed \$131,000 in support of the expenditure management plan. The remaining savings is related to fewer requirements for vulnerability assessments, tests, and IT forensics to the project stages and the positive impacts of previous investments in infrastructure on processes.

**MR. MURPHY:** Yes, I am just wondering about this. This would be computer companies providing security? Exactly what would that be? I wonder if one of your people could explain.

**MR. MURPHY:** Go ahead.

**MS MACDONALD:** Typically the Professional Services were used for a program that we call the Information Management Capacity Assessment Tool.



**MR. MURPHY:** Okay.

**MS MACDONALD:** We hire consultants who worked with every department to assess their information management needs, whether they are managing their records appropriately. We finished it, essentially, last year for all.

**MR. MURPHY:** Okay.

**MS MACDONALD:** We have done thirty-five IMCATs so far. We finished that, and recognizing where the projects are this year and the fact that the IMCATs are no longer required, we felt that we did not need Professional Services in this branch any more.

**MR. MURPHY:** You did not have to spend the money?

**MS MACDONALD:** Right.

**MR. MURPHY:** Great. Perfect; that is what we were looking for.

Coming over to line 05 again in 4.1.03, Solution Delivery, Mr. Minister, in Professional Services again, you mentioned some projects; you went through them kind of quick. The only one that I caught was Child, Youth and Family Services. Maybe you can explain that one but probably give us a little bit of background on some of the other programs that you were talking about here too?

**MR. MCGRATH:** Okay. You have savings of \$851,200. OCIO was committed to \$652,000 in support of the expenditure management plan. The remainder of the savings is related to projects which delayed start-ups, such as The Rooms collection management system, the Laboratory Information Management System, and the FMS R2 upgrade.

Just for clarification, the OCIO currently has approximately fifty projects in various stages of development. Some of the projects the OCIO staff are working on include Laboratory Information Management System, which is known as LIMS, for the Department of Fisheries and Aquaculture. This will improve the

division's ability to monitor fish health, disease outbreaks, disease prevention, and remediation activities at aquaculture sites across the Province.

An online system for the Department of Natural Resources for the filing and administration of provincial oil royalties; an online service for births, marriages, and death certificates for Vital Statistics; and Municipal Affairs capital works and gas tax online solution, accessible to municipalities for the purpose of submitting funding applications, status reports, annual expenditure reports, and other applicable data.

**MR. MURPHY:** Okay. I take it, with the cutback in funding here, a lot of these programs having been put in place, they did not need so much funding.

**MR. MCGRATH:** Exactly.

**MR. MURPHY:** That is exactly what is happening there. Okay, alright, that is great.

Section 4.1.05, I think that is where we ended off, Information Technology Operations, "Appropriations provide for the operations of Government's data and network infrastructure and desktop support." A drop in salaries here, I wonder if we can get an explanation. How many people did we lose in this particular application?

**MR. MCGRATH:** All together for the Information Technology Operations branch, eleven vacant positions will not be filled, and eight temporary positions have been eliminated.

**MR. MURPHY:** These would have been contractual people?

**MR. MCGRATH:** Some could have been. They would have all been contractual, would they all?

**MS MACDONALD:** They are temporary, the vast majority.

**MR. MURPHY:** Most of them are temps?

**MS MACDONALD:** Yes.

**MR. MURPHY:** Okay, so we lost eight there. Transportation and Communications, I wanted to ask about that one; it is a bit of heavy line, \$2.2 million.

**MR. MCGRATH:** What we have here are travel-related expenses, telecommunications, network data communications charges. That is all required in the operation of government computer applications.

**MR. MURPHY:** Okay, so these eight temporary people have no connection obviously with the travel that is carrying on?

**MR. MCGRATH:** No.

**MR. MURPHY:** All right. The next item down to Professional Services then, \$558,600 was the actual for this year, only \$161,200 here. We are talking about what kind of Professional Services here?

**MR. MCGRATH:** Basically here what is happening is you had anticipated professional and specialized consultant services which would have been required for operations of government's data and network infrastructure and related projects. The revised savings reflect savings of \$125,400. That would be due to lower anticipated contract resource requirements for the network team, server operations, and client support areas.

OCIO has conducted more in-house network and client service support rather than utilizing contracted services. Basically what we are going to do is we are going to be doing a lot more work in-house.

**MR. MURPHY:** Doing it in-house, okay. That is great.

Property, Furnishing and Equipment have obviously dropped here. I take it that is probably because with eight less temporary positions, I guess, and the eleven vacant, you obviously do not have to supply them with as many furnishings and all that.

**MR. MCGRATH:** The reason for the decrease – it is a decrease of \$420,500; \$23,000 is a decrease related to core management analysis, one PC per employee. Basically we have cut back so that there is just only one PC, their choice between a laptop or a desktop but they will not have both.

**MR. MURPHY:** Okay.

**MR. MCGRATH:** Eighteen thousand and eight hundred dollars is an increase proposed for Budget 2013-2014 related to higher than anticipated revenues. That was projected for Property, Furnishings and Equipment. You just answered that one yourself with less, we are not going to need more.

Fifty-six thousand dollars was removed in support of the Budget 2013-2014 savings initiative proposed, and \$360,300 is a decrease due to a reprofile of IT funding for fiscal year 2013-2014. That is to support costs associated with the data centre.

**MR. MURPHY:** All right. How many people altogether are working at OCIO? Do we have a solid number on that?

**MR. MCGRATH:** Donna?

**OFFICIAL:** Three hundred and forty-five.

**MR. MURPHY:** Three hundred and forty-five and we lost sixty-three jobs there altogether.

**OFFICIAL:** Sixty-three positions.

**MR. MURPHY:** About 11 per cent, 12 per cent or something. Is the department going to suffer with that sort of loss?

**MR. MCGRATH:** I should clarify there; it is sixty-three positions. Altogether it was –

**OFFICIAL:** Seventeen –

**MR. MURPHY:** Seventeen were occupied, yes.

**OFFICIAL:** Yes.

**MR. MURPHY:** I was just wondering, though, because there were sixty-three initially, seventeen of which were occupied positions. The department overall - how shall I put it? The forty-six positions that were missing, were they needed?

**MR. MCGRATH:** If the economy were to continue to boom, we would have to replace them. Right now, with a lot of the projects that we are into, and the programs that we were working on and they are nearing completion, we feel we can work just as efficiently with those positions not being there right now.

**MR. MURPHY:** All right, thank you for that. Before we diverge to another column, I just wanted to get that clarified; it was in the back of my mind here.

We will carry on to 4.1.06 Solution Delivery. Salaries in this particular column look like they are up by about \$1.1 million or so – 4.1.06.

**MR. MCGRATH:** Okay. Salary costs for temporary assistants for various projects. The revised, you will see savings of \$87,400 which was related to projects such as 040249 which is the Child, Youth and Family Services. That is not proceeding as fast as we thought it would.

Because of delays in that we see a savings of \$87,400. Then you see a reflection of an increase of \$923,800. That is related to reprofile of the information technology funding to support the planned project portfolio for the fiscal year 2013-2014.

**MR. MURPHY:** What do you have on the go now for the \$923,000?

**MS MACDONALD:** This whole solutions delivery is the projects work that we have, and we have fifty projects ongoing. We have a couple of major projects, and that is what a lot of this funding is allocated to.

We have our major Human Resource Management System, which is the new payroll system that we are continuing to work on this year. We have the Child, Youth and Family

Services case management system, which we are hoping to award soon and start this year. We also have a major project to upgrade the existing Financial Management System to a release twelve version, we have to upgrade that. The majority of the dollars in this whole area for solutions delivery capital are allocated to those big projects.

**MR. MURPHY:** Okay. I guess down in Professional Services we may be looking at some external people coming in to work too at the same time, line 05?

**MS MACDONALD:** Yes. Typically we award these through RFP, so there will be external companies coming in to work on them.

**MR. MURPHY:** Okay. So there is a little bit of hope for some work out of government this year.

**MS MACDONALD:** Yes.

**MR. MURPHY:** All right.

Supplies are also up to \$2.8 million in this same section, line 04, from \$1.227 million.

**MR. MCGRATH:** That reflects a deficit of \$167,200 that was due to higher than anticipated costs for software, for projects such as The Rooms collection management project, gas and associated products, and the fish licencing implementation. There was an increase of \$1,769,600, and that was related to a re-profile of the IT funding to support the planned project portfolio for the 2013-2014 year.

**MR. MURPHY:** Okay. All right, that is great.

I guess the last section, the last header in this section, 4.1.07, I was just wondering, the \$560,000 in Information Technology Operations. It seems to be a constant number. I am just wondering if you had people laid off you would not need as many furnishings. What are we looking at here in this number?

**MR. MCGRATH:** Basically, it is a budget line that you would put the same amount in, you may

use it, you may not. Last year we did, but you would budget the same.

**MR. MURPHY:** All right, good enough.

I guess that is it for me on the OCIO and things. I do have some concerns as regards to the Chief Information Officer office in general when it comes to information, privacy, and the implications of a 12 per cent cut. Like I said, I still worry about it, and –

**MR. MCGRATH:** As we all do.

**MR. MURPHY:** Yes. Do we have somebody watching out for this department to make sure this department is going to be able to do everything that is there with this 12 per cent cut? I am still not secure in knowing that information is going to be secure, if you know what I mean.

**MR. MCGRATH:** Yes we do.

**MR. MURPHY:** All right. Okay.

**CHAIR:** Okay. That is great, George. You almost used your fifteen minutes that time, boy. We only put up ten at the beginning.

I am in training tonight, so what we are going to do now is go ten and ten, if that is okay with you guys. It will probably speed it up a little bit more.

Anyway, we are going to come back to you now, Randy, because you have some questions still on the Executive Council.

**MR. EDMUNDS:** No, I just have one question going back to Information Technology Operations. It is down on the bottom, Amount to be Voted, Revenue – Provincial. Last year you budgeted \$327,600.

**MR. MCGRATH:** What line are you on, Randy?

**MR. EDMUNDS:** Line 02, Amount to be Voted, under 4.1.05 Information Technology Operations.

**MR. MCGRATH:** Line 02. What was your question?

**MR. EDMUNDS:** There is a fair discrepancy between what you budgeted for and what you actually received, and what you plan to receive this year; \$327,600, then \$600,000 being the revised, and you are hoping to get this year \$463,600.

**MS MACDONALD:** Yes, that is some of the revenue line. We do some support work for other entities. Newfoundland and Labrador Centre for Health Information uses our data centre. They use space in our data centre and they pay us revenue. That is why that line changes. Research & Development Corporation uses some of our services. It is really our best estimate of what we think that is going to look like in this current fiscal year.

**MR. EDMUNDS:** Okay.

**CHAIR:** That is it?

George, are you finished with Executive Council.

**MR. MURPHY:** Yes, Sir.

**CHAIR:** Okay. With no further questions, we will call for the subheads.

**CLERK:** Subheads 4.1.01 to 4.1.07 inclusive.

**CHAIR:** Shall 4.1.01 to 4.1.07 carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, subheads 4.1.01 through 4.1.07 carried.

**CHAIR:** Shall the total carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, Executive Council, total heads, carried.

**CHAIR:** Shall I report the Estimates of Executive Council carried without amendment?

**SOME HON. MEMBERS:** Aye.

On motion, Estimates of Executive Council carried without amendment.

**CHAIR:** Okay, thank you.

If you want to leave, it is okay with me. I do not know about the minister.

**MR. MCGRATH:** Thank you very much.

**CHAIR:** Now we will call for the subhead of the Review Division.

**CLERK:** Subhead 5.1.01.

**CHAIR:** Subhead 5.1.01.

We will start with you, Randy.

**MR. EDMUNDS:** This is Workplace Health and Safety?

**CHAIR:** Yes.

**MR. EDMUNDS:** I guess my biggest concern here is right at the bottom in terms of the review. I know that Salaries again have jumped. The amount has jumped in line 01. It has actually dropped from what you budgeted last year to \$636,600 but it is up higher now this year than what you projected for last year. It is nearly a \$100,000 difference.

**MR. MCGRATH:** Donna, do you want to take that because my numbers are not –

**MS BREWER:** Okay. Are you looking at the bottom line or are you just looking at the salary budgets?

**MR. EDMUNDS:** I am looking at both. I know at the bottom there is a whole bunch of blanks.

**MS BREWER:** The bottom line is up overall, primarily if you look at the Professional Services line. The minister may want to speak to this, but we do have a backlog of cases waiting to be heard.

The minister's assistants were putting through a strategy in place to try to bring that backlog down to more reasonable levels. Part of that strategy will involve appointing additional commissioners. The legislation allows for up to seven review commissioners.

We have a full-time Chief Review Commissioner now, which was announced in February, 2013, Marlene Hickey. That leaves four, Minister? Four existing review commissioners, and the minister is in the process now of going through the approval process to get two more commissioners. We are hoping to get more cases done in fiscal 2013-2014 to try to bring the backlog down.

I do not know how my colleagues in Workplace, Health and Safety Compensation Commission feel but we do not necessarily feel that as an increase in expenditure. It is really a deferral of money that probably could have been spent in other years had we dealt with the cases. If the cases are not there, the money will not be spent. It is a net – zero to government because the funding is funded through the Injury Fund of the Workplace Health, Safety and Compensation Commission.

**MR. EDMUNDS:** Yes, I can remember being here last year and questioning the backlog. I guess it is an evolving process. I am just wondering, how many cases do you have as backlog?

**MR. MCGRATH:** I think there are a little over 300 cases right now, around 306, Randy. We are averaging how many a week, Leslie?

**MS GALWAY:** I think Donna can answer that one, Minister.

**MS BREWER:** Right now, if we look at active cases – and how we define active cases are cases that have either been heard and the applicant is

still waiting for a decision, or a case where we are waiting to be heard. As of the end of this fiscal year, the cases waiting to be heard were 278, and waiting for a decision were thirty-eight.

We get anywhere from, about on average twenty-eight new cases a month. A review commissioner is normally assigned, depending on the complexity of the case, six to eight a month.

**MR. EDMUNDS:** Okay.

**MR. MCGRATH:** Our goal here is to hopefully get at least two more commissioners in place and expedite hearing more cases.

**MR. EDMUNDS:** Yes, okay.

I just have a few questions on Workplace Health, Safety and Compensation. First of all, I would like an update on the review that was started last year.

**MR. MCGRATH:** You want to get? Sorry?

**MR. EDMUNDS:** I think there was a WHSCC review that was supposed to be initiated or launched last year.

**MR. MCGRATH:** Yes. Well, we are just in the process. We just finished the public consultations on that review. That will all be compiled now, and then there will be an official report coming out on that.

Public consultations just finished earlier this month, actually. They were heard all over the Province. I think April 3 was the date of the last public consultation that was here in St. John's.

**MR. EDMUNDS:** Okay.

**MR. MCGRATH:** What happens now is all the information from the public consultations will be compiled together. That will be put into a report. Once the report is completed, that will become a public document.

**MR. EDMUNDS:** Okay. I think last year there was actually a decrease in the amount of

injuries. There were also increases in lost time incidents in agriculture and fish harvesting. Is there any kind of an explanation of why we are seeing these increases?

**MR. MCGRATH:** That would not be a budgetary question, would it?

**MS GALWAY:** You spoke of agriculture? For 2012, they have gone up slightly in loss time incident rates to 2.2 per 100 employed in that industry. Do you need an explanation?

**MR. EDMUNDS:** I suppose it is not the time or the place to ask why we are seeing an increase but definitely it – last year we were seeing a decrease but this year it is coming up again.

**MR. MCGRATH:** A lot of that could have to do with the industry. Our job certainly through Workplace, Health and Safety is to try to educate them to be more careful in any industry.

**MS GALWAY:** (Inaudible).

**MR. EDMUNDS:** I am sorry, I did not hear that.

**MS GALWAY:** In terms of raw numbers, the agricultural industry is very small and for actual loss time incidents there were thirty-one in total for 2011 and it raised to thirty-five in 2012. We are talking about four additional incidents during a year.

**MR. EDMUNDS:** Okay. The fish harvesting is, as you said earlier, 2.2 per 100?

**MS GALWAY:** No, fish harvesting, their statistics also went up. They went from 2.4 per 100 employed to 2.9 per 100 employed. In terms of actual numbers, that would be an increase of ninety-two injuries in 2011 to 106 injuries in 2012.

**MR. EDMUNDS:** Okay, thank you.

I am assuming that is just this one page or do we carry on to Government Purchasing Agency?

**CHAIR:** No, just that one.

**MR. EDMUNDS:** Okay.

**CHAIR:** It is okay?

**MR. EDMUNDS:** Yes. Thank you.

**CHAIR:** George.

Randy is finished on the review.

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

Ms Galway, while we are talking about workplace injuries and everything, I noticed the number of young workers, the incidence of injuries with young workers. I wonder if I can get some perspective from you on exactly what is happening out there. It seems like there is an awful load of cases of young workers who are getting injured.

**MR. MCGRATH:** I am not sure if it is an appropriate question for Estimates.

**CHAIR:** I never heard the question. What was it?

**MR. MURPHY:** I am just asking about the increase in young worker injuries. I was just wondering –

**MR. MCGRATH:** What line are you on, George?

**MR. MURPHY:** It is part of the overall department, the departmental numbers. That is what I am connecting with.

You are asking for more professional services here in the form of seven commissioners to be clearing up some of the case backlog. I have a concern here as regards to taxpayers' money that is going to be paid towards more commissioners in that end.

Workers' compensation payments of course are probably going to have to go up in order to account for more people who are working to clear up the backlog. It seems to me that if you are getting ten new cases a month and you are only getting through – how many in the run of a

month that you would actually be closing? I think twenty-eight was mentioned. You would be some time getting through this 278 number. So we have to pay more money out for some of these cases.

I have a direct concern as regards to the number of young workers who are out there. I think the hon. member, Mr. Edmunds, has asked already about fisheries injuries, that sort of thing and talked about the numbers there. The numbers were lower than actual young workers who we are dealing with here. I just wanted to get a quick comment from Ms Galway on that. Is somebody investigating this?

**MR. MCGRATH:** I will take that.

**MR. MURPHY:** Sure.

**MR. MCGRATH:** Statistics show there are more injuries in younger people. Again, it comes down to an education of getting the message out there about workplace safety. I am not quite sure what it has to do with Estimates. I would like to make the comment that workers' compensation is 100 per cent recoverable by the employer.

**MR. MURPHY:** Yes.

**MR. MCGRATH:** Therefore, if there are more employees who are coming into the system, there is also more money coming into the system. Our goal is to get it down to zero injuries.

**MR. MURPHY:** Yes.

**MR. MCGRATH:** Again, it is all about education. Stats will show that the younger generation, I mean we see it in the ads, and I do not want to be demeaning to the younger generation, but they have to be educated on workplace safety.

**MR. MURPHY:** Okay.

**MR. MCGRATH:** It is a practice that we are very aware of.

**MR. MURPHY:** I am just wondering then in the Budget at the same time when you talk about education, exactly which section are we talking about, a line item? I guess you would be talking about Purchased Services or Transportation and Communications for education? I do not see any big change in the numbers here if you are talking about starting up (inaudible).

**MS BREWER:** Leslie may want to clarify, but the budget of the Workplace Health, Safety and Compensation Commission, where it is fully funded by employers, is not in the Estimates of government.

**MR. MURPHY:** No.

**MS BREWER:** The Review Division is responsible for hearing appeals if an individual worker is not satisfied with the benefits they are getting, if they have been denied benefits, or they feel there has been a change in their circumstances. There is an internal review done first, and if they are still not satisfied, they have the ability to go externally and have a review done.

The actual education either happens in the workplace, through the employer or through employment initiatives, or it is done proactively through the Workplace Health, Safety and Compensation Commission.

**MR. MURPHY:** All right, I will leave that one for now. I am good with that page.

I had some general questions. I guess you are not open to general questions when it comes to (inaudible)?

**MR. MCGRATH:** We are here for the Estimates, so I would prefer to stick to the Estimates.

**MR. EDMUNDS:** (Inaudible) the minister that during Estimates there is the opportunity for probing questions to be asked as well. That is my understanding, yes?

**CHAIR:** We can do line items and we can ask questions. That is correct; however, if there is

something that is going outside of the issue then I am sure the minister would gladly provide some information some time after the Estimates, with that particular member. Would that be okay, Minister?

**MR. MCGRATH:** Sure. If you want to, it is up to you if you want to start asking general questions.

**MR. MURPHY:** Yes, that is what I was wondering while we were on the topic here. Government is looking after Workplace Health, Safety and Compensation Commission itself. I just had some general questions about it.

**CHAIR:** We will take line items and questions, yes.

**MR. MURPHY:** Yes, I just wanted to ask a few questions if it was all right because I had these questions down here anyway.

**MR. MCGRATH:** Okay.

**MR. MURPHY:** I wanted to ask the question about the maximum 'compensatable' earnings rate. It is about 80 per cent of pay. My understanding is other provinces have gone to about 85 per cent or 90 per cent.

I am just wondering, is there any plan on the part of workers' compensation to increase that probably by, for example, the rate of inflation or anything? Do they have a plan in place for that?

**MR. MCGRATH:** Again, that is part of the workers' compensation review. That is something that once all of the public consultations come together the review will look at it. That is one of the things it will look at.

**MR. MURPHY:** That is going to be part of that report on the review?

**MR. MCGRATH:** Yes.

**MR. MURPHY:** Any time frame when that report is going to be released?



**MR. MCGRATH:** I do not really want to put a time frame on it.

**MR. MURPHY:** Okay. That is about it that I have right now for that. I am a little bit concerned there, though. I think they should be looking at increasing the benefit. I am putting that out there because –

**MR. MCGRATH:** Well, I am not saying we are not looking at it; I am saying it is part of the review.

**MR. MURPHY:** No, but I figured I would throw it in there that I think a lot of people are having problems with the payments the way they are now and it should be looked at.

**MR. MCGRATH:** I realize that in different regions, in different districts, it certainly makes a difference. For example, in my district alone, where the average income is between \$100,000 and \$120,000 a year, it certainly is very difficult if you have to go on workers' compensation.

These are points that, especially during the public consultations, were brought forward to the commission. Again it is all part of the review. Your point is well taken, and it is something that will be looked at.

**MR. MURPHY:** Okay, perfect. Thanks.

**CHAIR:** Okay, thank you George. Before we call for the –

**MR. MCGRATH:** I think Randy had another question.

**CHAIR:** Randy, do you have a question?

**MR. EDMUNDS:** Yes, I think I have maybe two questions. It is on the Marystown Shipyard, on the exposure of the former employees at the Marystown Shipyard. I know the reason I am asking is because I did talk about it with the former minister last year and actually did meet with some of the spouses of former shipyard victims.

I am just wondering from last year, what is the status of work on these employees of the Marystown Shipyard? I know one issue that was raised last year was that the hearings were supposed to be informal, but they were getting intimidated by lawyers being present at the hearings. They did show some discomfort with that. I am just wondering where the government is on the whole asbestos exposure issue?

**MR. MCGRATH:** I will get Leslie to answer that for you.

**MS GALWAY:** From the perspective of the commission, I am not speaking about the review division. From the commission's perspective, we have reviewed all the submitted claims to date for people who worked at the Marystown Shipyard Family Alliance. On asbestos-related claims in particular, those claims have all been reviewed and have for the most part been approved.

**MR. EDMUNDS:** Okay, so there are no more applications coming forward, it is taken care of? Can I assume that?

**MS GALWAY:** There are always new cases in most of the large industries that we have, and there would still be cases. With occupational disease it is many years after your exposure. If you are talking about asbestos it is many years after that exposure that you may develop disease. Most people do not, but some do. It can be twenty, thirty, or forty years later. At this point we would not be able to say how many in total might occur.

**MR. EDMUNDS:** Okay, Mr. Chair, that is the last question I had on (inaudible).

**CHAIR:** Okay, thank you, Randy.

Call for the subhead of the review division.

**CLERK:** 5.1.01.

**CHAIR:** Shall 5.1.01 carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, subhead 5.1.01 carried.

**CHAIR:** Shall the total carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, total carried.

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

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

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

**CHAIR:** That is it for that one.

**MR. MCGRATH:** Okay, so we are going to move on to GPA?

**CHAIR:** Okay, we are going to go to Government Purchasing. I will call for the subhead of Government Purchasing.

**CLERK:** 6.1.01.

**CHAIR:** 6.1.01. Randy, do you want to start it off?

**MR. EDMUNDS:** Okay.

The first thing is we have heard all about the cuts in Budget 2013, so in Estimates it is your opportunity to get specifics as to where the cuts were with each department. That will be my question, given the difference in Salaries at line 01, under Government Purchasing Agency.

**MR. MCGRATH:** Okay, so the explanation for the decrease is that you have a decrease of \$149,900. This reflects expenditure reduction measures, the elimination of eight positions, which was \$207,000, and overtime of \$13,100.

This was offset by funding of \$70,200 for a new position.

The positions that were eliminated, if you want a breakdown: Computer Operator I, funding used as planned savings; that was a vacant position. A Clerk III; that was a vacant position. We had a Word Processing Equipment Operator I; again, that was a vacant position. Those three vacant positions, their funding was used for planned savings. Then I had five Buyer II positions, and they were filled positions. There were five of those.

**CHAIR:** You are finished? Okay.

George.

**MR. MURPHY:** I do not really have much here now besides Salaries.

**MR. EDMUNDS:** (Inaudible).

**CHAIR:** Okay. We will go back to Randy. He has another question there, George.

**MR. MURPHY:** Yes, go ahead.

**MR. EDMUNDS:** I am just missing them. I am glad I have my researcher to keep reminding me.

We are just wondering, when are the changes coming to government procurement? Will legislation be introduced in this sitting this year?

**MR. MCGRATH:** What are the changes coming? Stay tuned.

**MR. EDMUNDS:** Yes.

**MR. MCGRATH:** The decision has not been made on whether or not it will be coming forward in this session. It is still at the Cabinet level. It is something myself and the department are diligently working on is the new act.

**MR. EDMUNDS:** Okay. The other question: Is the current structure of the Government Purchasing Agency the chief operating officer and the deputy minister?

**MR. MCGRATH:** Yes.

**MR. EDMUNDS:** I guess that is all interlinked?

**MR. MCGRATH:** It is interlinked, but we are also in a process right now where we are getting ready for the new procurement act, and also with the spend analysis with Deloitte Touche. We are in the process of that particular program of Deloitte Touche with the spend analysis. During the transition period it seems like there are two deputy ministers there, but in actual fact one is designated to the spend analysis right now, and then a decision will be made.

**MR. EDMUNDS:** Is the government procurement in this session?

**MR. MCGRATH:** Again, as I said before –

**MR. EDMUNDS:** Do not get the impression that I am fishing here now, I am just asking you questions.

**MR. MCGRATH:** I will not get territorial, but stay tuned. It is something that – to be quite honest with you, it is a big piece of legislation. It is a piece of legislation that I want to make sure when it comes forward that it is for the betterment and the best piece of legislation I can bring forward for the Province. It is not a piece of legislation that I take lightly, and I want to make sure that I am doing it right.

The department is working diligently to try and expedite it. Whether or not it will come forward this session, I am not quite sure.

**MR. EDMUNDS:** Okay, all right.

That is all I had, Mr. Chair. Thank you for giving me the extra chance.

**CHAIR:** Okay. Thank you, Randy.

George.

**MR. MURPHY:** The minister was trying to say that it was not time sensitive or anything. I have nothing else in this section.

**MR. MCGRATH:** I think when it comes to the people of Newfoundland and Labrador it is not about being time sensitive, it is about being right.

Thank you.

**CHAIR:** That is it? Okay.

I will call for the subheads of the Government Purchasing Agency.

**CLERK:** Subhead 6.1.01.

**CHAIR:** Shall 6.1.01 carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, subhead 6.1.01 carried.

**CHAIR:** Shall the total carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, Government Purchasing Agency, total heads, carried.

**CHAIR:** Shall I report the Estimates of the Government Purchasing Agency carried without amendment?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

On motion, Estimates of the Government Purchasing Agency carried without amendment.

**CHAIR:** Next we have – last but not least, I guess, is it – Service Newfoundland and Labrador. I call for the subhead of Service Newfoundland and Labrador.

**CLERK:** Subhead 1.1.01.

**CHAIR:** Subhead 1.1.01.

Randy, do you want to start it off? Pardon?

**MR. EDMUNDS:** I just finished, so I will leave it to my colleagues.

**CHAIR:** You are going to let George start it off? Okay.

George.

**MR. MURPHY:** Thank you, Sir.

Mr. Minister, line 06, in 1.1.01, Minister's Office, \$18,800 budgeted and you only spent \$3,000.

**MR. MCGRATH:** Line 06, which is Purchased Services. I had a decrease of \$15,800 which reflects lower than anticipated printing, equipment rentals, meeting costs, a decrease of entertainment, and other general purchased services. The nature of these types of expenditures is such that they vary from year to year, depending on the specific requirements for such expenditures.

Just for the record, when I went into the department in October I was extremely careful as to what we were spending.

**MR. MURPHY:** All right. So I do not have to ask you what was spent in entertainment before then.

**MR. MCGRATH:** I certainly do not mind you asking, and I do not have a complete breakdown of entertainment here, but very little entertainment could be if I were having a luncheon meeting with somebody.

**MR. MURPHY:** I can understand that.

**MR. MCGRATH:** My entertainment would be very, very small.

**MR. MURPHY:** Perfect, okay. Thanks for that.

**MR. MCGRATH:** So do not ask me out for – you can ask me out for lunch. Do not ask me to invite you out for lunch.

**MR. MURPHY:** It is on my dime.

In 1.2.01 under Executive Support, the first line, Salaries, \$1.2 million spent against an actual that was budgeted for \$1.391 million, it went to \$1.344 million.

**MR. MCGRATH:** Yes, there is a decrease of \$47,700 and that reflected a low budget in Budget 2013-2014 relating to the end of the rebranding initiative, which was a project manager. The program was coming to an end and that made the difference there. Also, we removed \$109,400, added public relations specialist, and \$49,900, and salary step increases of \$11,800.

**MR. MURPHY:** Okay. So we lost one position, basically, a project manager for that.

Professional Services, \$35,000 was projected to be spent, against \$5,000 that was actual, against a budgeted \$135,000. I wonder if I can get a breakdown on the professional services.

**MR. MCGRATH:** Basically, you have a decrease of \$130,000 there. It is just lower than anticipated consultant costs. We used fewer consultants. We are being very prudent.

**MR. MURPHY:** Okay. Do we have a list of those consultants that you used in this particular case, in line 05?

**MR. MCGRATH:** No, because that is done on a case-by-case basis. As we need a consultant we would put it out on an RFP.

**MR. MURPHY:** Okay.

**MR. MCGRATH:** We certainly do not list if we do not use.

**MR. MURPHY:** Purchased Services were down basically because of the closing of the project?

**MR. MCGRATH:** Purchased Services were down; again, the rebranding initiative came to a close.

**MR. MURPHY:** Okay. All right, that is great.

The next section, 1.2.02, I take it the whole program here in Regulatory Reform has been cancelled.

**MR. MCGRATH:** I am going to get Donna to explain that one actually. It has moved to Executive Council

**MR. MURPHY:** Sure.

**MS KELLAND:** That was moved to Executive Council in the reorganization for 2013-2014.

**MR. MURPHY:** Did we lose any jobs here that we know of?

**MR. MCGRATH:** Well, we would not know because that is part of Executive Council now.

**MS KELLAND:** That would come under Executive Council, yes.

**MR. MURPHY:** Okay. Exactly what did they do there? I know the heading says Regulatory Reform. How many people are working there, do you know? Can you recall or –

**MR. MCGRATH:** I cannot say for sure George, maybe three, but I would not want to be quoted as saying definitively three.

**MR. MURPHY:** I will put down three with a question mark. All right, that is great. That is it for that page for me.

General Administration costs, \$1,084,100, you were down I guess to \$651,300 and you are budgeting this year \$572,700.

**MR. MCGRATH:** Where are you gone now, George?

**MR. MURPHY:** Administrative Support, 1.2.03, it says Total: General Administration. I wonder if you might have a breakdown there

that might explain a little bit about that. It does not have a line here. There is no actual number on the line. I am just wondering if it might have given you a breakdown, the addition of all of them.

**MR. MCGRATH:** I am not sure where you are getting that number, George.

**MR. MURPHY:** It just says General Administration here.

**MR. MCGRATH:** Okay.

**MR. MURPHY:** Over on the right-hand column, \$1,084,100. Do you see that, the second-last line item?

**MR. MCGRATH:** Yes.

**MR. MURPHY:** I do not know if you would have any explanation altogether from that. That is just totalled everything here, I guess.

**MR. MCGRATH:** Donna is going to take that question.

**MR. MURPHY:** There you go.

**MS KELLAND:** The Total: General Administration line is the sum of the four activities that occur above that line.

**MR. MURPHY:** Perfect. Okay.

**MS KELLAND:** From the Minister's Office on down to Administrative Support. That is less revenue, so that is where it nets out.

**MR. MURPHY:** Perfect; great. Thanks for that.

I guess we can move on. We are moved on from that subhead, so I was just looking at the Chair. Is it okay to move on to 2.1.01?

**CHAIR:** Oh, sure.

**MR. MURPHY:** Perfect.

In Salaries here, Salaries took a bit of a drop; \$928,500 was budgeted last year, down to \$898,000 actual, and \$762,500.

**MR. MCGRATH:** There is a decrease of \$166,000 there. That is reflected by expenditure reduction measures, the elimination of four positions offset by salary step increases of \$5,500. The four positions were: a Manager, Registration & Enforcement PCN position, an Enforcement Officer Position, and two Clerk Typist III positions. Just for the record, one of the Clerk Typist III positions was not filled.

**MR. MURPHY:** Okay.

Can I ask you some questions with regard to residential tenancies, if you don't mind?

**MR. MCGRATH:** Yes.

**MR. MURPHY:** The Auditor General had an update on the progress of certain initiatives that the department would be undertaking. One of the recommendations was, "The Department should obtain an appropriate computerized database system to meet the requirements of the Residential Tenancies Section, accessible to all regions and capable of generating appropriate reports."

According to the Auditor General's April report, it says it has not been implemented yet. Is there any progress that you can give us on that?

**MR. MCGRATH:** That is something that we are looking at and it is going through a process. That decision has not been made.

**MR. MURPHY:** Okay.

Further over in his report, one of the recommendations, "The Department should ensure performance measures and reporting requirements are established for the Consumer Affairs Division." That has not been implemented yet?

**MR. MCGRATH:** No.

**MR. MURPHY:** "The Department should ensure accountability by addressing the activities of the Residential Tenancies Section in the Department's annual report." No implementation yet?

**MR. MCGRATH:** That is not part of the annual report. We do not do it, no.

**MR. MURPHY:** Okay.

Recommendation 10, "The Department should develop and implement an operating plan for the Consumer Affairs Division." That has not been implemented?

**MR. MCGRATH:** Not yet. Not implemented yet, no.

**MR. MURPHY:** Do we have a time frame on any of these projects?

**MR. MCGRATH:** I would not put specific time frames on it. It is something that the department will work its way through.

**MR. MURPHY:** Okay, so we will check back with you, say, in about three months, maybe, and see if there is any progress?

**MR. MCGRATH:** Next year at the Estimates.

**MR. MURPHY:** Ask you in the House; alright. Thank you, Sir.

To carry on in 2.1.02 Financial Services Regulation – just one final comment on that when you were talking about some debate over regulating of rents and everything, that is probably related. Government may be trying to work some of these programs into something?

**MR. MCGRATH:** That is part of a day-to-day process. These are things that government will look at and hopefully will work through as (inaudible).

**MR. MURPHY:** Any progress on that particular issue with regulating rents?

**MR. MCGRATH:** I would say there is progress every day. Whether the progress is significant enough to register is one thing. It is something that we are working on.

**MR. MURPHY:** How close are you to a decision on that?

**MR. MCGRATH:** We are working on it on a daily basis.

**MR. MURPHY:** I will keep fishing.

**MR. MCGRATH:** There you go.

**MR. MURPHY:** All right. 2.1.02 Financial Services Regulation, Salaries have a bit of a drop from \$1,148,000 down to \$1,058,000.

**MR. MCGRATH:** Yes, in the Salaries you see a decrease. I will give you the breakdown; a decrease in \$90,100 reflects expenditure reduction measures, the elimination of two positions which was \$95,600. The elimination of one position was through attrition, \$35,900. That was offset by lower planned savings in salary step increases, \$41,400. I had an information management technician position at \$38,000, investigation officer at \$57,600. Through attrition I lost a Clerk Typist III at \$35,900.

**MR. MURPHY:** How many people were –

**CHAIR:** Okay, George, I let that go because your time was up but he was answering your question.

**MR. MURPHY:** Okay.

**CHAIR:** Are you just about finished on this one?

**MR. MURPHY:** Yes, I was just about finished on them. I only had two more questions on that. I just wonder how many people overall were working in that department, number 1, and if we are losing any watchdogs here for, for example, payday loan companies?

I would like to ask you the question about payday loan companies. Is government going to be responsible for regulating payday loan companies? I think it would fall under this purview under Financial Services Regulation.

**MR. MCGRATH:** I guess the easiest answer, George, to that question now - and remember that has been brought up in the House - is we do not regulate payday loan companies.

**MR. MURPHY:** Any plans by government to do so, though?

**MR. MCGRATH:** To regulate it?

**MR. MURPHY:** To regulate it.

**MR. MCGRATH:** No.

**MR. MURPHY:** Not going to do it?

**MR. MCGRATH:** Not right now.

**MR. MURPHY:** Okay, all right.

**MR. MCGRATH:** It is not part of our agenda.

**MR. MURPHY:** Just the other part of that question, then: how many insurance, securities, and real estate people do we have out there now who are looking out in this department?

**MR. MCGRATH:** Say it again? How many are we losing?

**MR. MURPHY:** This particular branch, your financial services regulators, you could say. We lost a few here; we lost two. How many were in the department initially?

**MR. MCGRATH:** We will get that information.

**MR. MURPHY:** Sure.

**MR. MCGRATH:** Julian is actually going to answer that question.

**MR. MURPHY:** All right.

**MR. MCCARTHY:** After eliminations, those positions, we will still have eighteen individuals in positions in that particular division.

**MR. MURPHY:** All right; that is it from me.

**CHAIR:** Okay.

Thank you, George.

Randy, back to you, Sir.

**MR. EDMUNDS:** I think as the minister said in his opening remarks, or somewhere in the context of his answers, that we will hear a lot of attrition and lower-cost savings. I have a few questions on Motor Vehicle Registration.

The first question I have – and I suppose I could go through it line by line, but some of them are reasonably significant, but nothing that is majorly significant. I do have a few probing questions.

My first question has to do with the cancellation of the online fee discount. I am just wondering, how much do you expect to make now by cancelling this fee?

**MR. MCGRATH:** The whole purpose of the 10 per cent online discount fee, it was a program that we – that is what you are talking about?

**AN HON. MEMBER:** Yes.

**MR. MCGRATH:** We put that in place as an incentive to get more people to go online. Right now, we are very close to 70 per cent registering online. It was a program that was put there for that reason. We feel the program has served its purpose. We were hoping to get up around 50 per cent, 55 per cent. We are at 70 per cent now, so it has been a very successful program. We think it has served its time.

I do not anticipate that because we take away that 10 per cent discount fee that people are going to go back to standing in a line up for three hours to get their licence. It was a successful program. It lived its life.

**MR. EDMUNDS:** Last year in Estimates I brought up the issue of registration online for people in rural areas, to register online for a half year instead of a whole year. Now, you could do it for a whole year online, but for a half year you could not.

My argument was that it defeated the purpose of registering online, being from a rural area. I think the answer I got from the minister last year was that it would mean revising the software system, but at some point during the course of the session the minister did come back and say that he was working on it and he hoped to have an answer.

It is a year later, so now I am asking again: Is that option available to people in rural areas, to be able to register half-year terms on their vehicles online?

**MR. MCGRATH:** I am going to get Donna Kelland to answer that question because I was not there last year. Donna was there. She can certainly give you a better answer.

**MS KELLAND:** Yes, we have been working with the OCIO on getting that. I think you are referring to the seasonal registration in Labrador, the seven months?

**MR. EDMUNDS:** Yes.

**MS KELLAND:** We are almost there. So I would expect that very shortly we will come to the minister and let him know we are just about ready to put that in place.

**MR. EDMUNDS:** Okay. Thank you.

The next one comes as safety issues, given the publicity that this item is getting, and that is relative to school bus inspections. The question is: How many school buses does the department inspect each year? Do you inspect them all? Do you inspect them twice a year or three times a year?

**MR. MCGRATH:** We inspect all school buses. I think there are two inspections a year required,



but we do three. Legislatively we have to do two, and we do three.

**MR. EDMUNDS:** I am just wondering, given the elements, especially in Labrador sometimes, have there been any issues that have come out of these inspections? Have you been seeing anything that we should be worried about in terms of an inspection every four months that could impact safety?

**MR. MCGRATH:** No. Like I said, we are required to do two inspections a year, we do three. I think one of the inspections is a brake inspection. We do that by our own inspectors. Within that there are records kept of everything. If we do anticipate there is going to be a problem we have the option of going back to our records, but there have not been any major issues. I guess with the 250 compliance, it makes a big difference.

Twelve years is the lifeline that a bus can actually be used for a school bus. A bus can be used for something else after but it would be decommissioned as a school bus after twelve years.

**MR. EDMUNDS:** I have one other question, it is almost a statement. This may not be the right place to do it. It is not accusatory or anything, but with respect to school busing, I think the standards say that if a student lives 1.6 kilometres away from a school he has to be bused. I think the regulation goes on further to say that at minus forty-five that student does not have to wait for a bus.

The reason I am saying that is because in Nain, the most northerly community in our Province, right now the student furthest from that school is 1.4 kilometres, and at minus forty-five he or she does not have to go to school. At minus forty-four he or she has to walk 1.4 kilometres to go to school. I am just throwing that out there as a father because these communities are expanding. I have seen some of these kids going to school – I have seen kids out here dressed warmer in July.

Just to throw that out there as something to think about, especially when you are looking at subdivisions that are coming up further and further and further away. Not to say that communities are probably going to be looking for winter busing because it is not going to happen yet, but it still leaves them at the mercy of the elements for however long it takes a young kid to walk 1.4 kilometres.

**MR. MCGRATH:** It is a good point Randy and I hear you, but it is an issue to be brought up with the Department of Education, actually. That would fall under the Department of Education. While coming from a northern climate myself, I certainly appreciate what you are saying.

**MR. EDMUNDS:** Well, at minus forty-five the buses probably will not start anyway.

Okay, I think that is close enough, Mr. Chair, to the questions I have on Motor Vehicle Registration. I will hand it over to my colleague.

**CHAIR:** Yes, sure. We can go back to George. George.

**MR. MURPHY:** In 3.1.01, a drop in Salaries, line 01, from \$1,358,500 down to \$1,184,900.

**MR. MCGRATH:** Okay. We have a decrease of \$173,600. It is reflected by expenditure reduction measures, and the elimination of three positions. I had two Clerk IV positions that came out, and a Departmental Program Coordinator position.

**MR. MURPHY:** Okay. Transportation and Communications, the expenditure here was up in this line, \$560,900 was budgeted and \$754,900 was spent.

**MR. MCGRATH:** Yes, there is an increase actually of \$194,000. That increase is reflected through anticipated postage and freight costs.

**MR. MURPHY:** Postage and freight costs were up in the revised budget. Okay, all right.

I am surprised at the number here for your postage in this particular department. This would be the administration say, for example, of licence plates, that sort of thing?

**MR. MCGRATH:** Yes, but a good point I have to make here, we had a huge increase in postage here in this department from the online registration of vehicles.

**MR. MURPHY:** Okay. You had an earlier saving, but now things are gone up again.

**MR. MCGRATH:** Yes, but you have to take that into context because although we are paying a lot more money for postage to send out the licences and the registrations, our line ups at the counters are much less.

**MR. MURPHY:** Yes.

**MR. MCGRATH:** One offsets the other.

**MR. MURPHY:** That is kind of what I was pointing at.

**MR. MCGRATH:** I knew.

**MR. MURPHY:** Purchased Services are down in 2012-2013 from the actual that was budgeted of \$2.5 million and anticipated to be up in 2013-2014 to \$1.5 million.

**MR. MCGRATH:** Yes, I had a decrease of \$1,280,000. That is reflected through lower expenditures in 2012-2013 at the Motor Registration Division building renovations at Mews Place.

**MR. MURPHY:** Okay.

**MR. MCGRATH:** There is a \$1,200 carryover into 2013-2014. That was offset by higher vehicle repairs, equipment rentals, and general purchased services.

**MR. MURPHY:** Okay, all right.

Coming back to the highway enforcement personnel, Randy touched on it with buses and

that. I know they have their gas cards, by the way.

**MR. MCGRATH:** Thank God.

**MR. MURPHY:** They got it two days after I put the call out.

**MR. MCGRATH:** The same day.

**MR. MURPHY:** All right.

**MR. MCGRATH:** About half an hour later.

**MR. MURPHY:** Anyway, they got them, so they can go and do their job again.

**MR. MCGRATH:** Well, just for the record, they were never stopped to do their job because there were two different cards. They had a corporate credit card, they had a gas card, they had a petty cash, and they also had the option during that particular time frame to piggyback on one another. So there were four options here.

**MR. MURPHY:** As long as they know that now.

**MR. MCGRATH:** All they had to do was ask the minister.

**MR. MURPHY:** That is okay. It is my job to check.

Having to do with the safety equipment requirements of some of the highway enforcement officers, too, because I did get into a conversation – I have known them for years, by the way. It goes back to the 1990s with me with some of the highway enforcement crowd. I have a lot of people out there who I know because I used to be into busing years ago.

Their safety equipment requirements have changed over the years. I know they are looking for some safety equipment now to guard themselves while they are doing the job. I am wondering if your department is going to be making more appropriations for more safety equipment for the girls and the guys out there.

**MR. MCGRATH:** Well, we have already done that. For example, they have bumper hats now. A bumper hat, just for the record, is a hat that is designed, if they happen to be underneath a vehicle and they happen to bump their head, these bumper hats protect their head. It is not a hard hat; it is a bumper hat. They have the safety gloves, they have the safety vests, and they have the safety boots. There are other requests they have asked for that we have not provided yet, but we feel they are provided right now with more than adequate or at least adequate protection to do their job and do it adequately.

**MR. MURPHY:** Perfect.

So your department will be addressing these concerns in the future?

**MR. MCGRATH:** Well, we always address them. I have an open door policy in my department, and any time an employee has any problems they can either go to one of the department heads or to the minister themselves if they do not get satisfaction. We are constantly trying to improve, especially for the safety of our employees.

**MR. MURPHY:** I will spread the word to contact you directly, Sir.

**MR. MCGRATH:** Not a problem. Well, actually, I have very good staff around me, so I would appreciate it if they would contact the staff first.

**MR. MURPHY:** Alright, no sweat. Thank you for that.

**MR. MCGRATH:** Thank you.

**MR. MURPHY:** Driver Examinations, 3.1.02, in Salaries, \$2.4 million, rough figure, was budgeted for, \$2.318 million was spent, and \$2.343 million budgeted for this year, if I can just get a breakdown of what has happened.

**MR. MCGRATH:** Can you go back to what you gave? Oh, I am sorry.

**MR. MURPHY:** Driver Examinations and Weigh Scale Operations.

**MR. MCGRATH:** Yes, the salaries there, we have a decrease of \$67,500 that reflects planned savings and delayed recruitment. So that saving of the \$67,500 is from a position not filled.

**MR. MURPHY:** We are on Weigh Scale Operations. Can I ask you a question or two about Weigh Scale Operations and about, number one, the hours they are working?

**MR. MCGRATH:** Sure.

**MR. MURPHY:** I am hearing that some of the scales, for all intents and purposes, do not have enough staff. They cannot operate around the clock as in, I do not know, figure out the ones that are closest to the ferries. As you go along, as the truck would roll along, you would need them open at different hours.

Are we having any issues? For example, I have heard a couple of issues with overloaded trucks, possibly. Nothing definite, of course, because we have not weighed them, but the hours of operation for the weigh scales.

**MR. MCGRATH:** I will give you the same answer I gave you in the House of Assembly, I believe: none of what you hear and half of what you see. We watch that very, very carefully with the weigh scales, and it is not a matter of having the weigh scales open for twenty-four hours a day, although we would like to. Strategically, we have our scales open during optimum time. It is something that can change on a regular basis.

So there is no such thing as saying scales at Foxtrap are open 8:00 o'clock to 4:00 o'clock Monday to Friday because you may drive by those weigh scales at 3:00 o'clock in the afternoon and they may be closed. The next afternoon you may go by and they are going to be open. We strategically monitor all of that to get the best service possible.

Also, all of our weigh scale operators have two tools they can use to the betterment of the

conditions. One is the portable weigh scales they can use at any time on the side of the highway or the road. They also have the ability to at any time at all, if they feel necessary, to direct a vehicle to go to a permanent weigh scale. Those are two tools that are in place for the weigh scale operators and the enforcement officers that are very good tools to be able to use.

**MR. MURPHY:** Any issues right now around the Foxtrap scales? I am hearing there might be a problem with some of the scales there. Any plans to put some dollars in there to get them back in shape?

**MR. MCGRATH:** Again, it is like a vehicle; a weigh scale is no different than a vehicle. You have to maintain it because of Mother Nature. Mother Nature is not always the kindest person. We have regular maintenance done on the weigh scales.

I am sure about a month and a half ago you saw and heard there was evidence that the weigh scales were down. We had it fixed very quickly, within a matter of hours. That is, again, an ongoing thing. With the nature of the elements, it is ongoing maintenance every day.

**MR. MURPHY:** Okay, perfect. It was a concern that was brought up to me.

**MR. MCGRATH:** We keep an eye on them all the time and address them immediately.

**MR. MURPHY:** Great, thank you, Sir.

**MR. MCGRATH:** You are welcome.

**MR. MURPHY:** Under 3.1.03, License and Registration Processing, I think I have enough time to get this one answered anyway. Line 06 under Purchased Services, a little bit less expended this year than in most years. I wonder if we can get a bit of a breakdown there. At the same time, maybe you can explain the difference in the salary line here too, line 01.

**MR. MCGRATH:** Okay, I will go with the salary line first. There was an increase in the

salary line of \$122,500 and that reflects a retirement payout of four people between severance, annual leave, and overtime. That is where that came in to.

In line 06, Purchased Services, we had a decrease of \$193,000. That reflects lower than anticipated Moneris and banking fees.

**MR. MURPHY:** Okay. That is great.

Mr. Chair, I diverge to my colleague.

**CHAIR:** Thank you, George.

Randy.

**MR. EDMUNDS:** Mr. Chair, I have asked the questions I wanted to on Motor Vehicle Registration. I could go through the line-by-lines, but the other headings are not that significant in terms of change. I do have a couple of questions in summary. I will offer to my colleague, if he wants to run out the line-by-lines on this topic, I will gladly give him that opportunity. Like I said, I do have a couple of probing questions after we finish the line-by-lines.

**CHAIR:** Do you want to do the line-by-lines on 3.2.02?

**MR. EDMUNDS:** Vital Statistics, Queen's Printer, and Printing and Micrographic Services. I do not see anything there that is (inaudible).

**MR. MURPHY:** Where are you gone, Randy? 3.2.02?

**CHAIR:** Yes, he is gone up to 3.3.03.

**MR. EDMUNDS:** The only question I have, and I am sure George will probably ask it, is based on the number of cuts across this Budget, just to find out exactly where they were cut through in the headings.

**CHAIR:** George, do you want to take it up to there?

**MR. MURPHY:** As far up as 3.3.03.

**CHAIR:** That is what he is saying, yes.

**MR. MURPHY:** Yes, okay, if you are digressing.

**MR. EDMUNDS:** Make sure you ask about the number of cuts.

**MR. MCGRATH:** I just want to interject here; I am getting two different numbers. I got 3.2.02.

**CHAIR:** George is going to take it from 3.2.02 up to 3.3.03.

**MR. MCGRATH:** Thank you.

**MR. MURPHY:** I do not think I had anything missed here in 3.1.04, National Safety Code. There were some things, though, and that is why I was stopping where I was. I still have some other sections before that, Mr. Edmunds, so I do not know if you still want me to carry on?

**CHAIR:** Pardon?

**MR. MURPHY:** In 3.1.04; I think he is under the impression I was going to start at 3.2.02.

**MR. MCGRATH:** God, this is a square dance.

**CHAIR:** Yes, you can ask the question.

**MR. MURPHY:** Okay, so I will carry on from 3.1.04 National Safety Code. I will just carry on.

**CHAIR:** Yes.

**MR. MURPHY:** All right. Professional Services, \$40,000 down to \$20,000.

**MR. MCGRATH:** Line 05, Professional Services, I had a decrease of \$5,000. That reflects spend analysis reduction; it is a positive story.

**MR. MURPHY:** Okay.

The federal revenue amount line 01, \$191,500; the actual that the feds gave was \$574,500. What did that money go toward?

**MR. MCGRATH:** I will get Donna to answer that; Donna Kelland.

**MR. MURPHY:** Sure.

**MS KELLAND:** That is a change in the receipt time when we get the federal money. We have an agreement with the federal government for a certain amount of money every year. Sometimes the payments come into the next fiscal year. That is what happened in this case. There was a renewal of the agreement and the money was late coming.

**MR. MURPHY:** It was delayed and ended up showing up in the books there.

**MS KELLAND:** That is right.

**MR. MURPHY:** Okay, that is great. Thank you.

In 3.2.01 Support Services, a difference in Salaries, I wonder if I can ask you about the number of layoffs in this particular department or vacant positions that were eliminated in line 01. That would probably be explanation as well for the difference in Salaries.

**MR. MCGRATH:** Sure, I have a decrease of \$330,100 there to reflect expenditure reduction measures, the elimination of six positions which was \$293,900, and planned savings of \$36,200. The six positions: Administrative Officer; Clerk Typist III; I had two Regulatory Enforcement Co-ordinators; I had a Waste Management Consultant, and a Senior Engineer.

**MR. MURPHY:** The Senior Engineer, he was the man who might have been doing the building inspections and that sort of thing. We are not losing anything here by eliminating that position are we? A little bit of concern here.

**MR. MCGRATH:** For gender equity, it was a she.

**MR. MURPHY:** Okay.

**MR. MCGRATH:** They just do plan reviews and stuff.

**MR. MURPHY:** Planning reviews, okay.

Further down in that column, Professional Services, \$15,800 budgeted, only \$5,000 spent.

**MR. MCGRATH:** Yes, I have a decrease of \$10,800. That reflects lower than anticipated consultant costs again.

**MR. MURPHY:** The Purchased Services in line 06 is down to \$889,000. I wonder if we can get a breakdown there.

**MR. MCGRATH:** I have a decrease of \$711,000. It reflects a budget forecast reduction of \$24,000, expenditure reduction measures of \$60,000, and the transfer of lease funding for the Mews Place to Finance, which we discussed earlier, and that was \$627,000.

**MR. MURPHY:** Okay, so that was basically savings on rentals that were out there.

**MR. MCGRATH:** Yes.

**MR. MURPHY:** Okay, Allowances and Assistance, from \$154,000 down to \$83,100.

**MR. MCGRATH:** I have a decrease of \$70,900. It reflects expenditure reduction measures, \$60,000 plus \$10,900.

**MR. MURPHY:** Okay, thank you for that.

Regional Services 3.2.02.01, in Salaries again there is some difference, about \$192,200. I wonder, how many positions and what were they?

**MR. MCGRATH:** Okay, there is an elimination of four positions there. It was \$228,400 offset by lower planned savings in salary step increases, \$36,200, giving you your \$192,200. The four positions were: Manager of Operations for inspections programs, Regional Director of Government Services and Lands, Manager of Operations, inspections programs, and the manager position which was vacant. Actually, all four of those were vacant.

**MR. MURPHY:** Okay, but the inspections programs would have to do with what - motor vehicle inspections, or restaurant inspections? What were they?

**MR. MCGRATH:** Just Government Service Centres themselves.

**MR. MURPHY:** Inspectors for Government Service Centres?

**MR. MCGRATH:** Yes.

**MR. MURPHY:** All right. We are good with that.

**MR. MCGRATH:** George, just to clarify that for you, that was streamlining within the management system.

**MR. MURPHY:** Okay, 3.3.01 Vital Statistics Registry, a difference in Salaries here. They spent it looks like to be about \$150,000 more in Salaries over the year. It seems to be back to something resembling close to what was originally budgeted.

**MR. MCGRATH:** Yes, what we have there is an increase of \$150,000 which was retirement payouts, higher temporary salaries, and a reclassification.

**MR. MURPHY:** How many positions did we lose here, or just retirement payouts?

**MR. MCGRATH:** In that I do not think we lost any positions there? No.

**MR. MURPHY:** Just payouts to people who retired.

**MR. MCGRATH:** Yes, and I should just mention there that these numbers reflect on the Qalipu Nation in Vital Statistics. We had extra people there because we wanted to get all the birth certificates out there. Once we reached the deadline, that made a difference with us.

**MR. MURPHY:** When it comes to the Qalipu then, we are talking about 70,000 people who are still waiting.

**MR. MCGRATH:** Yes, that is a federal issue. Once the feds make a decision there we will certainly accommodate them, as the Premier said the other day. If the federal government makes a decision that they are going to accept more applications, we will do our best as a provincial government to accommodate them with the materials that we are responsible for.

**MR. MURPHY:** Okay, so no sign of anything on the horizon from the provincial government?

**MR. MCGRATH:** You know as much as I do.

**MR. MURPHY:** All right.

**MR. MCGRATH:** Right now we are just waiting to see where the federal government will go.

**MR. MURPHY:** It is a guessing game with them, okay. Just down to federal revenue portion, then, I guess that probably explains the \$590,000 versus the \$9,200 in the year that was originally budgeted?

**MR. MCGRATH:** Yes, you have a decrease of \$50,000 there. That reflects lower than anticipated revenue from the recovery cost for the secured shipment of certificates to Vital Stats clients.

**MR. MURPHY:** Okay, that is great.

**MR. MCGRATH:** Sorry, George, I answered that question wrong. I read the wrong line out. You were talking about the federal revenue?

**MR. MURPHY:** Yes.

**MR. MCGRATH:** Sorry. There was an increase there of \$580,800. That reflects higher than anticipated revenue from agreements with the federal government. That was for a new computer system for Stats Canada with Service Canada and the CI.

**MR. MURPHY:** Okay, perfect.

**MR. MCGRATH:** I apologize for that.

**MR. MURPHY:** No sweat.

Where am I? 3.3.02, no, that looks fine there. We did not lose anything in jobs there for the Queen's Printer, obviously.

**MR. MCGRATH:** No.

**MR. MURPHY:** It is still there. That is great.

3.3.03, Printing and Micrographic Services, \$965,000 down to \$855,700.

**MR. MCGRATH:** Yes, I had a decrease of \$109,300. That was the elimination of three positions, \$161,200, and that is offset by Budget forecast adjustment to \$51,900. The three positions were: a printing press supervisor, a printing press worker, and an administrative officer. I think some of that was done through attrition, was it not, Donna? One of those positions was done through attrition.

**MR. MURPHY:** One gone through attrition, okay.

I think that is pretty much it for that section.

How many people overall in printing?

**MR. MCGRATH:** Just again, George, I am sorry, for clarification there, there were two through attrition of those positions.

**MR. MURPHY:** Two through attrition and one through layoff?

**MR. MCGRATH:** Yes.

**MR. MURPHY:** Okay. What was I asking then? How many people overall working in Printing and Micrographic Services? Do we have a number there?

**MR. MCGRATH:** We will get that for you now: twenty right now.

**MR. MURPHY:** Twenty positions there, so about 10 per cent or 15 per cent of the force.

**CHAIR:** Is that it for that one, George?

**MR. MURPHY:** Yes, I am pretty much done for that particular section.

**CHAIR:** Randy, you had some questions?

**MR. EDMUNDS:** Yes.

**CHAIR:** Right now he is up to 3.3.03, and just finished off on that one.

**MR. EDMUNDS:** The question I have, last year on August 1 an order came from Service NL to remove the Englee fish plant based on environmental issues. The company did not do it. The government ended up doing it. So I am just wondering what the actual cost was?

The second part to that question is, seeing that the order was given to the owners who did not do it, was there any cost of recovery after the plant was removed?

**MR. MCGRATH:** Two questions there: first of all, it was in excess of \$1 million for the remediation; and we are still in the process of cost recovery there.

**MR. EDMUNDS:** You say you are still in the process of cost recovery. My question is: What recourse does the government have to recover the costs?

**MR. MCGRATH:** The recourse right now is to go through the courts and I think that is self-explanatory as to the amount of time that can take, but we are in that process right now.

**MR. EDMUNDS:** Mr. Chair, those are the questions I had.

**CHAIR:** Do you have anything left on 4.1.01 in that section? We are going up to 4.2.02, are we not? Do you have anything there?

**MR. MURPHY:** Can I just ask one question about the Englee plant before we go on?

**CHAIR:** A question on what, pardon?

**MR. MURPHY:** On the Englee plant.

**CHAIR:** If you have no questions on this, Randy.

**MR. EDMUNDS:** Just to quickly go through, the questions are pretty general.

On the cuts there, I noticed your salaries are a big increase.

**MR. MCGRATH:** Are you on 4.1.01 there, Randy?

**MR. EDMUNDS:** Yes, I am. Line 01, Salaries, a fairly substantial, if not significantly substantial, increase from what your revised budget was last year to what you are allocating for this year, \$750,000 or somewhere around there.

**MR. MCGRATH:** Two things there. First of all, there is an increase of \$79,600, which reflects higher budget in 2013-2014 Budget due to net change in staffing with the creation of positions for offshore legislative requirements. Secondly, there is a decrease of \$682,000, which reflects lower salary costs due to staff turnover, vacancies, delayed recruitment relating to hard-to-fill positions, as well as less overtime than anticipated.

**MR. EDMUNDS:** So probably an increase in staff in this department?

**MR. MCGRATH:** Yes.

**MR. EDMUNDS:** That brings it up to? What is the total number now?

**MS DUNPHY:** Those new positions have yet to be counted; however, we have fifty-four permanent positions and four temporary currently, without the addition of that position.

**MR. EDMUNDS:** I think that was all I had on section 4, actually. I will have some closing comments. I am interested, and maybe when George gets there, in an update on Assistance to St. Lawrence Miners' Dependents, section 4.2.01.

**CHAIR:** Minister.



**MR. MCGRATH:** You want me to answer that now?

**MR. EDMUNDS:** If you can, yes.

**MR. MCGRATH:** Yes. I am not quite sure what your question is.

**MR. EDMUNDS:** I am just asking for an update on the assistance program.

**MR. MCGRATH:** That particular assistance program was designed, as we all know, after many years of negotiations. You are seeing some differences there now, as people die off, and that sounds terrible.

**MR. EDMUNDS:** I understand.

**MR. MCGRATH:** As people do expire, you see the payouts going down. Is that the question you are asking?

**MR. EDMUNDS:** Yes, I am just looking for an overall update on the process.

**MR. MCGRATH:** Yes, and that is basically it. The program is in place. There are no changes except when someone deceases. I cannot think of a nice way to say that. They go to a better place. Then they come off the program, needless to say. What you will start seeing in that program, eventually, are continuous decreases.

**MR. EDMUNDS:** I am sure you have a list of how many there were. The question would be how many are left?

**MS DUNPHY:** No, I do not have a total number. It is in the ballpark of around seventy to about 100 people. I could do a head count, but it would take a little while. That is in the ballpark. It is not a large number.

**MR. EDMUNDS:** Okay.

**CHAIR:** That is it?

**MR. EDMUNDS:** Yes.

**CHAIR:** George, back to you, Sir.

**MR. MURPHY:** Thank you, Sir.

There is not much left here now, actually. I want to come back to the Englee plant, and the land. When do you plan on putting that back towards the guides, if you will, of the town?

**MR. MCGRATH:** Well, we have a request right now from the town for that to go back, as I am sure you know through your colleague. As long as it is within the court system, for cost recovery purposes, in order to continue that process we cannot surrender the use of the property because technically the property still belongs to the owners. So through the cost recovery process in the court system, we cannot give permits for use of the land until a closure comes to the court case.

**MR. MURPHY:** Understandable, I guess. It is going to take a little while, probably.

The other question I had, I know that Minister Davis dealt with part of the security issues around the Abitibi mill. I still like to think, while there is a presence there amongst the Nalcor people, government should have more people there, knowing that the fire chief of Grand Falls was talking about the risk of the building. Does government have any plans on putting more people there as security? I guess that would be falling under your purview.

**MR. MCGRATH:** We are watching that on a day-to-day basis. We are very aware of what is there and of any risks. We monitor it, like I said, on a regular basis. If we feel it is necessary, that there are dangers there, then we will certainly take a look at that.

**MR. MURPHY:** Thanks for that.

Another question around holdings ponds, the inspection of dams, and that sort of thing; in this particular case, I think it was Gullbridge had the mine. The tailings dam broke and we ended up having a bit of a spill that almost cost the water supply in South Brook. I am just wondering about the inspections of old mining sites that are

out there. That would probably fall under your purview as well.

That is not your department?

**MR. MCGRATH:** That is Environment.

**MR. MURPHY:** That is through Environment, is it? I should have directed my question over there when I had the chance. I thought it was yours.

I see nothing else right now.

**MR. MCGRATH:** Randy, I would just like to go back to St. Lawrence. I feel that I did not answer your question. I am wondering: Were you expecting me to comment that there would be an increase there?

**MR. EDMUNDS:** No, I was just a bit surprised at the amounts that are budgeted for and I was a little bit more amazed at the number of people who were still in the system.

**MR. MCGRATH:** Okay.

**MR. EDMUNDS:** Once you take the ballpark figure that we were given, and take the amount that is budgeted for, it just seems –

**MR. MCGRATH:** Low?

**MR. EDMUNDS:** Lower than (inaudible).

**MR. MCGRATH:** The payouts are low; the payouts are very low. Again, that was something that was negotiated. I did not feel I gave you an appropriate answer there, so I wanted to go back there. The payouts are very low, but again that was the negotiated cost. It is not something that will be renegotiated.

**MR. EDMUNDS:** Yes.

**MR. MCGRATH:** Once there was an agreement met, it was met.

**MR. EDMUNDS:** I think, Mr. Chair, this about clues it up.

**CHAIR:** Okay, Randy.

George, what about you?

**MR. EDMUNDS:** I just wanted to –

**CHAIR:** Yes, we will just see if there are any more questions.

**MR. EDMUNDS:** Okay.

**MR. MURPHY:** No, Mr. Chair, I do not have anything else here. It is just a quick thank you for the staff for your time. I know some of you did not have to answer a single question tonight. It is great to have you here. Thanks for the job that you are doing, again.

I know that you have a good minister. I like to hold a candle under his feet sometimes, but I know, for example, we are going to see the Highway Traffic Act changes this time round. He is a really nice, easy fellow to talk to. Sometimes a little bit hard to get a hold of, but other than that he is very reactionary and I like that in a minister.

I want to thank him as well for the job that he is doing. It is a hard purview, sometimes, when you are pulling on that oar. I am looking forward to working with him on the changes to the Highway Traffic Act coming up. I presume before the House closes this session we will have that legislation on move-over laws coming in.

**MR. MCGRATH:** Is that a question?

**MR. MURPHY:** Yes, a bit of a question too, at the same time. It kind of reminds me of something else that I would like for the minister to check out too when it comes to workplace health and safety, and that is the other thing that was in my notes. I do not know if this is factual or not, so I am going to bounce it off you, but there are some work sites out there that have younger people operating heavy equipment. That is out there, I presume?

**MR. MCGRATH:** When you say younger people?

**MR. MURPHY:** I will say, without a driver's licence.

**MR. MCGRATH:** It is certainly not to our knowledge. If that was something, we would not accept that. I have no problems putting that on record.

**MR. MURPHY:** Yes, I do not have any problems with you making changes to the law if it is not covered under the law. I would like it, if you could, to just check out the law on that. I have been looking and I cannot seem to find it. I do not know if it would be under Occupational Health and Safety Act, Highway Traffic Act, or what purview it would fall under. When it comes to kids operating heavy equipment on job sites, I have heard of one case in the last little while where there have been underage people doing that.

**MR. MCGRATH:** I will check it out, George.

**MR. MURPHY:** If you would.

**MR. MCGRATH:** I will see if I can find out the facts and act accordingly.

**MR. MURPHY:** I thank you for that. Have a good night.

**CHAIR:** Okay Randy, back to you, Sir.

**MR. EDMUNDS:** Okay, Mr. Chair, thank you.

Thank you, Minister, and your staff, and please give my appreciation to the staff who left earlier. Where George holds a candle on your (inaudible), how many times did I hold a blowtorch?

I do thank you. As we go on into this process, I am sure there will be more questions coming up, but there is a time and there is a place for it. Again to your staff, thank you.

Those are my concluding remarks, Mr. Chair. Thank you very much.

**CHAIR:** Okay, we will call for the subheads of Service Newfoundland and Labrador.

**CLERK:** Subheads 1.1.01 to 4.2.02 inclusive.

**CHAIR:** Shall 1.1.01 to 4.2.02 inclusive carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

On motion, subheads 1.1.01 through 4.2.02 carried.

**CHAIR:** Shall the total carry?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Okay, now shall the total for the Department of Service Newfoundland and Labrador carry?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Okay.

On motion, Department of Service Newfoundland and Labrador, total heads carried.

**CHAIR:** I missed one.

Shall I report the Estimates of the Department of Service Newfoundland and Labrador carried without amendment?

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Okay.

On motion, Estimates of the Department of Service Newfoundland and Labrador carried without amendment.

**CHAIR:** Before I call for adjournment I would also like to thank the minister, his staff, the ones who have already left, and our Committee, always great, and the questioners. Our support at the Clerk's table here is always great.

Our next meeting for Government Services will be on Tuesday, April 30 at 6:00 p.m. That will be the Public Service Commission.

That being it for this evening, I will call for a motion for adjournment.

**MR. POLLARD:** So moved.

**CHAIR:** Moved by Kevin Pollard; seconded by Paul Lane.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Thank you.

On motion, the Committee adjourned.