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**Proceedings of the Standing Committee on
Resources**

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Department of Fisheries and Aquaculture

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Honourable Paul Lane, MHA

RESOURCE COMMITTEE

Department of Fisheries and Aquaculture

Chair: Mark Butt, MHA

Members: Elvis Loveless, MHA
Riley Balsom, MHA
Fred Hutton, MHA
Keith Russell, MHA
Joseph Power, MHA
Sheilagh O'Leary, MHA

Clerk of the Committee: Bobbi Russell

Appearing:

Department of Fisheries and Aquaculture

Hon. Loyola O'Driscoll, Minister
Keith Sullivan, Deputy Minister
Scott Jones, Assistant Deputy Minister, Fisheries and Aquaculture
Debbie Marnell, Director of Communications
Brad Noftall, Departmental Controller
Dr. Daryl Whelan, Director, Aquatic Animal Health
Joan O'Driscoll, Executive Assistant
Sara Rideout, Media Relations Manager

Also Present

Sherry Gambin-Walsh, MHA
Jeff Dwyer, MHA
Hal Cormier, MHA
Jim Dinn, MHA
Margot Pitcher, Official Opposition Caucus
Dave Hamlyn, Official Opposition Caucus
Steven Kent, Third Party Caucus

Pursuant to Standing Order 68, Sherry Gambin-Walsh, MHA for Placentia - St. Mary's, substitutes for Fred Hutton, MHA for Conception Bay East - Bell Island.

Pursuant to Standing Order 68, Jeff Dwyer, MHA for Placentia West - Bellevue, substitutes for Keith Russell, MHA for Lake Melville.

Pursuant to Standing Order 68, Hal Cormier, MHA for St. George's - Humber, substitutes for Joseph Power, MHA for Labrador West.

Pursuant to Standing Order 68, Jim Dinn, MHA for St. John's Centre, substitutes for Sheilagh O'Leary, MHA for St. John's East - Quidi Vidi.

The Committee met at 9 a.m. in the House of Assembly Chamber.

CHAIR (Butt): Order, please!

Before we start, I'll announce the Committee substitutions: The Member for Conception Bay East - Bell Island will be substituted by the Member for Placentia - St. Mary's, the Member for Lake Melville will be substituted by the Member for Placentia West - Bellevue, the Member for Labrador West will be substituted by the Member for St. George's - Humber and the Member for St. John's East - Quidi Vidi will be substituted by the Member for St. John's Centre.

About halfway, an hour and a half into it, we'll be taking a 10-minute break. A reminder for Members and department officials that each time you speak, wave to identify yourself, wait for the tally light to come on and say your name and position each time you speak for transcription purposes. Please do not make adjustments to the chairs. Water coolers are located in the four corners of the Chamber, and glasses are provided next to the coolers on each side of the Speaker's Chair.

Now I ask the Committee Members, substitutions and caucus employees to introduce themselves, starting with the row closest to the Chair.

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

M. PITCHER: Margot Pitcher, Researcher at the Official Opposition office.

S. GAMBIN-WALSH: Sherry Gambin-Walsh, MHA for Placentia - St. Mary's.

D. HAMLYN: Dave Hamlyn, Researcher, Opposition office.

J. DINN: James Dinn, MHA for St. John's Centre.

S. KENT: Steven Kent, Researcher for the Third Party office.

J. DWYER: Jeff Dwyer, MHA, Placentia West - Bellevue.

R. BALSOM: Riley Balsom, MHA Carbonear - Trinity - Bay de Verde.

H. CORMIER: Hal Cormier from the scenic District of St. George's - Humber, MHA.

CHAIR: I now ask the department officials to introduce themselves, starting with the minister.

L. O'DRISCOLL: Loyola O'Driscoll, MHA for Ferryland and the Minister of Fisheries and Aquaculture.

K. SULLIVAN: Keith Sullivan, Deputy Minister of Fisheries and Aquaculture.

S. JONES: Scott Jones, Assistant Deputy Minister of Fisheries and Aquaculture.

D. WHELAN: Dr. Daryl Whelan, Director of the Aquatic Animal Health Division and Chief Aquaculture Veterinarian.

S. RIDEOUT: Sara Rideout, Media Relations Manager.

D. MARNELL: Debbie Marnell, Director of Communications, Fisheries and Aquaculture.

B. NOFTALL: Brad Noftall, Departmental Controller.

J. O'DRISCOLL: Joan O'Driscoll, Executive Assistant to Minister O'Driscoll, Fisheries and Aquaculture.

CHAIR: Before we start with the Estimates review process, the Committee will now consider the minutes of the previous meeting.

If there are no errors or omissions, I ask for a mover for those minutes.

R. BALSOM: So moved.

CHAIR: Moved by the Member for Carbonear - Trinity - Bay de Verde.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, minutes adopted as circulated.

CHAIR: We will now proceed with the Estimates review process. Once I ask the Clerk to call the first subhead group for this head of expenditure, I will proceed to recognize the minister, who will get 15 minutes for opening remarks. Then, I will proceed to introduce the first responder and questioner from the Committee, who will get 15 minutes for questions in the first round. After the first round, questions will proceed in rounds of 10 minutes each, alternating between Members of the Committee.

I now ask the Clerk to call the first subhead.

CLERK (Russell): 1.1.01 to 1.2.03 inclusive, Executive and Support Services.

CHAIR: Shall 1.1.01 to 1.2.03 inclusive carry?

I now recognize the minister for his opening remarks.

L. O'DRISCOLL: Thank you, Chair. Thanks everybody.

Before I begin my opening, highlighting some of the areas of focus within the department, I would like to note that the department has changed since last year and became a stand-alone Fisheries and Aquaculture. For comparison purposes, the 2025-26 Estimates have been adjusted to show what the budget would look like if the Department of Fisheries and Aquaculture had existed as a separate department that year. The amounts were removed out of the former department of Fisheries, Forestry and Aquaculture to reflect this change. This makes it easier to clearly discuss what is included in the 2026-27 budget for Fisheries and Aquaculture.

The fisheries industry is a vital part of Newfoundland and Labrador's economy, culture and identity. Fisheries and Aquaculture are key priorities for our government. It's a priority for me, as well, as a long-time resident of Bay Bulls. I've known the fishery all of my life, and I'm pleased to sit here today as the stand-alone minister responsible for these vital industries.

As a stand-alone department, our government is placing a greater focus on growing our traditional fishery, recognizing the potential of aquaculture and strengthening the industry, supporting rural jobs and long-term economic growth. I'm sure everyone in the House Chamber will agree, the fishery has shaped our province for generations. This cornerstone industry is woven into the identity of Newfoundland and Labradorians and continues to sustain the heart of rural communities.

We've seen the industry grow and evolve over the years, generating over a billion dollars annually and employing over 16,000 workers in 400 communities. The province's aquaculture is also growing, employing over 500 workers and generating over \$450 million last year, the highest economic value in the history of the sector.

Newfoundland and Labrador is recognized for having a world-class aquaculture regulatory framework that emphasizes environmental protection, aquatic animal health, transparency and accountability. Through modern legislation oversight, we'll continue to develop Newfoundland and Labrador's aquaculture industry responsibly and sustainably. Our aquaculture industry brings immense value to our province. From providing employment and driving economies to producing sustainable food products and supporting innovation, aquaculture is helping to create a resilient future for our province.

We're committed to supporting the aquaculture industry by maintaining our world-class regulatory regime which balances protecting the environment and sustainable growth of the sector. To support our commitment to build a robust fishery that creates jobs and stimulates economic growth in rural Newfoundland and Labrador, *Budget 2026* is investing \$4.75 million in multi-year funding to assist with adding value to products harvested, identifying new markets and increasing the value of the sector.

For the past number of years, Newfoundland and Labrador supported and invested in the Atlantic Fisheries Fund to help meet growing global demands for sustainable-sourced, high-quality fish and seafood products. It supported over 300 groundfish projects, over 100 shellfish projects and approximately 50 aquaculture projects in the province. As you're aware, the federal government recently confirmed their commitment to the fish and seafood

sector for the renewal of the fisheries funding, which we are very pleased to learn.

The Premier and I have raised this with both of our federal counterparts on several occasions, so this is positive news for Newfoundland and Labrador. Our first meeting with the Eastern Fisheries and Aquaculture ministers regarding negotiations of this new fund/agreement was held last week. We met in Boston, as well, when we were down at the Boston seafood show with the minister. We're all eager to work together with the federal government to develop this new agreement.

As stated in the Budget Speech by my colleague, Minister Parry, we're increasing our engagement with federal counterparts in development and management of our province's historic cod fishery. Our cod has the largest biomass of any cod stock in the world of 540,000 metric tons.

We're seeking greater flexibility with our food-fishing scheduling, including an expanding season, additional fishing dates which will allow people to fish in safer, more favourable weather conditions. This will also help address cost-of-living pressures.

The recent scientific data on Northern cod is positive. We're asking the federal government to work with us in expanding the fishery to seven days a week over the summer months and help reclaim part of the fisheries heritage. We're also committed to sustainability. We appreciate the value and the balance and we will also work to ensure we continue to build value for commercial harvesters.

We're committed to joint control of the fisheries while maintaining control of the processing sector. We're pleased with the announcement from the Government of Canada regarding the lowering of tariffs on seafood products exported to China. We will work on trying to get more as well. The higher quality seafood products exported from Newfoundland and Labrador

contributed \$1.7 million to our provincial economy in 2025. Approximately 220 million was exported to China, making that our second largest export destination. We also recognize the importance of the Chinese market for cold water shrimp, turbot, whelk, sea cucumber and encourages the federal government to emphasize market access for seafood in discussion with the Chinese government.

We continue to be committed to working closely with our stakeholders to build a strong fishery – one that creates jobs, supports harvesters, processors and plant workers and drives economic growth in Newfoundland and Labrador.

Before I finish and move on to the questions, I'd like to thank my department since moving in here six or seven months ago for all the diligent work that they've done over the last few months. Their expertise is appreciated and I do thank them for their efforts.

Thank you.

CHAIR: I now call on the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: First of all, I thank the minister and his staff for allowing us this opportunity to pose some questions and seek clarification on some matters as it relates to Fisheries and aquaculture. As the minister said, he takes pride in the fact that he is Fisheries Minister. So did I when I received the call and asked if I would go into Fisheries. My mother nearly had a heart attack, but my father was very proud.

Minister, the stand-alone Department of Fisheries and Aquaculture, this is not the first time it's been stand-alone Fisheries and Aquaculture. It's happened before. I wasn't elected when it did, but I was a staff member. Having it as a stand-alone Department of Fisheries and Aquaculture should bring benefits in terms of focusing on the fishery.

As you can appreciate – and I know the guy that's sitting to your left can appreciate – we can have all the experience we want, there are still challenges in terms of dealing with the fishery. The crab fishery opens every year with heads butting and no resolve. It's unfortunate that it happens.

Hopefully, this year it started – Minister, you escaped it this year, for sure –

AN HON. MEMBER: What a minister.

E. LOVELESS: Yes, what a minister, right.

I wouldn't wish the pressure or what I went through a couple of years ago. Seriously, I wouldn't wish it on anybody because, at the end of the day, we want people on the water, fishing early. Because early is the lucrative part of any fishery. We need to get it going but I say, with all the levels of interest in the fishery, it is always going to be a challenge. My colleague to the right, she'll speak to that, I'm sure, as well.

Minister, I'm just going to start with a couple of questions and I'll go into a couple of lines around the Executive subhead there. In Boston, you said you met with your counterparts on the Atlantic Fisheries Fund.

L. O'DRISCOLL: Yes, we did. We had a meeting.

E. LOVELESS: Because I understand that Quebec and a couple of provinces met with the minister. Were you at that meeting?

L. O'DRISCOLL: I was, yes.

E. LOVELESS: Okay.

In terms of in that meeting, what sense did you get? Because there's been a lot of talk and we can talk all we want, but I think fishermen – and not just fishermen because FFAW and I think about Alberto Wareham availed of the Atlantic Fisheries Fund. What he's got out there is a Cadillac service; I've been in his plants several times. The

importance of Atlantic Fisheries Fund is beyond important.

What sense do you have that there's going to be a renewed program? Because I don't think there's any forecasted or budgeted money from the province for the program. If the province comes out today with a program, is the province ready?

L. O'DRISCOLL: I would say in Boston we met with all the Atlantic ministers. We met with the federal minister as well regarding the AFF; that was one of the meetings that we had. They came back and I don't mind saying that there was a 70-30 split on that from federal to provincial. That wasn't on the table. That was the first thing they told us.

So we've been working on that, what it's going to be. The deputy has been meeting on that since we came back. I'm anticipating, in the next month or maybe a little more, that we'll see the final result of that. We're looking for that for sure. It's something that we've been pushing for and then we have to obviously go through our government to make sure that it fits and we're there, but we're certainly pushing it.

E. LOVELESS: I can't stress that because I know when we go to federal meetings, the other Atlantic provinces and everybody, we spoke as one voice.

L. O'DRISCOLL: Yes.

E. LOVELESS: And in stressing to the federal government that this Atlantic Fisheries Fund is beyond important. All levels of government talk about marketing and quality of product. Well, the results of the Atlantic Fisheries Fund investment gives you higher product quality. I'll park it at that and hopefully we'll be hearing positive news on a new Atlantic Fisheries Funding program.

Moving into the Executive and Support Services, 1.1.01, Minister's Office, budgeted

last year was \$82,600 and you spent right on the dot, or the department did and this year you're estimating \$212,800. What are those salaries for, Minister?

L. O'DRISCOLL: What I read here is variance due to department restructuring and the creation of the new department and it's a part-year budget for 2025-26.

Anybody got anything to add to that?

E. LOVELESS: So the \$212,800 represents salaries for who and, in that amount, were there new hires?

L. O'DRISCOLL: In that, there is minister, executive assistant, deputy secretary and parliamentary secretary – four positions.

E. LOVELESS: But parliamentary secretaries are not paid?

L. O'DRISCOLL: No, it's listed as in there. Minister, executive assistant and deputy secretary in those positions.

E. LOVELESS: The deputy secretary, her salary is in that \$212,000?

L. O'DRISCOLL: Yes. The department secretary is my secretary.

E. LOVELESS: Right.

On Transportation and Communications, last year there was \$8,600, an increasing of \$59,000. What's your intent to spend under Transportation and Communications of \$59,000 when in '25-'26, it was \$8,600? I'm assuming the \$8,600 is just what was spent on Fisheries and Aquaculture last year, correct?

L. O'DRISCOLL: The variance is due to department restructure but can you add to that, Brad?

B. NOFTALL: That's the money they moved from Forestry to Fisheries to be projected this year. The breakdown of what

it's going to be spent on, I don't have that information with me, but there's a new minister, there's a new secretary and there's a new executive assistant who all will have travel this year that were not in the Department of Forestry.

E. LOVELESS: If I may ask, just back to Salaries, so \$82,600 represented whose salary?

B. NOFTALL: The \$82,600?

E. LOVELESS: Right.

B. NOFTALL: I would think there was no minister of Fisheries last year, so that's not included. It was probably a portion of the minister's salary for the year, once the department was created.

E. LOVELESS: Okay.

B. NOFTALL: Where the department was created part way through the year, the salary of the new department, the minister and the executive assistant, it would only have been a half year.

E. LOVELESS: So January to –

B. NOFTALL: Yeah.

S. JONES: I just want to clarify for the Member that Brad has become the Departmental Controller since the separation of the two departments. So the previous Departmental Controller was the lead on the separation of the two departments and the funding.

Just to let you know that, in Brad's response, he's aware of what was documented on file. He did not actively participate in the separation, but the process, it's my understanding, was to transfer the funding – because all the positions were, as you can imagine, were related to the three branches that turned into two separate departments and then the addition of a Lands Branch. So the only

funding that was really left for Fisheries and Aquaculture side related to the administrative support that was in Fisheries, Forestry and Agriculture at the time.

So the minister's secretary that had been in Fisheries, Forestry and Agriculture stayed in the Department of Fisheries and Aquaculture and also some other administrative salary support, as well as what was stayed in the department, representing that \$82,600.

E. LOVELESS: No, I appreciate that. I appreciate anyone going into it and dividing up departments, it can be time consuming and everything else, but I'm seeking clarity on that \$82,600. I know what the minister's salary is of the \$82,600 and it's not \$82,600. So I'm just wondering what that \$82,600 represents and is the minister's salary in the Forestry Estimates or in these Estimates?

S. JONES: The minister's salary for 2025-26 would have been in Forestry, but the number for '26-'27, in that \$212,000, reflects the new minister's salary.

E. LOVELESS: Okay.

Moving on to 1.2.01 Executive Support, again Salaries. "Appropriations provide for the planning and direction of the Department, including the establishment and evaluation of policies and objectives."

Budgeted amount in 2025-26 was the amount that was spent, and revised is the same thing, but in 2026 we're estimating much more, close to a half a million dollars more. Can someone explain that, break it down and tell us exactly what positions are being represented under the \$882,100?

L. O'DRISCOLL: Well, I'll start. The variance is due to the creation of a new department and rightsizing the budget to ensure the department is appropriately resourced. The positions were deputy minister, two ADMs, two communications staff, and two administrative support.

If you want to expand on that, I'm not sure if that answers it.

E. LOVELESS: Again, we're talking about budget and revised numbers that occurred between January and September; I'm correct in saying that, am I?

L. O'DRISCOLL: Yes.

E. LOVELESS: Again, the \$346,700, if I'm looking at it correctly, I guess it has doubled because it's going to be a full year \$882,000. Can we get that list that you have? I'm assuming we'll have a binder at the end, will we –

L. O'DRISCOLL: Yes.

E. LOVELESS: – or a thing to plug into your device?

S. JONES: The revised and the budget is as though the Department of Fisheries and Aquaculture existed from April 1, 2025 to March 31, 2026.

E. LOVELESS: A full fiscal year.

S. JONES: So not the January through to September aspect.

E. LOVELESS: Yes.

S. JONES: That would reflect a full 12-month budget in revised.

E. LOVELESS: Yes.

Okay, moving on to 1.2.02, Salaries again, just for you to explain it. Budgeted and revised and what is being estimated this year is over \$300,000. Can you tell me what salaries and positions fall under that amount of money?

L. O'DRISCOLL: Do you want to go ahead there, Scott, again on that one?

S. JONES: Okay.

Again, that's reflective of the separation and creation of a Policy division specifically for Fisheries and Aquaculture. The new funding, the \$625,000, includes a director because the original director of Policy went to Forestry, Agriculture and Lands. We had to create a new director of Policy in Fisheries and Aquaculture, and it reflects five Policy and Planning staff, including a manager, and two other positions that are currently contractual. As the process moves forward, there are positions to be classified, and then those contractual positions are eliminated.

E. LOVELESS: Okay.

Under Revenue - Provincial, there was nothing budgeted last year and you have a revised amount of almost a million dollars, and you're only estimating that you're going to get \$2,000 this year. Why the difference in that number? Where's that revenue coming from?

B. NOFTALL: Are you asking the difference between the revised and the budget or the estimates?

E. LOVELESS: The Revenue - Provincial, what is that provincial revenue? There was nothing budgeted last year. In terms of budgeting for revenue, I'm just wondering where that revenue is coming from? You received almost a million dollars last year, and now you are only estimating that you're going to get \$2,000? Where is that revenue coming from? Why is there such a big difference being estimated for this year?

B. NOFTALL: As you know, the revised is a projection that was projected in February or March. With the creation of the department and separation from Forestry, this projection actually belonged to Forestry for the pay back of some loan.

That should probably be closer to the \$2,000 that's projected for next year. That's not what it's going to be –

E. LOVELESS: My time is up, but I'll seek clarification –

B. NOFTALL: That won't be the actuals at year end; that was what was projected at the time.

E. LOVELESS: Okay.

CHAIR: The Chair recognizes the Member for St. John's Centre.

J. DINN: Thank you, Chair.

With regard to the discussion around new hires, if I understand it correctly, the increased salaries and the budget line, these are all brand new positions that have never existed. They're not just people moved from one department to another, they're actual additions, correct, new hires or maybe brought in from outside?

S. JONES: For the Policy division, the Executive Support and for the minister there are some positions that carried over, that transitioned from the former, larger department into Fisheries and Aquaculture, but there are substantial amount of new positions as well, for us to make a brand new minister, a brand new deputy minister and a new ADM specific to Aquaculture, eventually, and a brand new policy director and some other policy staff.

As you get further along in the Estimates themselves, the divisional staff that existed in the previous branch of Fisheries and Aquaculture, all transitioned into the Department of Fisheries and Aquaculture. So you will see less of that substantial increase in the new salary funding.

J. DINN: Thank you.

So how many new staff have been hired; not the ones carried over, but brand new positions that have been hired as a result of the creation of this stand-alone department? I think you talked about aquaculture advisors and so on and so forth. I'm just

trying to get an idea of what is the total number.

S. JONES: To date, the only new positions have been the minister, the minister's EA and the deputy minister. They are still moving through the various competition processes to fill other positions. There have been no temp assignments that have moved into those positions. It's all just through the appropriate PSC competition for officials and the appropriate process then on the executive side.

J. DINN: Thank you.

How many new positions then are anticipated other than the three you listed? I think you said there are various competitions, so how many brand new hires is the department anticipating hiring?

S. JONES: So while there will be an anticipated ADM for Aquaculture, subject to the completion of the appropriate competition process, and a new director of Policy and Strategic Planning, again, subject to the competition process, there are various other positions as well, specifically in the Policy division, that have to go through government's classification process before the competitions can be held. That process is to be completed first before we fill those positions.

J. DINN: Those classification processes, they're just trying to determine what the job is, so it's not going to be a case of transferring people from the previous department to this department or from another department? Will they be brand new people that you're looking at hiring?

S. JONES: Yes. For most of them, that will be the case.

I think we mentioned that there are a couple of contractual positions that would have opportunities, but either way, as a position is classified, it's mandatory that they be posted for competition under the Public

Service Commission rules. Each position would have to be posted for competition either internally, within government, or externally, subject to the rules of the collective bargaining agreement.

J. DINN: So what I'm after is, with all that in mind, like the minister's EA and deputy ministers, there are various competitions and there is a reclassification process. In total, then, how many new positions are going to be needed for this brand new stand-alone department, roughly?

S. JONES: Roughly, 10.

J. DINN: Ten. Okay.

How many people, then, are currently employed in the department in total? Are there any positions vacant, excluding the ones that you're trying to hire?

B. NOFTALL: We currently have 100 funded positions and 85 of these are filled.

J. DINN: Thank you.

So the 15 that aren't filled, they're not the new ones that you're looking to hire; these are the ones that are long standing. Would that be correct, they've been vacant for a while?

S. JONES: Yes, that's correct.

J. DINN: What is the range of length of vacancies? Is it a month, two months or a year? How long have they been vacant?

L. O'DRISCOLL: We can get you that information.

I know that some of them are hard to fill and then some from the previous. We'll get that information for you. Some of them have been hard to fill, Labrador, St. Anthony area, so we'll certainly get you that information, how long they've been vacant.

J. DINN: That's where I was going with it, the length of the vacancy and then I was trying to understand the reason for it; because, we find also, in the Estimates for Labrador Affairs, when you look at the vacancies, again, mostly in Labrador. I'd argue that in Education you're going to find hard-to-fill positions again in Labrador, so there's a trend.

The other part of it is, what's being done to fill those vacancies, incentivize people to actually do the work there, live there or to go and work? Is there an approach, maybe like what the nurses are doing right now, or trying to do with government, in terms of like a fly-in locum or that kind of thing so you have ways of addressing it?

It seems Labrador comes up quite a few times and across departments. That's where I was going with it.

L. O'DRISCOLL: I would say, as well, when I was on the Opposition and asked that question, it used to concern me, the number of vacancies, as well and why they were vacant. That was certainly something that I've dug into since I've got here, how do we fill them. We have to, obviously, send people to certain areas to do whatever work is required, so that was certainly a concern that we've been looking at, for sure, but we'll get back the timeline of what it is.

J. DINN: Perfect, and unfilled vacancies also impact or interfere too with the work, I would say, of the department itself. That's why I was trying to figure that out.

On to 1.2.02, Policy, Planning and Administration, the Professional Fish Harvesters Certification Board has noted that recruitment to the commercial fishery workforce is lagging. Some of this might have to do with the lack of a viable career path, as younger people see the cost of acquiring a fishing enterprise remains prohibitively high.

Are there any policies in development that would address these issues and maybe attract more people into the professional fishery workforce? Maybe that's not an issue at all, I don't know.

L. O'DRISCOLL: I'll let my deputy speak to that. He's certainly familiar with it, for sure.

K. SULLIVAN: I guess, first of all, obviously, the Professional Fish Harvesters Certification Board is an agency under our responsibility. We have a relationship with them and continue to discuss how to get new people into the fishery. Obviously, they have the expertise on that board; some appointed from the industry, particularly, to kind of guide how they do that work. It's certainly been an ongoing debate.

Much of it is to talk about how many people are available to get access to licences but, the other thing, obviously, you know there are other impediments as well. I guess a lot of the work that we focused on is making the fishery more viable overall as a career that people can aspire to, but we work with the Certification Board and look at some additional opportunities throughout the department, like if there are possibly funding programs and other things like that to help harvesters. We know of things, like the Member previously mentioned, the AFF, for example, that can help young harvesters as well.

CHAIR: The Chair recognizes the Member for Placentia - St. Mary's.

S. GAMBIN-WALSH: I have some policy questions.

I want to ask the minister about processing activity in the province this particular season. Are companies currently being allowed to export unprocessed snow crab outside Newfoundland and Labrador for processing?

L. O'DRISCOLL: No. They did have a right to but we took back their outside buyers.

They had a processing licence and outside buyer's licence, we took back the outside buyer's licence. If they want to ship out, they can apply for an exemption to ship out for some unforeseen circumstance.

S. GAMBIN-WALSH: So, to date, no raw or unprocessed crab has been shipped out this season. Is that correct?

L. O'DRISCOLL: Not from the processors, no. Outside buyers is a different story.

S. GAMBIN-WALSH: Okay.

L. O'DRISCOLL: Not that I know of, anyway, that they've reported.

Am I right in saying that we have none from the processors right now, that they've requested an exemption? All right.

S. GAMBIN-WALSH: Okay. Thank you for that.

This question relates to fish processing licences that become inactive due to circumstances such as plant fires or closures. How long will government allow a processing licence to remain dormant before action is taken?

L. O'DRISCOLL: Well, we've certainly have been looking at it. Obviously, we had a fire in St. Mary's. I'll just explain that one if you want? I'm sure it's in your district.

We've issued the licence back to them; they had intentions to go to some other spots to try to process their product. That's with them now, and we'll see where that goes. Hopefully, they can supply work to those people in the areas, and that's what they're trying to do to make sure they keep their product and keep their fishermen to be able to process their product.

S. GAMBIN-WALSH: I know there was a policy of two years of inactivity, but I know there were circumstances that you went outside the two years of inactivity.

How many years can an operator hold an inactive licence now before the licence must be either reactivated or surrendered anywhere in the province?

L. O'DRISCOLL: I'll say that they've got to have a certain amount for two years and, if there's nothing within two out of those five years, if that's not there, then we've acted on that on one occasion for sure. If they're not processing, that's something that we'll be looking at.

S. GAMBIN-WALSH: So I guess it's safe to say that a re-evaluation will be done after five years to look back to see if they've processed in two of the last five years?

L. O'DRISCOLL: Yes, that's right.

S. GAMBIN-WALSH: Okay.

L. O'DRISCOLL: Scott will add to that, as well, if he can.

S. JONES: There are two processes or policies, whichever you'd like to say, one is if a processing plant goes two years in succession without any processing, then their licence is cancelled, subject to an appeal that they may want to make, and then the other one is two out of five years.

S. GAMBIN-WALSH: Have you activated the two years in succession without activity in recent years?

S. JONES: We've actually issued some letters this past winter.

S. GAMBIN-WALSH: Okay.

My next question for the minister relates to crab processing licences and their historical attachment to communities. Traditionally in Newfoundland and Labrador, processing licences were connected to specific communities because they supported local employment and regional economic activity.

Can the minister indicate whether government still intends to maintain that community-based approach to processing licences for historical and regional economic reasons, or is government moving toward a model where processing activity could be more broadly distributed and no longer tied to communities or regions?

L. O'DRISCOLL: Well, we react to licences as they come. I mean, if there is a request for a crab licence or whatever licence that may be, we react to it.

The process that we've set up this year, in regard to a conditional licence, that's for people that are interested in getting into the business. It's hard to build a plant and be able to do all that work and not know if you're going to get a licence.

So we'll give them a conditional licence based on what they're trying to do and help them try to get their funding or whatever they're trying to do, basically in that way, on a conditional licence.

S. GAMBIN-WALSH: Okay, so now that you mentioned the two new processes that are out, I did review them and I just want clarification. One of them is for an individual to get verification from the department so they can bring the form to the bank or to the funder; would that be correct?

L. O'DRISCOLL: Well, it's a part of the process. I mean, it's hard for them to go invest in the business, in the fishery, without knowing that they're going to have a licence. It's not necessarily a licence; it's a conditional licence for them to be able to bring forward, yes.

S. GAMBIN-WALSH: Yes, I just found it a little bit confusing. I know the dollar amount that it costs to build a plant is significant. So if somebody starts to build a plant, there is an expectation that they're going to continue and get a licence to process.

L. O'DRISCOLL: Yes.

S. GAMBIN-WALSH: I was looking at the application, the conditional one, and I was thinking to myself, will the funders actually accept this as a guarantee that that individual is going to get a licence if they fund them? Because, as we know, banks are pretty stringent and difficult to convince.

L. O'DRISCOLL: Yes.

S. GAMBIN-WALSH: So has anybody used that application yet and had success with it?

L. O'DRISCOLL: Go ahead, Keith, yes.

K. SULLIVAN: Yes, on the microphone just so you can hear.

There has been no specific applications under the conditional licence, but it has been very new, of course, just in the last month or so, I suppose.

S. GAMBIN-WALSH: I'd be interested to see how the funder is going to react to that particular application.

L. O'DRISCOLL: Scott as well, then.

S. JONES: The application itself is designed so that an applicant, before receiving this conditional facility licence, has to meet, basically, all the same criteria as if they are receiving a new licence and already had a plant in existence. Because, to your point, we wouldn't want to set up an investment in the facility and then they not meet certain criteria after the fact and we would not approve their processing licence. Most of the criteria is still mandatory.

One of the ones that is not for the conditional facility licence, for argument's sake, is CFIA registration number, because that would not be able to be obtained anyway until after the plant is processed.

We're still requiring most of that anyway, so that would mitigate the risk of unable to issue the actual processing licence, once the facility is built.

S. GAMBIN-WALSH: So with the conditional, they would have to have a disposal plan in place? Disposal of shell and stuff like that, would that have to be in place at that point?

S. JONES: That is required as part of the development of the plan but what we do require in the subsequent licence – and they're fully aware of it – is that what we now require as opposed to the full waste disposal plan, as part of the streamlining process, is that we receive that third party verification from the applicable authority that the waste disposal plan that the company has meets the regulatory requirements of, be it the municipality, Department of Environment, Department of Government Services and so on like that.

It's basically down to, well, you need to do this anyway, in order to operate, so it's not to put the extra onus on them to create more red tape.

S. GAMBIN-WALSH: Yeah, it's a pretty serious application in other words.

That just kind of brings me to the comment of build it and you get it.

L. O'DRISCOLL: I'll explain. With our meetings and the groups that we met, they come out and said build and you get it. It is not just that you're going to get a one-page application and get it. It was more to it than that and we clarified that. That's not what we said.

It's what left the meeting, but we came back and clarified to them that it's still a rigorous process that goes through our department that we'll make sure that we're doing it proper and doing it right. It's not a one-page application, you come in, build it and you get it. No, it's a process and we're trying to cut down on some of the red tape but it's not build it and you get it; they still have to give us the proper information, as Scott was just describing that time.

If the application is not done right, we have to go back and ask them for more information. It is a good process.

S. GAMBIN-WALSH: Okay, thank you very much.

I'll leave my next question until the next time.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: I know the Member for St. John's Centre asked about the new positions created for the department, and I think you might have said there were 15 that were not filled. Could we get a breakdown of what those positions are, if they're fish inspectors or whatever the case may be?

L. O'DRISCOLL: Yes, we can certainly do that. We'll get that for you.

E. LOVELESS: I don't know who would want to answer this, in terms of the salaries, and even in your office, Minister, were there any increases in the salaries from last year's salaries?

L. O'DRISCOLL: I'm going to say no, but I'm going to see if – Scott, do you have any answer to that?

S. JONES: Could you clarify? Do you mean (inaudible) –?

E. LOVELESS: Take, for instance, the minister's EA or whoever, to use as an example, was there an increase in the EA salary from last year to this year?

S. JONES: No. They would have been paid whatever they are on the respective pay scale type thing that would align with government's pay scales.

E. LOVELESS: Okay, so following policy guidelines in terms of if there's –

S. JONES: Yes. Oh, yes. It would have followed the Treasury guidelines.

E. LOVELESS: That would be based on person's experience and how long they've been in the system and all that stuff, but there wasn't an outright decision made that we're increasing his or her salary by \$10,000?

S. JONES: No, it all has to follow Treasury Board guidelines for salaries.

E. LOVELESS: Okay.

There was a mention of the Professional Fish Harvesters Certification Board, and I would say the minister and your department has heard of the name David Boyd for sure. If you haven't, then you're not doing your jobs.

David Boyd, a very passionate individual in terms of transferring a licence to a family member. For me, when I was in the minister's chair, I butt heads with the Professional Fish Harvesters Certification Board because – and I know the minister can appreciate this – it's too long and there are too many roadblocks for fishermen getting in the industry, young people.

I can't remember, because I'm getting older now in my mind, but, obviously, there's a requirement for entering into the fishery. David Boyd's problem was that the person that he wanted to transfer the licence to didn't have enough time in the fishery but had, as far as I'm concerned, a sufficient amount of time. Those were changes that need to happen, but I couldn't make the changes myself. I remember the last conversation I had, we butt heads, and for good reasons, but a respectful conversation.

So have there been any changes or are there going to be more changes? There are young people that are pleading to get into the industry but some have kind of just thrown up their arms and said, no, I'm

moving on. It's just too hard to get into the industry.

What's your take on that, Minister?

L. O'DRISCOLL: Well, reading through, 75 per cent of your revenue has to come from fishing, and that was one of the issues with that. Speaking to the deputy only last week on that, you know, it's something that we've been looking at. It's something that we haven't dug into yet, but it's something moving forward.

In speaking to him, again, he has lots of knowledge on that from coming from the Fisheries, but I'll let Keith, if he wants to, delve into that a little bit more.

K. SULLIVAN: Yes, obviously a lot of history with this in previous careers and everything as well, but even now, from the current perspective I guess, we do have that Professional Fish Harvester Certification Board in place. We all know that a number of people who are delegated there are professionals and leaders in their own respect of the fishery themselves, you know, many appointed by the union representing them. That board, the autonomy for them to decide, with the input from the different expertise, ultimately, the harvesters themselves are deciding what direction the fishery should take.

I do know it's a constant battle and discussion between making sure new people can get in easily, but, quite frankly, on the other end, the big concern people would have heard about are these controlling agreements and people who are not invested in the fishery. So if people are not involved in the fishery and that 75 per cent requirement to say you're not a professional fish harvester, then can you be a banker from Wall Street? Can you be a teacher in St. John's? Can you be an engineer offshore? So there's no legitimate connection to it. It is a tough balance, and we're certainly committed to making sure that young people can get in, because we

know it's a challenge, as the minister has said.

E. LOVELESS: I think that can be the solution but it's going to take some political will, and I didn't have a chance.

To be honest with you, I was kind of frustrated when I left the department with that. I didn't have a chance to move forward with it but I said I'm going to do whatever is necessary. If it means going to Cabinet to make the changes, then we need to go to Cabinet to make the changes.

I understand the 75 per cent and I understand your argument about, I think you used lawyers or teachers or whatever the case may be, we get that, but this was borderline – there was no flexibility in the ruling at all, which really frustrated me and frustrated people like David Boyd and others in the industry. This other individual was willing to leave their place of employment to focus on the fishery, yet, again, he could not because of that 75 per cent. I was like – I won't use some choice words that I used but, anyway, you get the point.

L. O'DRISCOLL: Yes, I do.

E. LOVELESS: With your deputy and having that experience, do it and I think you will see a difference in numbers in terms of younger people in the industry, because sometimes you have to do the right thing.

I think younger people, even though they don't have the 75 per cent, are they close to that and what their intentions are, that should be put in the flexibility of the Professional Fish Harvesters board restrictions or regulations or whatever the case may be.

So I'll leave it at that on that section, and I'm good.

CHAIR: Any further questions?

The Chair recognizes the Member for St. John's Centre.

J. DINN: Thank you.

The last I was looking at was how do we make the profession, the fish harvesters and that life, more attractive, more viable and attract new people. I've never been a fish harvester myself, but I know I've taught enough –

E. LOVELESS: Lots of time.

J. DINN: I had lots of times and, trust me, you would not want me handling fish in a commercial way. I'm good with my own.

But I taught in enough and worked in enough small communities to know it's a hard life, it's a dangerous life – it's a rewarding life too – and I can see the attraction of it.

I think the deputy minister said that there is a need to make it more viable. As a person who has that experience and a former president of the FFAW, I'm just wondering if there is one thing that could be done or a couple of things that could be done to make this practical, things that government could do make the profession more attractive for people to enter into.

L. O'DRISCOLL: Well, I can say from my perspective – I've been in here now six months – obviously with the House starting and trying to get set up in the department, we've had these conversations over the last month. There are a lot of things to get at, obviously, but I'm certainly interested in how we can get more young people into the fishery. That's something that we've had the discussion on in our board meetings and it's something that we can hopefully move forward.

I heard the MHA for Fortune Bay - Cape La Hune say that it's something that we will look at, and he wasn't there long enough, obviously, like he said, to be able make a

change. We're only here six months, but it's something that we will be looking at.

If my deputy has anything to add to that, I'll certainly let him jump in there for sure.

K. SULLIVAN: Yes, you did mention, and we've had the discussions in the last couple of months – I think it's broad obviously – making it viable. One thing the minister has talked about is making sure we're engaging the stakeholders because, like I said, we recognize that those people have ideas on how to make it safer, or better, all those things.

I'll just leave it there.

J. DINN: Okay.

Related to that, and maybe not related to that, I look at controlling agreements. I know that was an issue with the union and probably still is but, at the time, there was federal legislation that prohibits fish harvesters from entering into these controlling agreements. They can be penalized under that, but I understand there needs to be provincial legislation to govern the fish processors so that they can't enter into these controlling agreements, which I would say makes it very difficult for a fish harvester to be truly independent.

I'm wondering here in terms of the department, any intent to bring in legislation that might mirror the federal legislation regarding controlling agreements as it applies, let's say, to processors so that they can't enter into them as well?

L. O'DRISCOLL: Do you want to take that, Keith?

K. SULLIVAN: I can just speak to it generally. The jurisdiction for licensing of the harvesters is with the federal department, ultimately, and in the best position to be able to deal with it. Obviously, the changes they made to the act a while

back gives them an opportunity to be able to do that.

I don't know if the minister wants to add anything else, but I understand it's a concern for the industry still. It's talked about recently in Ottawa, the Canadian Independent Fish Harvesters and the FFAW made that representation to those in Ottawa, and rightfully so.

J. DINN: If I may, as I understand it – and this is from discussions with the FFAW in previous elections, making sure I had understood it, because I had been approached by them as well. Right now, the province issues the licences to the processors. They're the ones that have control of this. While the federal government has no control over the processors, to make it effective would need mirroring or similar legislation from the province as it relates to the fish processors.

While the federal legislation would prevent fish harvesters from entering into it, provincial legislation would prevent fish processors also from entering into these controlling agreements.

I guess the question I'm asking is, is there any intention or interest by the provincial government to bring in legislation that is part of licensing that regulations that the fish processors would not be able to enter into controlling agreements?

L. O'DRISCOLL: That'd be something that would be concerning. We wouldn't want to see that happen for sure. I mean, it's something that we can bring back – and have we had a chance to do it? I'd be frank that not yet, but from you asking that question, that's something that we will certainly look at in the department, for sure.

J. DINN: Thank you. I appreciate that.

Would it be possible, in a general way, to give us some general stats around the Harvester Enterprise Loan Program?

S. JONES: That's a program that's within Energy and Mines. Even though it refers to the Harvester Enterprise Loan Program, it existed in the previous Industry, Energy and Technology Department so when that split up into Jobs, Growth and Rural Development and Energy and Mines, that program went to Energy and Mines.

J. DINN: Thank you very much.

That's it for me on that section.

Thank you.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Just one quick question. On the Professional Fish Harvesters Board, who is on that board? Does anyone from the harvesting section represent?

K. SULLIVAN: I don't have the details of it right in front of me now but the majority are fish harvesters and the FFAW appoints fish harvesters, generally leadership. There's a co-op position. DFO has somebody on there. Our provincial government has somebody on there. The Marine Institute – so it's a broad representation but the majority is from the harvesting sector.

E. LOVELESS: Okay.

In terms of that loan board, so that's still in existence as it was when it was announced?

L. O'DRISCOLL: The Harvester loan board you are saying?

E. LOVELESS: I think it was like Harvester something – it was the loan program that we brought in –

S. JONES: The harvester –

E. LOVELESS: Yes, the Harvester loan program. We still had to go to the bank and

all that stuff. There were some enticements for harvesters as well.

S. JONES: Yeah, I wouldn't be able to comment on the program parameters where it's in another department, the approval process and what they do.

E. LOVELESS: Okay.

Minister, you might want to get it up to your department.

At the time the funding arrangement had to go through IET, the department that was with us, but I think it should be brought into Fisheries and Aquaculture, as far as I'm concerned. It's the financial component side of it.

L. O'DRISCOLL: Well, moving into this, I would say, some of the questions that I've asked in the department, are in other departments.

E. LOVELESS: Yes.

L. O'DRISCOLL: I'm learning that as I go. You would think, when you're asking about the Harvester loan board, it would be here. That is just some of the stuff that you learn as you go at this, so I understand where you're coming from.

E. LOVELESS: But in terms of how many harvesters is it helping and stuff like that, it's something that you guys need to have that information, right?

S. JONES: I would expect that the rationale is that the continuation of that program there is because that is where the business analysis expertise rests, as opposed to the expertise in Fisheries and Aquaculture is on the licensing and the inspections and the aquatic animal health and that kind of thing.

I would, again, expect – but, I mean, you have a valid point – the industry development officers that administer the Harvester loan program also administer

other similar programs for other industries. I would expect that is why it's where it is.

E. LOVELESS: Yes, and just one final point on that. That program was developed directly coming from listening to the industry and FFAW. Listen, I think that's a good thing, but I know there are harvesters in my district trying to avail of it, facing some challenges.

I think, overall, they certainly said it's a good program because it provides them good options. I know there were enticements. If you received a loan and you paid it off in a certain amount of time, you got so much discount, and that was enticing for them. So it was a good program, and hopefully it does continue.

I'll have to ask the Mines and Energy Minister about that next week or the next week after, so that's good for me on that section.

CHAIR: Any further questions?

The Chair recognizes the Member for Placentia - St. Mary's.

S. GAMBIN-WALSH: Thank you, Chair.

I just want to add my two cents to the transferring of licences because I know your government is working on red tape reduction. I do know of a specific case where an individual fished the entire fishing season but went to Alberta in the off-season, and made more money in Alberta than he did here in Newfoundland, so the red tape in this transferring of licences prevented his father from transferring the licence to him. There are little things like this; there has to be exceptions in this transferring of licences.

L. O'DRISCOLL: Well, I will say that, we will bring that back and discuss it.

Again, we've had conversations in the last month on this but I will certainly bring that

back and have that deep discussion. I did have people ask me when I was in the Opposition about that, and Minister Pardy as well when he was over there. He did a petition on it as well.

It's certainly something that, again, we will dig into and see where we can go with it.

S. GAMBIN-WALSH: I certainly hope to –

L. O'DRISCOLL: Hold on now. Keith?

K. SULLIVAN: I'll just add just one point of clarity on that. Over time, the Professional Fish Harvesters Certification Board have had that 75 per cent, and it's not annual anymore; it's within the fishing season. It's a little bit of flex. Obviously, if you went, from October or November to the spring, somewhere else, that should not impact you if you're fishing during the fishing season and your income during that time just comes from fishing.

So it is some flex, but I understand your point certainly.

S. GAMBIN-WALSH: Okay.

Just to pivot to a completely different thing, has the department discussed and/or considered companies freezing whole cod and shipping it out of the province?

L. O'DRISCOLL: Have we discussed it?

S. GAMBIN-WALSH: Yes.

L. O'DRISCOLL: It's a processing licence that they have and what they do. We want to process as much here as possible but, being in Boston, I can say that, meeting with people down there and buyers, the big demand right now is head on gut out.

I mean, we got Alberto Wareham who is doing as much fish as he can get, and that's what we want to see. We'd like to see more plants here do the full processing but sometimes the market, that's not what they

want. It is something that we want to see here, and it's something we're keeping an eye to.

S. GAMBIN-WALSH: Okay.

Can you confirm that the Fish Processing Licensing Board is still operating, it's not dismantled, and how long do you anticipate it to continue to operate if it is still operating?

L. O'DRISCOLL: It's still operating right now. There are people who applied for licences, and they had the option to pull back their licence and let it go through our department if they wanted. Some people availed of that; some people didn't. I'm going to say that most people did?

Yes, they pull it back and go through the department.

We still go through a thorough evaluation of that to make sure that everything is followed and the procedures are followed. So that board is still there.

S. GAMBIN-WALSH: So it's not accepting any more applications, would that be correct?

L. O'DRISCOLL: Well, most people will come through our department now, so that's where it is.

They're coming through our department right now for applications; they're not going to go through the board application. They have a choice when they're in there to take them back and go through our process, and that's where it has been right now. We haven't had any more go through the board, no.

The ones that are there, if they want to, they can leave them there; they go through the board and go through the process, and, if not, they can pull them back and go through our department and it's still a process. It's not a build-it-you-get-it process.

S. GAMBIN-WALSH: So, just for clarity, the board is not accepting any new applications? Applications now have to come in through the department; would that be correct?

L. O'DRISCOLL: That is correct.

S. GAMBIN-WALSH: Thank you.

That's all for me.

CHAIR: Any other questions?

Seeing no further questions, I ask the Clerk to recall the subhead.

CLERK: 1.1.01 to 1.2.03 inclusive, Executive and Support Services.

CHAIR: Shall 1.1.01 to 1.2.03 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, subheads 1.1.01 through 1.2.03 carried.

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: 2.1.01 to 2.1.05 inclusive, Fisheries.

CHAIR: Shall 2.1.01 to 2.1.05 inclusive carry?

I now call on the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: I'll start with 2.1.01, Marketing and Development.

Again, Salaries budgeted for '25-'26, there was an increase of the revised amount, but

the estimated amount is less than the revised. I'm just seeking some clarity on why there's more this year than was budgeted last year in terms of the estimated category?

L. O'DRISCOLL: The variance is due to payouts associated with retirement of a former director for the \$804,900 amount. Under the Estimates '26-'27, the variance is due to the creation of a new department and rightsizing the budget to ensure the department is appropriately resourced.

E. LOVELESS: Okay.

Revenue - Provincial, there is none estimated but last year the department received \$810,000, where did that come from?

L. O'DRISCOLL: The variance is due to repayment of an unused grant issued to the Association of Seafood Producers in a prior year related to a snow crab marketing campaign.

E. LOVELESS: So it was an unused amount of money for the marketing campaign?

L. O'DRISCOLL: Yes.

E. LOVELESS: Okay, but you're not moving that forward to this year?

L. O'DRISCOLL: Not according to this, no.

Anything to offer there, Scott, on that?

S. JONES: When funding comes in, it goes into the full Consolidated Revenue Fund; it doesn't go specifically to the department.

E. LOVELESS: Okay.

You announced money for marketing for crab, correct?

L. O'DRISCOLL: We announced money for marketing for crab?

E. LOVELESS: Yes, in your budget, you had over \$2 million announced for marketing. Was that specific to crab?

L. O'DRISCOLL: Let me see here.

The seafood development program is \$200,000 – sorry, I'm trying to find the stuff, as you know – and the seafood marketing support is \$2.29 million, not specific to crab, overall in general.

E. LOVELESS: Not specific to crab?

L. O'DRISCOLL: No, seafood marketing support.

E. LOVELESS: So the \$810,000, I'm assuming, was moved into that \$2.9 million, correct?

L. O'DRISCOLL: Do you have that answer, Scott?

S. JONES: Yes.

The revenue and expenditures doesn't work that way. That \$810,000 would come in and just go into government's general Consolidated Revenue Fund, but it would be, from a fiscal perspective, built into government revenues when it thinks about what is our source of funding to fund programs, in general, throughout government. The \$810,000 would not necessarily be reflected just in the funding for Fisheries and Aquaculture.

E. LOVELESS: Okay.

S. JONES: But to your point, I guess, in substance, that \$810,000 went in to fund some kind of program within the '26-'27 budget. So it's just as easy to say, yes, it was incorporated in this. You just can't trace where that \$810,000 went specifically.

E. LOVELESS: In terms of the marketing, I know that was something that was negotiated when I was there with FFAW and everyone in terms of putting some money

into the marketing of crab. So what you're telling me is the program that you're announcing this year, \$2.9 million, is a seafood marketing program; not specifically for crab, that would include any species?

S. JONES: In the spring of 2025, the then-minister announced a Seafood Marketing Support Program of \$5 million, which was funded from the funding that had originally been allocated for this crab quality marketing funding to ASP. The minister, at the time, cancelled that program, subject to the authority within the contribution agreement and required the repayment of that \$810,000 that was unused by ASP.

During the preceding last budget process that, as you can see in there, the \$5.2 million from last year, that \$5 million was the use of that previous seafood quality funding for, instead, a full Seafood Marketing Support Program, supposedly at the time to be in a response to the United States tariffs that may have existed.

E. LOVELESS: Okay.

Previous amounts for simplistic purposes is \$5.2 million and this year is \$2.9 million, so a difference of about \$2.2 million. Where did that \$2.2 million go? Are you telling me that's gone back into general revenue again?

S. JONES: Of the \$5 million, only approximately \$250,000 – if you look in the revised \$450,000 there, \$200,000 of that is the seafood development grant, so the other \$250,000 relates to that \$5 million Seafood Marketing Support Program. There was only that \$250,000, so \$4.75 million was not spent.

The department, through the budget process, requested and were approved to have that \$4.75 million carried forward to be utilized in a broader Seafood Marketing Support Program, reflective of the industry needs and the feedback that we received during the implementation and

administration of the Seafood Marketing Support Program.

It was announced by Minister Pardy in the budget that \$4.75 million would be utilized over two years, so \$2.3 million this year and then \$2.3 million next year.

E. LOVELESS: In terms of that program – I am just seeking some clarity in terms of who can apply for that marketing. Is FFAW going to be able to apply so they can market cod, they can market crab, they can market shrimp? Who are the applicants that can delve into that fund?

S. JONES: We're still developing the program because, as we go through this Estimate's process, we get approval for the budget. We are working on, again, in consultation with the industry stakeholders as to what that program should look like and the eligibility criteria and the stakeholders that can avail of it.

L. O'DRISCOLL: So there was \$5 million starting off and resulting in the narrow parameters, there wasn't really a big uptake on this when it was there. They didn't meet industry needs and low uptake. There were 11 projects that were funded.

As the minister of a new stand-alone, we're prioritizing that into the industry. As it said, the minister had announced \$4.75 million, \$2.4 million and \$2.3 million over the next two years to move this on but there was very low uptake, based on the parameters that were there on it before. They couldn't qualify and didn't fit, basically, that was the problem with it.

E. LOVELESS: Okay.

L. O'DRISCOLL: So we're working on that, obviously, to make not easier but to be able to use that funding, obviously.

E. LOVELESS: We know there's a budget and forecasted amount for a program, but we don't know what really is in the body and

the content of the program yet is what I'm hearing, right?

L. O'DRISCOLL: Yes, that's correct. Are we right in saying that or – I mean we got some parameters but we're trying to make it so that we can utilize this money and the parameters that were there were not easy to use and they just couldn't qualify. Now we're looking at that and that was one of our things that we're doing.

Is there anything that you need to add to that, Scott?

E. LOVELESS: No, I can appreciate that.

It's like any program; there's no perfection in announcing any program. If you put it out there and it doesn't work, hey, –

L. O'DRISCOLL: Try to revamp it.

E. LOVELESS: Well, exactly. If it doesn't work, then it doesn't work.

There's only a couple of seconds left. I do have more questions, but I'll just hand it over to others.

CHAIR: The Chair recognizes the hon. Member for St. John's Centre.

J. DINN: Thank you, Chair.

I think the minister talked about the Boston seafood, cod, I guess, head on, gutted. I know that was the main market, too, in aquaculture. A lot of fish were shipped out head on, gutted.

I do remember my first year teaching in Burin, like the fish plant there, I don't know if it was secondary or tertiary but anyway it was making products and the place was booming. I do remember Trepassey when I taught up there in '82, '83, the fish plant – it wasn't just the fish, but the plant itself. Trepassey is a ghost town now compared to what it was. It was a booming place.

I guess where I'm going with this, the question I did have here, I do remember years ago there was a deal with China – I don't know how long ago – that we were shipping a lot of our small fish over to China to be processed so that they could actually turn it around and sell it back to us cheaper than what we could do it here.

However, I'm a big believer in, if it's our resource, we get the maximum benefit out of it and not just ship it out head on, gutted or shipped away. There has to be some way of making sure that we can process it and market it here, value added or whatever you want to call it.

Before I get to this question here and relate it to China, I'm just wondering, what initiatives or what plans or what strategy would you have to make sure that we're not just the harvesters of fish and hewers of wood and we're just shipping the raw resources out – and even in your discussion with the other players at the Boston seafood show and others say no, here's what we can offer. I'm just wondering what are the plans in the department?

L. O'DRISCOLL: Well, obviously, we have a minimum processing requirement here. That's something that's key for here. We are not in the intentions of sending fish out with head on and gut out. That's not the intention. We want it processed here, and that's what we're going to do.

It's value added, as you just said, and we want that to happen here in the province. The least amount that we can send out – and sometimes it's what the market asked for, but we need more plants and more people invested to do that as well.

The plant in Arnold's Cove is state of the art when it comes to fish processing. The number I heard – and I will visit this place once we get out of the House of Assembly – is 98 per cent of the fish is utilized. It's a pretty big number. If we can get more of that happening here in the province, and with

our cod coming on and with the biomass being so good, I mean it's there to be able to take that and process it, and that's what we want to do for sure.

J. DINN: Thank you.

I'm glad to hear that 98 per cent of the fish is utilized. There was a friend, he actually moved here from Cuba, but when it came to cod, with the food fishery you know what happens is that most of the fish is filleted and most of it is chucked over the wharf.

It's interesting that just about every part of the cod is eaten. So they didn't throw away anything. I guess if we can get to that level where we can find markets, then it's fine. I mean, right now, cod tongues have become a delicacy in many places, cheeks, the whole britches, you name it, everything is finding greater use for it, and even the cod eyeballs, apparently. I haven't yet gotten to that stage, but who knows.

L. O'DRISCOLL: No, me either.

J. DINN: I might try it one of these days.

Here's my question, and you can correct me if I'm wrong in this, are there any initiatives planned to help our fishing industry diversify its dependence on sales to China? In the context of what we've seen in the last year, we can see the shocks when trade can be weaponized against us either by the US or by China if you look at the agriculture, I think there's a lesson to be learned, that we need to diversify and protect ourselves.

L. O'DRISCOLL: No, we certainly need to diversify.

Being down in Boston was eye-opening. It was my first time down there to the fish show, and I know that the minister was down there one other year as a Member, we were in the House of Assembly and you were attending a show.

It's eye-opening to go down there to see the vast fishery all over the world. They're crying out for product, obviously. It's something that, for me, was eye-opening, I have to say; dealing with all the different parities who were down there and watching them go around trying to buy the product and negotiate product. It was enlightening, as a minister, to go down there and see it.

That's something that we need to diversify. We need to be able to get it to different markets, no doubt about it. Us being there as a province and being able to set up a stand there – people coming over looking to buy your product, and you take their information and they put it on to processors that are trying to get to these markets – it was interesting. I was never aware of it, to be truthful, until I went there. It was eye-opening.

J. DINN: Thank you.

Minister, I'm always supportive of going to seafood shows or anything that expands our profile. It's always beneficial to a former minister and a current minister.

I'm just wondering, from your experience at the Boston Seafood Expo and from your point of view, are there places where we could expand, things that you have taken back that we could be doing better or markets that we could avail of. Is there anything in particular that stands out or trends?

L. O'DRISCOLL: Well, when I was there, obviously, we were at the opening of it. We had meetings scheduled during the day; I did meet with a broker there that gave us some information on markets.

Like I said, enlightening to see and something that we would love to see more people coming in and get more competition to be able to put it all over the world. Looking at it from that standpoint, I didn't get to meet with a lot of people, all because of meetings, but we were there two days

and met with the other ministers from the other provinces as well. There's a lot happening in the seafood world that we know nothing about until we get there.

J. DINN: Last question on that: Any obstacle or challenges you can see on the horizon as a result that you figure that could negatively impact the fishing industry here?

L. O'DRISCOLL: Not that I can see, no. Not something stands out to me.

J. DINN: Thank you.

On 2.1.02, Licensing, Inspection and Quality Assurance, I asked my first question about controlling agreements and the next question is, have you given any consideration to appointing an independent price auditor responsible to government with the legal power to mandate processors to send in all their receipts to that person?

L. O'DRISCOLL: I would say that comes from the other department, Labour. That's where that would originate to, I would think. We aren't involved in the price, but it's something we can certainly pass on.

J. DINN: Okay. Thank you.

I think we sort of talked about this one, but I'll ask it anyway. Do you have any initiatives in development to help small independent harvesters obtain processing licences more easily? I think my colleague from Placentia - St. Mary's sort of touched on this as well.

L. O'DRISCOLL: We have certainly changed the licence, or not changed it but we've revamped it a little bit. I'm not going to say make it easier because you still have to go through requirements of licensing, but if the application comes in and it fits, then we're looking to move that forward.

We've had a couple of applications in and we're looking at them. We're pretty close to making sure that the information is all there,

and then we'll move forward. We want to see more processing plants, obviously, that fit. We can't just have a crab plant.

I'll use up in my area as an example, one in Witless Bay and then take one and put one in Tors Cove, that wouldn't fit for the amount of people who are there, but if somebody applies for a crab plant or a cod licence, and they're not too close to an area and they've got the resource to be able to do it, then it's something that we'll look at for sure. I don't know if that's answering your question, but that's something that we have been looking at in the department.

J. DINN: I appreciate it.

The FFAW has called for preventing processors from holding both processing and buying licences, what is your government's position on this and, more generally, what measures will you take to prevent processors from using loopholes to evade fair pricing mechanisms?

L. O'DRISCOLL: I appreciate that question. That was one of the changes that we made when we got in. The processors had a processing licence and an outside buyers licence when I first got in there. I would say the first week I said, why would they need an outside buyers licence if they've got a processing licence and they want to process?

We took back the outside buyers licence from the processors, and they still have the avenue. If they want to be able to send out product, they send in for an exemption. We can grant that exemption if there are machines broke down or it could be a backup and crab is going to die; they might have to get it out. We haven't had any exemptions yet. We hope that it's all processed here. We don't want to see any product go out. That was one of the first changes that we made when we got there.

J. DINN: Thank you. I appreciate it.

CHAIR: Seeing that we're about halfway through this proceeding, it's a good time to call and take a quick 10-minute break. We'll take a recess now and reconvene at 10:38 a.m.

Thank you.

Recess

CHAIR: Order, please!

The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Chair.

I agree with the comments in terms of the benefits of the Boston Seafood show, and it does get busy, but I know a couple of years ago, our lobster, for some reason a light went off in terms of Japan and other countries that, man, you got good lobsters down there, right? It drove the price up because the demand was there, and they're all about quality.

I mean, down in Boston, you walk in some of the hallways and you look at fish, it's like – because it's all there.

L. O'DRISCOLL: Yes.

E. LOVELESS: They utilize everything of a certain species of fish, right?

Alberto Wareham would always say it is the best successful plant and codfish story in Newfoundland and Labrador. I've told media over and over and over, go out there more often. I toured the plant probably three times, I guess, and the first time I was just amazed by how the Atlantic Fisheries Fund is helping. They put a lot of money into it as well, but every part of the codfish is utilized to the point where the skin and the eyeballs and everything else were used for dog food. Those are packaged. So that's secondary processing, really, at the end of the day. I never ever realized.

When you go out there, try it. Try to take a piece of skin of cod; you won't burst it. It's unbelievable. I never realized that. I was like, I'm not going to try that, but Alberto said try to burst it.

Over in the Boston Seafood show, that's what they promote, the fact that you have to utilize every piece of that species. We're doing it in Newfoundland and Labrador, that's why it's a success.

Alisha Hodder with the Stoneville operation.

L. O'DRISCOLL: Yes.

E. LOVELESS: I heard her on *Open Line*. She said, I can't find the minister; I had to track him down in Boston. I'm like, what's wrong with him, b'y.

I know you understand the situation there, and I know she wants to process more. I know when we were looking at the outside buyer's process, we excluded that operation because there are not a lot of people processing what they process in that plant. If there is another example of rural Newfoundland wanting to just take care of that little town, it's in Stoneville. I know she's frustrated, but, Minister, on behalf of her, I guess, what she's asking for, are you able to accommodate her?

L. O'DRISCOLL: We're working on it. We have, over the last month and a half, for sure, had a Zoom call. I met her in Boston, and I really didn't get a good chance to speak to her in Boston. I met her husband and he had to come back and then I didn't get to meet him, but we had a Zoom call with both. We've had numerous calls. I know that Scott has spoken to her, as recently as last week. We heard her on *Open Line* last week. He was speaking to her the day before that, after that call.

We're looking at it; just about finished it. There's some information that we're missing, nothing big, but still information that we had to clarify.

I will let Scott update us on that, to where that is to.

S. JONES: Alisha and I are talking, daily, back and forth through emails, I should say. Now, I have had two or three phone calls with her as well. We're working through her applications for the various species and we've prioritized – I've asked my licensing staff to prioritize the (inaudible). Again, this is one of those ones that initially had been submitted through the board process, but when we gave her the option to go the non-board process, to the new process through the minister, she chose that.

So we are doing that process so that we can expedite it, as the analysis and make sure we have all the appropriate information, complying with our new streamline-application process. We're getting closer and, as I said, Alisha and I are connecting, if not daily, every second day, as I've advised her that I give her, at minimum, end-of-week updates as we're progressing.

I was communicating with her yesterday about a couple of items that are outstanding. I provided her the necessary contacts within another government department in which she would obtain certain information. So we are working closely with her to get this facilitated.

E. LOVELESS: I think their example is one of the examples that I would say do the right thing here. Flexibility is required in terms of – because you have a rural community, without that, that community is done; shutting up doors, moving, gone. She could do it, but it's just another example of an employer who is a man and a woman that's part of the community and been part of the community for a long, long time.

So I'll be keeping a close eye on that one. Hopefully, something does get resolved. It's good that you're communicating with her, for sure, even though she had to run after the minister in Boston. But I understand

about running back and forth in Boston because there's so much to see, especially for the first time, so much to see and so much to promote.

Under 2.1.02, in terms of line items, again the Salaries. Last year was budgeted at \$1.7 million and \$1.3 million was spent, I say spent in terms of revised, and estimated this year is \$1.8 million. Can you just make a comment on that, why the increase this year?

L. O'DRISCOLL: Well, the variance is due to the creation of a new department and rightsizing the budget to ensure the department is appropriately resourced. In that department, there's a director, eight licensing staff and inspection staff of 27 people.

Is there anything else that you –?

E. LOVELESS: So that's fishing inspectors, is it? Does that fall under that category?

L. O'DRISCOLL: That's a good question. You go ahead, Scott.

S. JONES: So as part of the reorganization, the aquaculture inspectors were moved out of this particular division and into the Aquaculture Development division because of the establishment of the new Department of Fisheries and Aquaculture. There are two branches: Fisheries and Aquaculture. So all the aquaculture-related operations, staffing would be in this Aquaculture branch.

I will say that during the process, at the time, there was a splitting up of salary dollars. It was a little bit of a process that resulted in some salary dollars not moving with the positions that moved. So that \$1,883,000, we've looked at it since and there are some dollars that you'll see when you get down in another division, some of the dollars will be used, instead, to fund positions that are in Marketing and Development.

This is just the nature of the way the salary plan worked out. The salary plan is done as part of the budget submission, which is, as you know from previous, done in November. It might not necessarily reflect the situation as it will be for '26-'27 especially with the restructuring.

That's the reason that the increase is there. It's probably going to be closer to the original \$1.7 million versus the \$1.88 million.

E. LOVELESS: Okay. In a year's time, we'll have clarity.

L. O'DRISCOLL: Yes, fair enough.

E. LOVELESS: The minister is certainly aware of this, this is a position that was in Harbour Breton, fishing inspector.

The department made a decision that they were going to move that position to Milltown-Head of Bay d'Espoir. I'll never understand why that decision was made. The inspector was working from home for the administrative part, but certainly out on the field, which means out on the water. He was closer to the industry when he was in Harbour Breton.

He didn't want that to happen. I plead with the minister, but the minister had said it's a HR matter. I get that, but it's not a HR matter in terms of an investigation. This is a HR matter where an employee does not want to move from where he is closer to the industry, which makes sense. So what happened? He packs up and goes to Corner Brook. I have a family that left Harbour Breton, been there all of his life, and because of that, he is now gone to Corner Brook.

It's very unfortunate that that had happened, but I guess to the position that was in Harbour Breton that's now in Bay d'Espoir, what's the status of that position and has it been filled?

S. JONES: There's a competition that is being run for it. In the meantime, it's an internal, temporary assignment from within the Aquaculture Development division to that inspector position to ensure that the inspection capacity remains.

CHAIR: The Member's time has expired.

E. LOVELESS: Okay.

CHAIR: The Chair recognizes the Member for St. John's Centre.

J. DINN: Thank you, Chair.

I was going to ask a question on seals, if that's all right?

L. O'DRISCOLL: Yes.

J. DINN: In terms of your department's initiatives around seal harvesting and marketing and dealing with the prohibitions. I'm not a big fan of necessarily just culling the seal herd because we figure they're eating too much fish, unless there's proof, but I do believe in a balance and everything else.

I'm just curious, it does offer a viable market for food, I'm looking in terms of marketing and what is your department doing to address that and maybe to improve the marketability of the product? That's generally where I'm going with it. I don't think it has been brought up here anywhere, so I just wanted to bring it up here.

L. O'DRISCOLL: No issue.

A little update on this year: Since last year, there was 18,000 seals that were harvested in all of 2025, and to date there was 23,000 seals harvested, which is encouraging to see. I mean, we want to see more seals harvested.

Obviously, the harvest has faced many market challenges along the way: misinformation portraying it is cruel and

unnecessary, despite strict regulations, mandatory training for harvesters and bans on whitecoat harvesting. Public perception persists with this industry for sure. We've spoke to and had some meetings with some people that are involved with sealing on how we can help it. We've had, I think, two meetings so far with different individuals, with the deputy minister when he started and with the assistant deputy minister. We've certainly spoken about it. It's something that we're going to pursue and see what we can do to increase the culling of seals and market for them.

The deputy, as well, had spoke to some stakeholders on what can we do and how can we help get more seals into the market in different variations. I don't know if you got anything to add to that or are you good?

K. SULLIVAN: I think you covered it very well and the possibility of being able to do some funding focus there. I know the department participates with the seal and sealing network. It is definitely encouraging to see that the markets are improved this year, the markets and the value on its own, but also, obviously, how much other valuable fish species they are consuming.

J. DINN: Just to follow up on that, I guess, I know people who've had sealskin coats, and you don't dare cross the border down into the United States; it could be confiscated. I'm assuming there is still that ban in Europe.

I'm just wondering in terms of that level and, I guess, dispelling some of the misinformation or the myths and so on and so forth around it, because removing some of those barriers would also probably help the market as well, and utilizing all aspects of the seal.

L. O'DRISCOLL: Yes, definitely.

I mean, when I listened to the people that came in and the markets that he got, the problem for him is getting the products

sometimes. Fishermen are not going out to get it as well, right? It's when the certain thing ends then they'll get him, but the problem for them is getting the product.

They seem to have good markets for them, not in the UK, obviously, but in other areas, and it's encouraging to hear. It's just if we can get more of those seals out, that would be more harvested and that would be great. It would certainly help that industry for sure.

J. DINN: Thank you.

I'm not a lover of seal meat –

L. O'DRISCOLL: No, me either.

J. DINN: – so if you could find a way to make it more palatable, I'm all in.

Sorry, Chair. We grew up with it but I never developed a real taste for it, but, hey, I'm open to continue trying.

Under 2.1.03, Atlantic Fisheries Fund, could we have an update around the negotiations to renew the Atlantic Fisheries Fund?

L. O'DRISCOLL: You can do it if want, yes.

Go ahead, Keith.

K. SULLIVAN: So the minister did mention a focus on it early, and it has been one of the main priorities since I've been in the role. Obviously, it was encouraging to hear that the federal government, after some time, say they're interested in getting back in to negotiate.

Those discussions are ongoing and certainly encouraged that there will be some value delivered from that. One of the things the minister has pointed out is ensuring that there's flexibility in this program. That could certainly take care of the needs of the industry and make us be able to market our products and grow the value overall, so hopefully there's more coming very soon on that.

J. DINN: Thank you.

How much of last year's budget in this here went towards aquaculture and how much to other projects?

K. SULLIVAN: I don't have the numbers from last year. I do have a note since the inception of the AFF. The funds supported over 300 groundfish projects, over a hundred shellfish projects and approximately 50 aquaculture projects. I don't know if anybody else has anything more precise right now?

S. JONES: None last year.

K. SULLIVAN: There was zero aquaculture projects last year.

Thank you, Scott.

J. DINN: That's it for that section for me.

Thank you.

CHAIR: Any further questions?

The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Just a couple of quick questions.

Back to that position that I referred to in Harbour Breton to Bay d'Espoir, and the ADM mentioned moving it to Aquaculture, I believe is what you said. So the rationale in terms of moving it from Harbour Breton to Milltown-Head of Bay d'Espoir, was there a cost savings there?

S. JONES: No, government has never had a work-from-home policy unless you have a medical accommodation. We were just making sure of consistent application of policies within government.

E. LOVELESS: Well, there are still people working from home within government, correct?

S. JONES: If they have medical accommodations, otherwise they're not approved to be working from home. They have to go through the appropriate process through HR and the Treasury Board Secretariat.

E. LOVELESS: Medically is what you're saying, it has to be medical?

S. JONES: Typically medical, yes. That's the one exception.

E. LOVELESS: All right. Well, I'm still not happy about it but it is what it is. I'll move on.

On the Atlantic Fisheries Fund, just a quick question. My colleague asked about the aquaculture piece, but are all applications in and has all money been spent to date in terms of the old program, we'll say? Maybe it's still a floating program, I guess, but is all the money spent?

S. JONES: I can't comment on if all the money has been spent because there's still some post-project analysis and post-program analysis being done on the federal side of it.

However, all funding that all projects were approved provincially were completed and the funding was disbursed. There were some projects that, in the latter stages, modified their project scope or decided that they weren't going to be able to complete certain elements of the project by March 31, 2026, which is when it expired.

As you know, the funding is only issued when the invoices are received. There is not an upfront grant. So if certain elements of those projects were not done, the invoices submitted will not reflect that. So there's a reconciliation being done to determine the extent to which that affected the overall program funding.

E. LOVELESS: Yes, I know the process and, again, it's beyond important. Anybody sitting in that chair will appreciate it.

I just, again, hope there is a new fund. Not all applications get approved; they have to meet certain criteria, there's no doubt about it, but what that money is spent on, it's money well spent. It's for the fishing industry.

I'm hoping to meet with the federal minister as well and press to her that the prime minister said bring it closer to the wharf; that's bringing it closer to the wharf.

Anyway, that's it for me in that section.

CHAIR: The Chair recognizes the Member for Placentia West - Bellevue.

J. DWYER: Just a couple of quick comments. I won't take up any time because I know there is a time crunch.

Chair, 99.8 per cent of a cod is used in Icewater Seafoods in Arnold's Cove in my district. Whenever I talk about how industrious my district is, I always talk about Icewater Seafoods because they have really changed the game. They invested \$10 million of their own money into a town of 985 people; we're talking just about \$10,000 per person. They're the biggest employer right now on the Isthmus area. Hopefully, Bull Arm will take care of that, but, in the meantime, it's a very proud implementation for this province.

As to Member Loveless's comment about how strong the skins are, they actually sell the skins to a leather manufacturer in Italy. They put the skins in the seams of the leather jackets to make them stronger. They have pet food markets. It's just unbelievable. Minister, I'd love to take you out for a trip. I'm sure they'll probably even cook us up a little bit of fish. In the meantime, it is something that I'm very proud of.

I also have some 84 enterprises in my district. My district really does rely on the fishery, so I just wanted to say that. I have aquaculture in my district with Grieg now down on the Burin Peninsula. I've been working close with them for the last seven years, as the MHA. Like I said, I've brought lots of their concerns forward to the Department of Fisheries, which has not fallen on deaf ears, so I really appreciate that.

The last thing I want to comment on is the 75 per cent. I like how Mr. Sullivan went to that, and I think that can be something that's better. There is no other industry that you have to have 75 per cent of your income come from that. When my dad was ready to give up his hydraulic and plumbing shop, he could have just handed that over to me. I don't even have hydraulic or plumbing certificate, but he could have gave me that and I could have run it. I could have hired people to run it for me.

I'm just saying that all things are not equal, and I would really love to see that because I have a young fella that lost a technology business for the fishing industry in Arnold's Cove. The closest you can get to that technology now is in the industrial park here in Donovan's.

So I just wanted to make those couple of comments because the fishery is what we were built on. Now that the cod stock is back, it's something that's going to sustain us. I think that we all need to take our part with your department's direction, Minister.

I appreciate the fact that I could take a minute to make those few comments. Yes, 99.8 per cent of every cod that comes in over the side of the fish plant in Arnold's Cove is utilized.

Thank you very much.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Well, I'd like to know where that 0.2 is.

Anyway, just one quick question on that section. Under Fisheries Programs, Coordination and Support Services, that's not being utilized right now, but it is estimated at \$100 just to keep it there, I guess. It's like opening up an account and keeping enough money there to keep it open. Not a lot of fish plants, I guess, are closing down, but I know in St. Alban's, probably three years ago, they wanted to close it down and I said no, you're not closing it down.

The difference is there used to be a program where you get a pilot project, I guess, for people to get their EI, but if you close it permanently, you get more in your EI. They weren't happy with me because I wouldn't allow them to do it, but I said you never know what's going to happen in the future so let's leave those doors open. We're not closing it down to give you – because once it's closure, it's done.

Now we have the St. Alban's plant opening and growing. I talked to the owner yesterday, or the operations owner, I guess, planning to put millions of dollars in the plant. It's a good thing.

If a closure of a plant was to happen, will the supports be there for those workers and the community?

L. O'DRISCOLL: I'm going to say yes. That's a great move that they done there for sure. Obviously, it's going to be viable and it's going to be back up and running, so if we can keep that the way it is, then that would be the intention, I can guarantee you.

I never knew that story, but that's a bit of a success story in itself by not allowing it to close. So we can't stop people from closing, but you can do it to the point that, well, we're not going to close it, right?

E. LOVELESS: Yeah, and we all hope all plants will remain open and all that stuff, but it's just an example to give you appreciation for if it does happen and caution ourselves and the town because it could be a knee-jerk reaction that, oh, yeah, we'll get more money for people in our community, but she's gone b'ys.

L. O'DRISCOLL: Yeah, once that year is done, it's over.

E. LOVELESS: Yes, absolutely.

I'm good.

CHAIR: Okay.

The Chair recognizes the Member for Placentia - St. Mary's.

S. GAMBIN-WALSH: I'll just go back, I have a question regarding marketing and industry partnerships, because the province has supported initiatives such as the fisheries improvement fund in the past and things like the Groundfish Council.

I'm just wondering, today, are there any financial partnerships presently in place with the department and the Association of Seafood Producers or any other industry as such?

L. O'DRISCOLL: I don't think there is, no.

S. GAMBIN-WALSH: No?

L. O'DRISCOLL: Not right now, no.

S. GAMBIN-WALSH: Okay, thank you.

When it comes to displaced plant workers, I just want confirmation, that program is moved to Municipal and Community Affairs under CEEP. Would that be correct?

L. O'DRISCOLL: It is. It's moved to Municipal and Community Affairs under CEEP, yes.

S. GAMBIN-WALSH: Okay, perfect.

That's it for me.

CHAIR: Are there any further questions?

Seeing no further questions, I now ask the Clerk to recall the subhead.

CLERK: 2.1.01 to 2.1.05 inclusive, Fisheries.

CHAIR: Shall 2.1.01 to 2.1.05 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 2.1.01 through 2.1.05 carried.

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: 3.1.01 to 3.2.01 inclusive, Aquaculture.

CHAIR: Shall 3.1.01 to 3.2.01 carry?

I now call on the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Now we're on a topic near and dear to my heart and my being. I think anyone who has been in this House of Assembly, or publicly, knows it's near and dear to my heart.

Aquaculture, the industry doesn't come without its – it's been in the media over the years and all that stuff, sometimes, I believe, unfairly, but I think a lot of what has happened, there are good things that have come from instances happening within aquaculture.

In terms of the legislation, we brought in that act that went from, I believe, between 10 and 20 pages up to 70-odd pages. There was a lot of work done by the ADM at the time and the department. That was done through the consultation with the industry.

Minister, I know you're going to go down to visit and see the three operations that are down there right now. We've got three plants, and I think you're probably going to appreciate it even more when you go down there because it's not about just growing the fish in the plant. Workers – we have 360 down there – big business down there; treats his employees very well. I worked very closely with him when I was in the department and when I wasn't in the department because of what he's doing for a rural community.

You have the cage building. You'll see it when you go into Harbour Breton, to the right. There's a lot of activity, which is a good thing. There's also respect for where you're growing the fish, as well. I think we've come a long way.

I'll have some comments, too, on the NMCA. I know it will become part of the conversation and what the intent of that was and how it became a struggle. I know the deputy, who was the executive director of NAIA at the time, saw what was happening down there, and believe me, it was beyond frustrating, but there was good intent within NMCA, as well. It didn't get to the heart of it and the intent of the NMCA, because I think both industries can work. It's no different than the crab and the oil industry. They can work, if it's done from a balanced approach.

In terms of aquaculture, Minister, any new applications for more cages to grow more fish?

L. O'DRISCOLL: I'm going to say we haven't had any that I know of right now. There are none in the queue right now. We're hoping to see more, for sure.

E. LOVELESS: Yes, for sure.

Are you going to say aye or nay to it if any more comes to your desk?

L. O'DRISCOLL: Well, if it fits in the parameters and we do our scope of work, then, you know, if it all fits, I would say yes, but they've got to follow the qualifications, I guess, what they apply for and how it goes, yes.

E. LOVELESS: I would venture to guess, once you go out on site and visit these sites and come back here, you're like, yes, Sir, if there are any applications come in, I'm approving it. I understand the process; you got to respect the process as well. I get it.

L. O'DRISCOLL: Yes.

E. LOVELESS: The extension of the hatchery in Stephenville, which, before the election last year, I saw it as a vital importance to the industry and industry was telling us that. Where is that in terms of the extension of the hatchery?

L. O'DRISCOLL: Dr. Whelan, if you could answer that.

D. WHELAN: I'll comment that they're going through the process. It had to go through the EA, EIS and all those. You understand the conditions that were outlined, so they followed through those. So I know the expansion is continuing.

At times of expansion, sometimes you've got to be careful when you're growing fish, and it depends on which facility you're dealing with first. So that's what they're encumbering right now. It's a matter of doing the expansion, making the changes without altering fish that are already in some of the facilities. So it's a bit of a balance.

E. LOVELESS: In terms of the approval from government, that has happened. It's just now it's proceeding to the various stages. How many stages in terms of when

it starts to when it ends and it is ready to rock and roll, let's say.

D. WHELAN: That's too difficult to answer. There are different decision gates along the way that would encumber lots of different agencies along the way. So beyond just an approval to proceed, there are a lot of decision gates that go through each of those pieces. So timeline, even if we consulted with a company now, they wouldn't be able to give you a finite timeline of when expansion could be totally completed.

E. LOVELESS: Right.

In terms of the process and the steps that it goes through, the hatchery, in terms of when it's open for business, is still going to be turned down by government before it is allowed to bring fish in the hatchery and grow it to a certain size before it hits the water and all that stuff.

D. WHELAN: Sorry, could you clarify that?

E. LOVELESS: What I'm saying is that, right now, I'm going to say very simplistically, the doors aren't open yet to the hatchery, correct? But I guess if there are any hurdles, is there a possibility that this hatchery may not come to fruition and the doors open.

D. WHELAN: I guess to clarify there, there are still fish there. You are talking about the expansion of the operation.

E. LOVELESS: Right.

D. WHELAN: So there are still fish going through from, you know, the egg stage, all the way until the point where they go out to sea water entry. So it's whether the expansion, what they have to do in order to meet the new demand of what's going to be there to go out to the existing sites.

E. LOVELESS: Right.

Would you agree that the intent of the previous government and even this government moving forward – because there's always the argument of bring it on land – we are bringing it on land more now; we're growing fish bigger before it hits the water, the salt water, I'll say, or the natural habitat?

K. SULLIVAN: Actually, I think it would be important to clarify that last point as well.

E. LOVELESS: Fish that were, I guess, transported from hatcheries to a boat to cages in the ocean were at a certain size, but we've increased that size because it's more adaptable to the natural habitat. So how has that changed? Is that continuing, because there's always a challenge of doing more on land. The argument, I guess from my perspective, was that we are doing more on land because we're keeping them on land longer to be a bigger size to go to the ocean to adapt better to the conditions.

K. SULLIVAN: Pass it to Dr. Whelan.

D. WHELAN: I won't make any statements on conjecture, that's for policy and that, but there has been an expansion of use on land for sure. That's a fact.

As all production systems in aquaculture around the world, the objective is to have as much of a homeostatic environment – an environment that is very stable – for as long as you can. There has been a move toward larger animals before movement to sea water. It's something that is advisable and a good health principle to do so.

E. LOVELESS: Yes, that's exactly what I was asking, and that's the answer. I appreciate that.

In terms of aquaculture companies, particularly on the South Coast, this became a nuisance, it became a barrier and it became misinformation, misleading in terms of cleanup of beaches in and around the area being blamed on aquaculture

companies. Some of the aquaculture companies, I always met with them to say that if it's becoming a public concern then maybe we need to do more, and companies would very well like to do more.

So, Minister, what is your plan for them, as companies, to ensure that there are regular site visits of these concerned areas, whether it be beach one or beach two, that there is not debris from aquaculture operations? Because there are some instances where companies left old cages in the water and all that, and they were removed by other companies who really were not responsible for them.

What is your plan to ensure that this doesn't continue to give the industry a black eye when it shouldn't?

L. O'DRISCOLL: I would say, from our department perspective, it's continued monitoring of these aquaculture operations in the province. That's something that we'll be definitely keeping an eye on. It's something that – I'm not going to call it misinformation, but there are certain videos and films that come out that how old and how dated they are. We have been – our department – on top of that.

The province's coastline is a large area to cover and communication to the department by the public and any identified debris is important to enable the appropriate action to make sure that we make sure it's clean and our environment is clean. I'm sure the people that are checking these are absolutely keeping an eye on them.

Me, personally, I would like to make sure that that's done and it's something that, even in the environment in my own community, I take pride in that. We need to keep it all as clean as possible and pristine. Sometimes that happens, but we're certainly going to be on top of it. I can guarantee you that.

E. LOVELESS: It's good to hear that.

This is something that I was proposing as well, is that someone regionally, down in the region, be part of an oversight committee within the department and allow that regional lens and eye to be accountable for that in the industry in working with the companies. Not just company reps, but somebody, whether that's a mayor, a councillor or somebody who is very interested in this, because they're down there. It's a win. It's a win for the industry.

I think the regional perspective – it's no different than going to a hospital and saying, okay, you're going to put an extension on the hospital, the same as with Harbour Breton, we went and asked the nurses, the lab techs and the administrative person, how should we lay out the hospital, the extension? It's the same principle. I would encourage you to look at that.

The NMCA, I know the signature is withdrawn, I know in terms of, it's kind of the Environment Minister, but from your perspective, is the intent of the NMCA totally dead and off the table?

L. O'DRISCOLL: Well, it's certainly not my department. It's something that we did campaign on, you know, that the Premier had said that we would be retracting it. I spoke to stakeholders and they were very happy from both sides. It just gives them the opportunity to be able to go down there and do it. It looked like it was going to be blocked off from the FFAW's perspective, for sure. I spoke with all stakeholders and they were pretty happy with the decision.

It gives us an opportunity and gives the world an opportunity to say, we want to expand our aquaculture. Aquaculture – the number that I got from somebody was over 50 per cent of the world's fish is from aquaculture. That's a big number.

If we can partake in that and expand it here, then I think that's something that we should do. We've got to do it properly and it's something that our department, if

applications come in, we'd be looking at them and certainly interested in seeing that.

Your point on the debris is in the best interest of all the department or all your area, that somebody is watching that, and I certainly agree with that. We'll bring that back and have a look at it with regard to debris around or somebody looking at that, as part of a committee or whatever that may be, but it's something we'll bring back and have a discussion on.

E. LOVELESS: Yeah. I bring the NMCA to the forefront here because I think it's important, even though the signature's withdrawn, I agreed with it because of the concern for my district. But I also kind of support – not kind of – support the intent from Burgeo's perspective as well, because Burgeo did not want to not see aquaculture on the South Coast, absolutely not, because they have plants up there. There would be interest, even in Ramea, to have some side products.

It's no different than Robin Quinlan invested millions in his plant to give his people more work, and certainly Danny Dumaresque, as far as I'm concerned, is probably one of the best in the province in terms of getting more, to give more to the people in the community for work.

So I think it was a missed opportunity, but it is what it is. I understand the Environment Minister has said that they've had conversations and maybe something can be ironed out in terms of protection because they wanted to protect their beach up there to give it national park recognition. Why not? Who wouldn't? Then there are certain areas they want to protect as well, but it got out of hand and, unfortunately, we are where we are.

Are there any plans to move aquaculture under agriculture, as it's farming? I got that from an industry person just asking the question.

L. O'DRISCOLL: We haven't had that discussion in our department as of yet, but I'm sure it may come to us. I don't know if you've reached out, Scott, or anybody reached out to you on that?

S. JONES: Nobody has reached out directly, although we are aware of various communications in which, throughout Atlantic Canada, aquaculture industry associations are trying to access the funding similar to what's available in agriculture, the federal agriculture programs.

E. LOVELESS: Well, I sure hope not, because if aquaculture leaves to go to agriculture, you're not going to have anything left. But it's all good. I ask that because an industry person asked me to ask it.

My time is up for now.

CHAIR: The Chair recognizes the Member for St. John's Centre.

J. DINN: Thank you, Chair.

I'll start with the NMCA. I wasn't going to but now that it's brought up, I've got really no choice but to.

As I understand it, what was stopped was a feasibility study. I understand it's not your department, Minister, and I appreciate that. A feasibility study was about collecting data. As I also understood it, there had already been significant changes to the NMCA in the boundary to allow for the current aquaculture industry itself. It did take into consideration the feedback of fish harvesters and so on and so forth.

There was opposition to it, I think, with regards to bottom trawling and so on and so forth. Which, in talking to a variety of people, that already occurs outside of the area that's left there now. It would not allow aquaculture, certainly, in its present form, to expand further, which is the open sea pen

model, which is the one that's proving destructive to wild salmon and causing problems. I'll come back to that later.

It was community-driven but there were actors in it who took it upon themselves to, I would call, spread misinformation and shut it down. It's too bad that the feasibility study didn't continue, at least, then we could have a more fulsome discussion around it and find out what exactly was going to happen there with regards to the jobs and so on, but there was fear mongering. Right now, the feasibility study was meant to find out the information, how things could co-exist, the concerns of the people.

I think down the road, I don't know if this could be revived, but I think, at least, in terms of the feasibility study, that would be advisable at some point; finish the work there and at least have the information in front of you.

I will go on, though, with regards to aquaculture itself. I'm trying to get an idea of the licensing regime that's in here. I'm looking at what is the cost or the fee for licensing aquaculture sites, the length of the lease, how is that done? I'm looking for this information when it comes to licensing aquaculture sites and so on. What's the cost? What do you charge the companies and so on and so forth?

L. O'DRISCOLL: I'll get back to you on the fee. There's a number that I have but I don't want to say it because it might not be right. It's not a large amount, but I'll get back to you on the fee that they charge for licence on that.

J. DINN: The number of licences as well?

L. O'DRISCOLL: The number of licences – I remember seeing the number of licences.

Scott will take that.

S. JONES: We have 19 licensed operators and we have 165 licensed sites.

J. DINN: If I may, that's the total number of sites?

S. JONES: Yes.

J. DINN: How many of those are inactive, or they currently do not have fish in them, I guess?

S. JONES: I'll have to get you that. Do you know?

D. WHELAN: The dilemma with answering that is that it changes per day. So it depends on the date you have. We can provide it for the day of question, so how many that would be, active or not.

What ends up happening is there's a continuous cycle of production of aquatic animals. At times, some sites are completely fallowed and then the other one is ready to be filled up, and it can be seasonal in nature in the changes there. The number is never an exact number. It's always going to alter. It depends on the day of asking.

So we could provide a number for today after this, for what it would be, which would be altered in two to three more days because we're stocking more sites as it is now. It's a number that always changes.

J. DINN: So, if I may, there's no site banking, where companies are holding onto sites and blocking that from being used? They are being used; they're not laying fallow for several years?

D. WHELAN: Again, there's more nuance to the question.

The sites that are there, they can be fallowed for one or two years. So, in your estimation, it may look like it's an unused site or not to be used.

Other sites that have been proven to be not beneficial or not for performance, those ones have been taken out of the system,

but any time along the way, the objective in Newfoundland is that sites are fallowed. So you have long periods that a bay is fallowed and long periods that a site is fallowed. Between the two combinations, you'll have many times when a site is not used and brought back into rotation for one, two or three years, depending on the area.

J. DINN: If I'm hearing you correctly, the nets could remain empty for two or three years?

D. WHELAN: It's possible, or it could be as low as 11 to 13 months.

J. DINN: So there's no limit on how long it remains fallow, if I understand it?

D. WHELAN: There are some policies that we would start discussing it at a provincial level, whether the site has been unused for any length of time, and government would go back to ask for further clarity about is it really going to be used or not used. That's when some of those sites come out of usage.

J. DINN: So there's really no regulation as to how long something can remain fallow or when it transitions from fallow into not being used except to go back and have those discussions and, even then, if I understand it correctly, there's nothing that may come out of that except a directive that you must use it or remove it. Am I correct in that assumption?

D. WHELAN: In a way.

Here's how it goes, the idea of using different sites and different bays: We have a fallowing system, a Bay Management Area system, that's called an aquaculture management area system, for the entirety of areas for finfish. When those sites are left fallow, we have an entire bay in a region that's fallow, and then that doesn't come back in until either 12 months, one year, two years or three years until you go back into

that entire system and begin operations again. That's why that can be that change.

At times, a producer can say that they're going to bring them back in, because it's all based on a production plan that's approved by the government. When a production plan comes through and says we're going to fallow for one or two years and do that, that's accepted and that's a normal part of the process. If it goes for longer and they say we're going to need two years before we come back into that region, then that's acceptable as well. It's the periods of time when they go on and there's really no evidence of a production plan. If there's no evidence that they would come back and do that, then the information is brought forward to the department and a decision can be made by the department about whether the site is to be used again or not.

J. DINN: Are there any sites in particular that seem to remain fallow longer than others?

I guess what I'm asking then, do the sites that remain fallow tend to be maybe the furthest and more difficult to access, longer to get to, or are the ones that are in use closer where the proximity makes it easier to access? I'm just wondering –

D. WHELAN: Okay, so I'll have to offer some clarity there.

It's not really determined that way because there are times that fish will be placed in there, and then you go all the way through, and two to three years later you come back into that spot. That's how long that could be.

When you're talking about whether they're going to be fallowed and they're beyond that, there's no production and it's there for one, two, three or four years, that's when that decision gets made.

We have some sites that producers voluntarily will stop producing at; it's not a good performing site, there are some other

conditions, there could be wave action or other environmental effects that predispose to say this site is really not conducive to this any further.

J. DINN: If I may, Chair, when is the decision? You said some of the sites are taken out of the system, I'm assuming that means the nets are removed, or are they just no longer used?

I guess the second part of that, Chair, if I may, how do you make sure then, if they're taken out of the system, the pens are actually taken from the water?

D. WHELAN: I'll answer in two ways.

One is that we have normal inspections that occur on all those sites. The inspections happen through inspectors themselves, through Aquatic Animal Health professionals, and through other licensing people. There are several areas that are done for vetting what is occurring on sites during all those periods.

If it's noted that the sites are – well, we wouldn't even have to concern it. If it was a quarantines site, for example, then at the end of a quarantine site period, they have to be validated and proven to have nothing there. At the end, whatever inventory was on the site must come off. In quarantine sites, that's a very clear direction; that's what happens.

When it's the other sites, in that they're fallowed and they're done, they will remove all of their nets to get them cleaned and go through net cleaning. Their infrastructure may stay there, because it's still a licensed site, it would just contain no fish and the nets and that would be done for cleaning.

If at any point in time there was an encumbrance of a reportable disease, then they have measures that they must follow to make sure that all of that is cleaned and done and everything is removed.

Hopefully, that adds clarity there.

J. DINN: For now.

CHAIR: The Chair recognizes the Member for Placentia - St. Mary's.

S. GAMBIN-WALSH: I do have one question regarding the aquaculture development and the Capital Equity Program.

The objective of the program was targeting companies that include marketing strategies and it was matching funding. I'm just wondering, like in the fisheries, is there any plan to put forward an aquaculture development plan? Is there any conversation or talk to continue or is that in another department?

S. JONES: On the Equity Program, that program still exists, that's why it still exists in the budget, but, typically, funding is only identified through the budget process if requests would come in, then we would bring them forward.

When it comes to an aquaculture development plan, there has been some ongoing work over the past three years, some oceanography work and some other research, on the potential for new species. That program expired this past March, so now we're reviewing the data that was obtained through that and the analysis of that data will help inform the development of an aquaculture plan going forward that helps support further growth in the aquaculture industry.

S. GAMBIN-WALSH: Given the budget amount, is it fair to say that there probably won't be a program in this budget cycle, that perhaps it will be in the next one?

S. JONES: It's going to take a while to do the analysis. So, yeah, it's unlikely that there would be a program because the budget doesn't allow for the funding of such

a program. But there would be continued work and it would – subject to the appropriate approvals – inform the next budget cycle.

S. GAMBIN-WALSH: Okay, thank you very much.

That's it for me.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: I'm not sure that the language will be appropriate, but when there is potential die-off of fish, there's suspect reporting and then there's actual reporting. I'm not sure if I'm using that correct terminology. So there are two points of reporting, which I know the industry has said to me, why should we have to do that? Why can't it be just one reporting? Follow the rules and regulations of the department, but coming out and saying there's a die-off when you don't know the actual, until they do their investigation the department does, why can't there be just one point of a reporting period?

Is there any plan on changing that, I guess, to help the industry because there is volume around that and they see that as a problem in terms of investment for them? They think it gives a black eye on the industry. I can see that. So maybe it's two different reportings that can be done in one, but still not losing the accountability piece.

D. WHELAN: I think the language to be utilized would be suspect and confirmed. Really, the questions we were asked by the industry and by many others was, the suspect part was the part that was of issue. If you look at other legislation and other groups and other places around the world, the suspect aspect means that at any inkling of something, then you must publicly report, and that doesn't occur in other places. You have to be evidence based and you have to be scientifically valid about what you're doing.

So if you look at legislation, now, it's confirmed for the escape, confirmed for reportable disease, confirmed for the incident. You'll note that you probably won't hear more discussion about the suspect versus confirmed. You'll see that in the language now. It's appropriate because we have many cases where suspects were turned into – there would be nothing. It would be a detection through a test. The test was not part of a matrix. At the end of the day, it could not be validated; it wasn't scientifically valid, and with each of those, they would have been publicly reported in the past.

So in answer to your question, I think you'll find that those are the words that are now used.

E. LOVELESS: So the answer to my question is what I was concerned about is no longer a concern.

S. JONES: That's correct. If I've interpreted it exactly how you said it, then that's exactly the answer for those events.

E. LOVELESS: Exactly. Thank you for that. I appreciate it.

I do have some other questions, but on this subhead, in St. Alban's there's the aquaculture building that plays a vital role in aquaculture. Minister, I guess, the staff that's there, and you will visit it when you go down there and see what they're doing. It's more to your shop that goes on down there, but I guess for me, as MHA, to confirm that there's no discussions around any reduction in staff or any plans – what's the overall plans for that building in St. Alban's?

L. O'DRISCOLL: We have no discussions on that to say that there's anything changing there for sure.

E. LOVELESS: Okay. I know when you're down there, I'm sure Gail Hoskins will be chatting with you and she'll certainly tell you if there's need for more.

The last question in terms of the 3.2.01, Aquatic Animal Health, but I will go to the department, which is the final figures budgeted, \$17 million last year, revised at \$7 million, estimated at \$12 million. So I guess in terms of, there is a shortfall of what was budgeted last year and being estimated this year to be \$5 million less. Can someone speak to that?

S. JONES: We're talking total department there, just to be clear.

E. LOVELESS: Yes.

S. JONES: The reduction is because there's no funding included in there for Atlantic Fisheries Fund, for one, which was included in the '25-'26 number at \$3.6 million because we're not aware of what that may be, subject to the conclusion of negotiations. There was also that \$5-million grant there for seafood marketing and support that we talked about earlier, in which \$4.75 million got carried forward over two years. It was \$2.4 million; it's 2.3 million this year and \$2.3 million the next year. That's the substantive part of the variance.

E. LOVELESS: All right. Just a couple of general questions so I can clue up.

Royal Greenland, Minister, do you value this company and the people they employ?

L. O'DRISCOLL: I certainly do. They've been big players in the industry. As you know, they've had some changes in the last little bit and we look forward to working with them, for sure.

E. LOVELESS: I ask that for a reason, because I do. I did get a black eye from a lot of fishermen about Royal Greenland. It's unfortunate because I know I was accused of bringing them into the province. Royal Greenland is not a Canadian company; Equinor is not a Canadian company either. So if we didn't have them coming into the province, what would we have? I'm glad to

hear your position on that. I kind of knew from conversations we had, that would be it.

The other piece is on corporate concentration. We had a lot of chats about that. I remember when the decision from the independent board at the time on Royal Greenland came before me – independent board so I had no reason to not say, well, we're not going to do it because Royal Greenland is not a Canadian company. They want to continue to employ hundreds of people on the Great Northern Peninsula, but during that submission there was – not saying that corporate concentration was a problem at the time, but to not let it get greater than what it was at that time.

We've heard a lot over the last couple of years and stuff. I know there was a committee formed when we were negotiating back and forth a couple of years ago, when I was there.

I guess, Minister, in terms of corporate concentration, do you think there's less corporate concentration now? What is your plan to ensure that corporate concentration becomes a lesser concern to the industry?

L. O'DRISCOLL: I'll say that it hasn't changed since I've come here. I've inherited what's there and it hasn't changed. We will be doing what we think is best for the Province of Newfoundland and Labrador when it comes to processing and whatever happens in our department, but it hasn't changed since I came here and hopefully keep it there.

E. LOVELESS: Some of the decisions that I made when I was there and other ministers, too, is to try to deal with the corporate concentration piece, you increase capacity and everything else, and we did that.

The other piece is controlling agreements. Minister, what is your opinion in terms of controlling agreements or dealing with the potential of controlling agreements?

L. O'DRISCOLL: Well, I would say that since I've been here, in six months, I haven't had to deal with that part, as of yet. It's something that we'll be digging into and just ask questions. I'm not sure how big it is and what it is, but it's something that I'll be looking at.

I don't know if there's anybody else in the department got anything to add to that? No.

E. LOVELESS: So are you aware of any controlling agreements?

L. O'DRISCOLL: I'm not, no.

E. LOVELESS: All right.

I think it may have been asked – my colleague may have asked in terms of fees. So I'm going to go on from there.

Minister, in your department there was a pot of funding that was used for provincial bait depot units. Is that still there?

L. O'DRISCOLL: I'm not aware of it, but Scott if you can answer.

E. LOVELESS: Well, within the department there was bait depots that were owed by the province. I know there was a pot of funding that we could go to, for instance, in Red Cove. It was a provincial building and it was a freezer unit that needed to be replaced. They applied and got it replaced. It could be for any parts of the province. Then we agreed to hand it over to them for a dollar because it was no use to the province, as such, but it was a good program. I don't know if it's still within your department or it's no longer there.

L. O'DRISCOLL: I'm saying it's not, but I'll let Scott speak to it.

S. JONES: The program has not been in the department since I've been in there, at least for a year and a half. We still, to your point, are rolling through some divestiture of

infrastructure. But the funding program you're talking about is not there.

E. LOVELESS: Okay.

CHAIR: I just want to make an announcement that due to the three-hour time limit for this expenditure, we'll be stopping at 12:09 with a hard stop at 12:14.

The Chair recognizes the Member for Placentia West - Bellevue.

J. DWYER: Thank you very much for the opportunity. I won't take up very much time.

Having one of the newer, I guess, implements of aquaculture in my district and now that it's been sold to Cermaq, one of the things I would strongly recommend, I suppose, I don't know how we go about it, but when there was an agreement in place at first about processing, we all know that we learned from the fishery, of hundreds of years of fishery, that secondary processing is really where the money is at for the benefit to Newfoundlanders and Labradorians.

When that contract was pushed aside, I guess, that was with OCI, they refurbished the plant in St. Lawrence to do the processing of the salmon and stuff like that. Then it was taken away from that and it was shipped out of our district or out of our region, which it was brought to our region for the benefit of the people to have jobs and stuff like that. But then when it was brought out of our region, it was brought to a plant that was using temporary foreign workers. I have no problem with that if we have exhausted our own ability to fill those positions.

What is the impetus to have the secondary processing of aquaculture done here in the province?

L. O'DRISCOLL: Well, I wasn't aware of that. It obviously happened before my time. I know that they processor it at Quinlan's, I

think, is where they process it. Again, as the Member said, I haven't been out to any of the sites to be able to visit those yet. That's going to happen in the next month or so. I look forward to that, but I'll have to get back to you on the answer to that question, unless somebody got something else to add.

K. SULLIVAN: I guess I won't add a significant amount of detail except that the production of the salmon, obviously, you're talking about a lot of it in Bay de Verde at Quinlan's; in Harbour Breton a significant amount; and Hermitage as well. Now the plant they were talking about earlier that had been closed for some while, now opened doing trout in St. Alban's. Then there are a number of mussel operations as well.

So when you're talking about aquaculture, obviously, on the West Coast, Allen's or Barry's, and there are several others. So it's a number. A lot of the processing is done in this province, at least to some degree, and a lot of kind of the secondary packaged or fillets or different things like that. So it's a wide variety of products, but everything goes through a plant there, yeah.

CHAIR: Any further questions?

The Chair recognizes the Member for St. John's Centre.

J. DINN: Thank you, Chair.

So the *Undercurrent News*, November 26, 2025, the headline reads: Final tally of Mowi salmon mortalities makes 2025 among Newfoundland's deadliest years. There's a table there and when it comes to the mortality rate, it's the highest seen since 2021.

In 2019, we had, I think, the massive die-off down in Bay d'Espoir area, that was 2.5 million. I think the total number of mortalities, according to the chart that I

have here in *Undercurrent News*, is almost 4.5 million.

In 2025, it was 2,136,299. It seems to go when the production increases, but it's very clear here, in that time since 2019 to 2025 – six years – we've had a maximum of 90,594,170 fish on site. Of that, we've had 15,465,498 mortalities in that time.

Now, I don't know if that had happened at a farm where we had regular livestock die off, I think we'd be investigating them for animal abuse or so on and so forth, but that's not a sustainable industry.

I'm talking here about the open sea pen aquaculture. There are other forms of aquaculture that go well, but, first of all, I want to talk to two things. We also have examples, even on the South Coast now, of interbreeding in rivers with wild Atlantic salmon, where we have genetic material of aquaculture fish in with wild salmon. There are escapees, and maybe there is a trickle effect and so on and so forth, with regard to the escapees that get out there, but I'm looking at mortality and escapees, the effect on the fish, not only the farmed salmon, but the rivers, the wild Atlantic populations nearby.

Two things, or maybe three things. First of all, what is being done to change the industry to reduce these mortalities? It never seems to improve. They have not learned their lesson. That's the first thing. I don't know what is to be done. Secondly, related to that, I have several quotes here by the 2019 then-president of the FFAW and now deputy minister, who very clearly had issues with the practice of open sea pen net farming, that is has the potential for very serious, far-reaching impacts on the fishing industry in the area, and even suggested that we might need to move these pens to land.

Now, maybe there's an alternative, and I brought it up before, the Marine Donut being promoted by BlueGreen technologies, which

actually has, in the studies that they've done in autumn 2024, a 0.8 per cent mortality, compared to the 22.86 mortality in 2025, the 30.99 per cent mortality rate in 2021 and the 34.03 per cent mortality rate in 2019. Actually, it's lower than any of the mortality rates here.

So two things: What are we doing to actually get these companies in line and to become stewards, and also making sure that we don't have the waste being left behind, the sea pens, when it comes to whether they're not being used or anything else like that? What are we doing to get them to deal with the mortality issue, because this is horrendous?

Related to that, because the Marine Donut is closed containment, the mortality rate is lower, it would allow to, I guess, continue on in the ocean, but it would also reduce the use of feed and eliminates the threat of sea lice. It probably even eliminates the threat of some of the other diseases as well. When I look at the technical capabilities, if we have a place like Bull Arm and we can start manufacturing them here, there are opportunities for other jobs and so on and so forth.

So what are we doing to get companies to get a handle on the mortalities? Secondly, would the department consider a pilot project with the Marine Donut to see if this is a viable method here, as an alternative to going totally land based, but as a viable alternative to the way in which we practice aquaculture here? At least as a pilot we can get the information and see how it works. Apparently, it's another Norwegian technology.

L. O'DRISCOLL: I appreciate the question.

It's certainly something that we can bring back to the department and have a discussion on. I wasn't up on that part of it to know that, but I will. As you know, I've been here six months and I have a lot to learn in this industry. It's something that I

look forward to learning about and getting more information on.

Going back to your previous question, I mean, climate change is certainly a big part of it: high water temperatures, sea lice due to the water temperature, unfavourable sea conditions at the time of transport. There are all kinds of reasons but I won't delve into them too much. I'll let Dr. Whelan speak to those issues, for sure, but it's something that I will certainly bring back and look at for the question that you had asked.

D. WHELAN: I guess, in general terms, there's no point where the province wouldn't look at any other types of containment and other things. I think that's worthwhile to note. I think that's always something that we keep abreast of.

When it comes specifically to the Marine Donut, itself, if you're aware of the latest news – because I deal with colleagues, I deal with all of these different structures, between the Egg, the FishGlobe, the Donut and the floating city. We keep abreast of all the other technologies that might encapsulate or hold animals.

I'll tell you, the fundamental issue that I have with them is simply that they are responsible for total life support. Everything has to be meticulously done for them to operate to their full efficiency. An example of the Marine Donut, a secondary revision is coming because there was no other backup for them and, once they had the incident happen inside, it was complete mortality inside.

The reason that a lot of people go with that, and I'm not saying yes or no to them, when you have a marine cage culture, then you have the environment actually being your assist for life support, not always the detractor. When you go to a fully-closed environment or a semi-closed environment, you're responsible for technology to operate efficiently, optimally and to give you the maximum number at the end. My own

personal observation is that these conditions and these are getting better and better over time, but the province would never say that's something that they wouldn't look at.

Other things about a pilot and that I would leave to the department as a whole and the minister to look at that. I guess that is what I'd answer on that part.

On the mortality issue, if you look at it, there are two things at play with mortality. One is that every day there's mortality, it doesn't matter if it's terrestrial or aquatic. What you're really concerned about is when the concerns are an abnormal mortality; they've risen to a rate that brings that kind of concern. Because of that, the department has modernized legislation in order to make sure that there's reporting that handles appropriately to the department, there's reporting to the public and we have evidence of the plan to minimize and mitigate that in the future. We vet all of the plans that come forward for fish health, for bio-security and for production with the lens on how we prevent and not have major mortality events.

Unfortunately, you'll see a number of things happen when you have a cultured animal that you're responsible for from start to finish. There will be mortality events. It's incumbent upon the cycle of life; it will occur, so when they do, what do we do? I think the question is basically: What has changed?

In 2019-2020, there was a confluence of events that were looked at; we had an external review done. All of the changes were made to those. So there was changes in how you would deal with depth of nets and aeration and how you would handle each of those issues. I think that that's resolved for that, so you wouldn't see a repeat of those.

The incident that you're talking about now is for 2025, and that's different than what has

occurred. I think the nuances are always lost in a story. The stories are about headlines and about giving a maximum number. A lot of the numbers I saw were actually not accurate. The mortality event did occur, but it occurred over different regions all on the same sort of time. When you talk about climate change, people forget that the trends that you see are both cooling and warming. It's both things we have to deal with; everyone thinks about warmth. With the warming part, that's what we have to try to find out, what ways we can do it. Deeper nets were part of it, handling aeration separately and having the infrastructure to do that.

In the latest events, you'll see that it was still the same confluence of events but quite different. What happened was, these happened on different regions all at the same time, instead of having an area that was specific. So much is required for resources, it is difficult to meet all the resources all the time during those incidents.

So how do we handle that? We handle it by them coming back with what are the mitigated measures, what was your internal response and what was your internal response. The department looks at those and advises on if that's insufficient or sufficient, and then they come back with more and more solutions and resolutions for the future to try to minimize those. It's always an evolving process that we have; it's dynamic. When they put forward their plans every year, there has to be a heightening and awareness of that, and what new things will you bring forward.

In response to those particular ones, different producers that were involved with the incidents have committed to and brought more vessels in. They have more logistics and more manpower to do that. They probably have new technologies to utilize. They're using different things, like a nanobubbler, to minimize that, they're bringing in new technologies for sea lice,

they're using therapeutant and non-therapeutant and they're also making sure that they can get out to sites in a timely manner. Those are the logistics changes.

I think the other thing to be aware of, and I probably can't say it more than that, is that we are the most transparent when it comes to this. If you're aware of all the mortality that's occurred in terrestrial and aquatics around the world, they can be quite alarming to the general layperson. In this province, it has been committed that they'll be transparent and accountable, so all of the numbers are out there so people are aware of what it is and speaks to what the Member talked about earlier, about how it seems like Newfoundland is always in the news. Well, Newfoundland is in the news because that's what's been decided. People will be accountable and transparent and the evidence comes forward.

I think those are the comments I would make.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: As my father would say, that was a darn good answer. It was indeed.

For somebody who appreciates everything you were saying, a lot of it gets lost in the story and the headlines and stuff. I've been in the belly of one of those donuts. I've been in a facility that cost about \$400 million on land growing salmon. Then I visited the on-water natural habitat sites. I visited, I think, it was four sites, \$2.9 billion worth of investment and I have to tell you that was au naturel right there.

I understand the notion of bringing it on land, there'll be no problems or there are lice in the ocean and stuff. I don't know if anybody realized it but lice comes from the wild fishery as well. It's been around for years and years and years for sure, but we've come a long way. I said earlier, when you come from an Aquaculture Act that –

not saying that more needs to be done, absolutely – we go from 11 pages to 71, a lot of work has been done with the industry, and I applaud them.

I get the argument in terms of challenging and, my colleague to my right, in terms of a donut pilot project. Well, you better go to your Finance Minister and ask him to budget forecast that because it is expensive, there's no doubt about it.

There are strides being made in terms of growing fish larger before they hit the natural habitat, which is the ocean. We've come a long way when you said deeper nets, oxygen and the design of the nets, moving the nets out of bays where there's not a natural flush up in Facheaux Bay West that's classified.

I spoke to companies in Norway and they said Newfoundland and Labrador, in that particular area, got the best conditions for growing salmon because it has its own natural flushing system and its deep water, it's the temperatures and everything is good and, as the minister said as well, the climate changes. I'm telling you they've seen temperatures in – and this is not just from aquaculture operations, but from a wild fishermen as well. You can go down there and ask them. Man, I couldn't believe how warm the water is. They're testing it. That's from wild fishermen. It's not as an excuse, but it's certainly a contributing factor to die-offs in the industry.

A couple of other questions. Does the department provide any funding to outside lobby groups?

L. O'DRISCOLL: Sorry, I missed the last part.

E. LOVELESS: Does your department provide any funding to outside lobby groups?

L. O'DRISCOLL: No, not as far as I know.

S. JONES: We have funded the seal Fur Institute through the Atlantic Fisheries Fund. I don't know if you consider that a lobby group. Is that what you're thinking about?

E. LOVELESS: Yeah, not really, because when it comes to the seal industry, I mean, the minister had mentioned that, I think, the numbers went from \$18,000 to \$23,000.

S. JONES: Otherwise I'm not aware of anything.

E. LOVELESS: Well, we need to do what we can to –

S. JONES: Pardon me, sorry?

E. LOVELESS: No, what I'm saying is I don't consider that piece.

S. JONES: No, okay.

E. LOVELESS: That's a good thing if there are lobbying funds to help increase seals in the industry, for sure, and bring back that industry.

Just a couple of more things. In terms of inspectors going out to inspect crab, potential decrease in quality of crab. I know there was a movement towards a newer system, because when I was there and on the tail end of it, recognized and I asked the questions, our inspection system is way too old and needs to be improved. Where is that?

L. O'DRISCOLL: I will say, back to the aquaculture – and I'll get to the last part of your question – we were down last week and looked at the new boats that came in here for the aquaculture, they will certainly help improve and just listen to them talk about the industry and how it will greatly improve it, is immense.

We went from \$282 million in 2024 in value to over \$450 million this year. That's a great improvement and great to see. It brings a big value to the province.

In regard to the crab, I'll let Scott speak on that in regard to testing.

S. JONES: We've been working very closely with the industry, ASP and processors. We recognize that our inspection processes were somewhat outdated and need to be reflective of the changes in the processing and the quality control measures that exist within plants. They are legislatively required by CFIA, so we have changed our process to be more focused on sampling, more understanding of the sampling process, more analytical so that we can have – it's more of an audit approach, I will say to you.

My background is in audit and the new director we've hired, he also has a background in audit as well and that's where we focus. We had several negotiations or conversations, I should say, with the processors themselves. I've been in several processes and one of our focuses was, we recognized that there was, in the past couple of years, a lot of culling that happened. So we wanted to mitigate that in the future, so we have revised our procedures so that we focus on sampling pans just before they get to the processing line from the perspective of identifying, because as you know with the regulations, you're not supposed to process dead crab – identifying dead crab in those pans. We just document.

We are doing this in consultation with the quality control people that are on site and also with IDG in relation to their reports on the off-loading on the respective docks, trying to align everything together. If, from our standpoint, what we identify as dead or unhealthy, is consistent with what the IDG says and the quality control people say, then we're okay with that. We're not proceeding to extrapolate any further. If there is an inconsistency, then we'll just move to another pan and do some more testing until we find a point that – but there is no setting up of a culling line, put it that

way, that would result in, potentially, the culling of healthy crab.

E. LOVELESS: Okay. Good. I appreciate that very much. I'd like to thank the staff for all that you do because I certainly appreciate what goes into it.

Minister, you, when you were in Opposition, and your colleague from Bonavista who's the Minister of Finance, talked a lot about joint management and why we can't get it done. I'm hoping that you're going to convince the current minister that we need joint management. Let us make the decision. If we make the wrong ones, it's on us.

Thank you, everyone.

L. O'DRISCOLL: I certainly spoke to the minister at our meetings and that was one of the few topics that we brought up for sure and something that we'll keep pursuing and something that's in our blue book as something that we had said we would pursue. Again, that takes time, as you know, and you were there for a short period but there are so many things to touch on in these departments.

E. LOVELESS: I'll tap my desk when you get it done, for sure.

L. O'DRISCOLL: All right. Thank you.

CHAIR: Seeing that we're gone past the three-hour limit, if there are no more questions, I will now ask the Clerk to recall the subhead.

CLERK: 3.1.01 to 3.2.01 inclusive, Aquaculture.

CHAIR: Shall 3.1.01 to 3.2.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, subheads 3.1.01 through 3.2.01 carried.

CHAIR: Shall the totals carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, Department of Fisheries and Aquaculture, total heads carried.

CHAIR: Shall I report the Estimates of the Department of Fisheries and Aquaculture?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, Estimates of the Department of Fisheries and Aquaculture carried without amendment.

CHAIR: I'd like to thank the minister, department officials and Committee in attendance.

The date for the next meeting will be on Tuesday, May 19, at 6 p.m. to consider the Estimates for the Department of Tourism, Culture, Arts and Recreation.

I ask for a mover for adjournment.

H. CORMIER: So moved.

CHAIR: Moved by the Member for St. George's - Humber.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, Committee adjourned.