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

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Department of Municipal Affairs

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Honourable Ross Wiseman, MHA

SOCIAL SERVICES COMMITTEE

Department of Municipal Affairs

Chair: Glenn Littlejohn, MHA

Vice-Chair: Eddie Joyce, MHA

Members:

Tony Cornect, MHA
Dan Crummell, MHA
Glen Little, MHA
Andrew Parsons, MHA
Gerry Rogers, MHA

Clerk of the Committee: Elizabeth Murphy

Appearing:

Department of Municipal Affairs

Hon. Kevin O'Brien, MHA, Minister
Hugh Donnan, Director of Communications
Cheryl Gullage, Communications Specialist, Fire and Emergency Services NL
Denise Hanrahan, Departmental Controller
Rick Healey, Assistant Deputy Minister, Employment Support and Corporate Services
Cluney Mercer, Assistant Deputy Minister, Engineering and Land Use Planning
Julia Mullaley, Deputy Minister
Mike Samson, Chief Executive Officer, Fire and Emergency Services NL
Paul Smith, Assistant Deputy Minister, Municipal Support and Planning

Also Present

George Murphy, MHA
Kevin Pollard, MHA
Graham Letto, Research Assistant, Official Opposition Office
Ivan Morgan, Researcher, NDP Office

Pursuant to Standing Order 68, George Murphy, MHA for St. John's East, substitutes for Gerry Rogers, MHA for St. John's Centre.

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

MR. LITTLEJOHN: Good morning, everyone. Welcome.

We have some formalities prior to starting this morning. We need to do the election of a Chair and a Vice-Chair. What we will do right now is I will turn it over to Elizabeth for the call for nominations for the Chair.

Elizabeth, if you would please.

CLERK (Ms Murphy): Are there any nominations for the position of the Chair?

AN HON. MEMBER: I nominate Glenn Littlejohn.

CLERK: Any further nominations?

Any further nominations?

Any further nominations?

Mr. Littlejohn, being the only candidate, is acclaimed.

CHAIR (Littlejohn): Thank you, Elizabeth.

I now call for nominations for the position of Vice-Chair.

Could I have someone nominated for the position of Vice-Chair, please?

Mr. Joyce was the Vice-Chair last year. Could I have a nomination for someone?

MR. CRUMMELL: I will nominate Mr. Joyce.

CHAIR: Mr. Crummell nominates Mr. Joyce.

Are there any further nominations for the position of Vice-Chair for the first time? Are there any further nominations for the position of

Vice-Chair the second time? Are there any further nominations for the position of Vice-Chair the third time?

I hereby declare Mr. Joyce the Vice-Chair by acclamation.

Thank you, members.

Just before we start this morning, just some housekeeping, to remind members that the minister traditionally will get fifteen minutes for opening remarks and then we will go ten minutes per member and rotating back and forth to whatever member is signified.

I want to remind members that if we are substituting last year, I recall that during Estimates that most of the time critics for the Opposition parties were present, so I remind members that if they are substituting pursuant to Standing Order 68, you have to give notice to the Clerk's office prior to the meeting starting or you will be ineligible to vote, to substitute. I remind people of that.

MR. JOYCE: (Inaudible).

CHAIR: I would suggest if we could do it, Mr. Joyce, if we are doing a morning session, the afternoon prior to, so we do not have to be running around; and if it is an evening session, the morning prior to the evening. I think that would be fair to all members and all parties.

I also remind all members that when you are speaking that you state your name for Hansard and also your staff minister, when we are speaking, to state their names so we pick it up on Hansard prior to.

Make sure the light is on before you start to speak. I remind members that if you get anything like watches or cellphones too close to your mike you are going to create some feedback for yourselves.

With all that being said, I think we are ready to start. I am going to ask the members of the Committee to introduce themselves first and if

they have any staffers with them as well. I will start with you, Eddie, if we could.

MR. JOYCE: Eddie Joyce, MHA, Bay of Islands.

MR. LETTO: Graham Letto, Researcher.

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

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

MR. LITTLE: Glen Little, MHA Bonavista South.

MR. CORNETT: Tony Cornett, the beautiful, cultural District of Port au Port.

MR. CRUMMELL: Dan Crummell, St. John's West.

CHAIR: Minister, if you could, could you introduce yourself and your staff, Sir, please?

MR. O'BRIEN: Kevin O'Brien, the Minister of Municipal Affairs and the MHA for the District of Gander.

MS MULLALEY: Julia Mullaley, Deputy Minister.

MS HANRAHAN: Denise Hanrahan, Departmental Controller.

MR. SAMSON: Mike Samson, Chief Executive Officer, Fire and Emergency Services.

MR. HEALEY: Rick Healey, Assistant Deputy Minister.

MR. SMITH: Paul Smith, Assistant Deputy Minister.

MR. MERCER: Cluney Mercer, Assistant Deputy Minister.

MR. DONNAN: Hugh Donnan, Director of Communications.

MS GULLAGE: Cheryl Gullage, Public Relations Specialist.

MR. HEWITT: Justin Hewitt, Executive Assistant.

CHAIR: Mr. Minister, without any further ado, you have your opening remarks, Sir.

MR. O'BRIEN: Thank you very much.

Welcome everyone –

CHAIR: I am sorry, Mr. Minister, one second.

I ask the Clerk to call the first number.

CLERK: 1.1.01.

CHAIR: We are calling 1.1.01, Minister's Office, and I ask the hon. minister.

MR. O'BRIEN: Good morning, everyone.

It is good to be back after the Easter break. I hope everybody enjoyed it. It was a good two weeks off, but now ready to get to work and work at least until August for sure. I hope the House does not close until then because I love the House.

Anyway, I just want to give you a quick overview of Municipal Affairs. We have five lines of business, main business, that we conduct on a daily basis. The first one is local governance. We guide municipalities, give them advice, and whatnot under the enabling piece of legislation called the Municipalities Act and our cities acts.

Then we have our municipal infrastructure and engineering division, which really oversees any of the capital works programs and give engineering support to a number of the municipalities in Newfoundland and Labrador in regard to the projects we might commit to in any given budget year. We have Employment Support, which really is the Community Enhancement Program, but we also administer the permanent plant closure program for the

Department of Fisheries, as well, through that division.

We have our Provincial Affairs, which is really the Registrar General, which I am as the Minister of Municipal Affairs. I execute that function. Then we have Financial Services in which we provide financial services to five departments, along with a couple of agencies and whatnot from that division. It just does not service Municipal Affairs; it actually services a broad range of departments right across the Province.

Also, I am responsible for Fire and Emergency Services. Under Fire and Emergency Services, we provide education, training, certification, regulation, enforcement, and all that kind of good stuff to close to 300 – 270-odd, I think, or 280 fire departments and fire halls right across the Province. We support them as well under Fire and Emergency Services with some capital money for vehicles and equipment. We support them in the best way we possibly can, mainly in the education and training area, which is really important to me, as a minister.

Under Municipal Affairs, we have 147 staff. We have 100 permanent, thirty-nine temporary, and we have eight in contract positions. Seventeen of them, I might mention, are with the Financial Services Division, which I again reiterate and press on you that it serves actually five departments, along with the agencies and boards that it oversees, gives advice to.

Under that division, there are sixteen permanent and three temporary. Fire and Emergency Services has approximately twenty-five or twenty-seven employees who provide all the training and whatnot that I just mentioned under Fire and Emergency Services.

I would like to just mention a couple of things in regard to Budget 2013, and then we will get into the process in regard to my budget. This year, we were very fortunate to bring forward for the 2014 – starting in 2014, as we all know here in the House of Assembly, that municipalities govern themselves on the calendar year, not a fiscal year, so at January 1, 2014 we will

introduce a new formula. Right now, all the municipalities, 11,000 and under, will retain the same Municipal Operating Grant that they did in last year's budget. Nothing will change for them, so their planning is the same and their budgets are the same as submitted to me in December.

They will move forward on that, but in 2014 we will implement the new formula using a \$22 million budget that will see most of the municipalities in Newfoundland and Labrador receive more in regard to Municipal Operating Grants, but none will receive less. So, if there is any that under the new formula would have received less as compared to the amount that they were getting before, they have been red circled and they will get the same.

I also want to say as well that when MHAs are comparing what a municipality got in the previous years as compared to what they are going to get under the new MOG formula, that the formula that was developed back in 1991 has been corrupted many, many times, and it has not been corrupted in any way that you can follow the reasoning behind why there were reductions made. In other words, what I am saying is that you cannot compare apples to apples under the present formula. You could have two towns that are very similar, similar populations of 1,000 people say, and one municipality gets one amount and another municipality gets another amount.

This new formula will certainly address that issue. As well, we are going to be using what is called a remote index factor along with the number of occupied dwellings. When you combine those two in a formula it will spit out a number in regard to their share of the \$22 million.

The remote index factor was developed by the Newfoundland and Labrador Statistics Agency back in 2005, I believe. It was developed for a number of reasons. It was based on an Australian model that takes into account the remoteness of Australia which is very similar to our own issues in remote Newfoundland and rural Newfoundland and Labrador.

It takes into account their access to certain services such as hospitals, schools. Community services as well, recreation inflows and all that kind of good stuff. It gives you a good indicator. Through that process as well, I should say it takes into account the differences in property values as you move out away from the actual centres and service areas.

Thus, as the property values go down then it becomes a challenge for that particular municipality to raise their own source revenue. It takes into account the challenges that a community would have in that respect. We are using the number of occupied dwellings as compared to population based because it is the occupied dwelling that determines the services that are going to be provided by the municipal council for whichever municipality that you are dealing with.

In this budget as well we removed the communities of 11,000 and greater from the formula itself. I heard from them over the last year or two that they did not depend on Municipal Operating Grants. Some of them said they would prefer if there was some type of another program that their share would be used to help the other municipalities that have challenges.

I also heard their main focus was on infrastructure, and rightfully so it should be because you have expanding towns, growth areas such as Gander, Paradise, CBS, Mount Pearl, St. John's and Corner Brook. We changed that up, took them out of the formula and provided a \$25 million Capital Works Program this year. That is distributed on a base plus per capita formula to those municipalities.

As well, they can apply that particular amount or a portion of that particular amount to capital works programs they had earmarked in their budget, or current budget they submitted to me and the Department of Municipal Affairs back in December, that they had earmarked to possibly fund 100 per cent out of their own operating monies. If you were to take Gander, if Gander was to have a \$500,000 project that they were going to do it 100 per cent, apply the new

monies to that particular project, well then that would offset the loss of the MOGs because they were only getting a little over \$300,000 a year – 70 per cent of \$500,000 is \$350,000. That is the way we did it. Then they have probably another \$2 million to address some of the challenges they may have.

At this point in time I want to thank MNL for their participation in the process. We consulted with them. They submitted a written submission to us as well. A lot of the things they brought to the table were not lost on me or my officials in regard to the development of the formula. We looked at various formulas. We looked at base plus per capita and whatnot, but when it all fell out of the trees some of the things they brought to the table steered me in the direction of the remote index factor plus a number of occupied dwellings.

As well, we will be bringing forward – as you know, we announced last year \$130 million commitment under a two-year program, both in the regular municipal capital works and the multi-year capital works programs. We will continue that. There is about \$20 million left in that program for the regular municipal capital works. We will address some of the projects that I will review now over the next couple of weeks or so with my staff and with MHAs and whoever else that I will consult with to determine which projects we will go forward with in this upcoming season with that \$20 million. That has nothing to do with the \$25 million for the bigger municipalities. That is just purely for the smaller municipalities.

Under the new budget we reviewed our relocation policy. As I said before, I have travelled extensively in the Province and will continue to do so. We have 276 municipalities, not counting close to 180, I think, LSDs, somewhere around that number, around the Province. I would like to get around and talk to the leaders in those communities and listen to their challenges, listen to their opportunities and listen to their revisions.

One of the things I heard loud and clear was that our relocation policy should be looked at

because it was implemented about ten years or so ago and has not been updated since. One of the things that stood out was the quantum in regard to if a community were to relocate, it did not really meet the housing standards and the housing values to places they might want to relocate to. It was set at about \$80,000 to \$100,000 previously. As we all know in this House of Assembly, it is pretty hard to buy a house anywhere in Newfoundland or build a house in Newfoundland and Labrador for \$100,000. We changed it to a maximum of \$270,000 to address that issue.

In regard to the policy side, you can avail of a relocation only once in a lifetime. That is it. If you come out of, wherever it may be, and you move to another community and that community in the future relocates as well, that particular person will not be eligible for any quantum from government. It is only once in a lifetime.

Also, in regard to businesses in those communities, a business owner will not vote in regard to a relocation vote unless the person lives in that community as a permanent citizen. We do not think a person living outside a community should have a vote in regard to if they would or would not, because the person is compromised in regard to that process and they should not vote. In the process, if they were to relocate, that business owner would be compensated for their business in the normal fashion.

I think that is mainly it, other than fire and emergencies services. We maintain \$1.7 million in regard to vehicle purchases this year. We will have a review of that over the next little while to see exactly.

I have to be upfront as well; I looked very, very closely at regionalization pieces. That is where I invest in regard to fire halls and fire departments coming together to provide that service in a more efficient, streamlined way. That will be the top priority for me, but I will be keeping in mind areas in the Province that cannot regionalize. They have no other choice, from their perspective they have to provide the

services. If they cannot regionalize, well then I will take that into account as well.

We have some monies there in the budget as well in regard to equipment, bunker suits and that kind of gear. We will continue some of the programs that we have always continued, such as Learn Not to Burn and that kind of thing.

That is an overview of our 2013 Budget, which I think is a really good budget. I know MNL and various mayors and councillors have supported the budget over the last two weeks or so and I am proud to be able to say that. I will continue to work as the Minister of Municipal Affairs as I should for municipalities in Newfoundland and Labrador.

CHAIR: Thank you, Minister, for your opening remarks.

Eddie.

MR. JOYCE: Thank you, Minister.

I thank all the staff for coming here today to go through the estimates. From my understanding, it was just a few minutes ago that all the salaries were posted online. We did not have time to go through them all. The Minister of Finance just posted them online five minutes ago. We will not go through the salaries of the departments because they were posted instead of being put into the budget as usual.

MR. O'BRIEN: It is actually my understanding that they were posted on Friday. I received notice that they were posted on Friday.

MR. JOYCE: Anyway, that is fine.

What I will do, Minister, for the first while I will just go through some line items. We will get into some general discussions later.

In 1.1.01, Transportation and Communications, last year the budget was \$44,900, it went up to \$70,400, and this year it is back to the estimate of \$44,900. Can you explain, or someone explain the increase in the transportation and

communications for the minister's office last year in –

MR. O'BRIEN: Yes. First off, I want to be clear, that amount in regard to transportation and communications is not just transportation. I, as a minister, have 276 municipalities, along with the LSDs that I have to get out to and see and meet. Some of them just do not have the means to come and see me. I am ever so glad to meet with them up in my board office if they can come in, but I am not going to disenfranchise a municipality because they do not have the means to get to me. I do a fair bit of travel within the Province.

As well, in regard to that amount, there are a lot of things involved in that. There are the office phones, my iPad and all kinds of equipment like that, my executive assistant's BlackBerry, my BlackBerry, whatever it may be. It is not just travel that is there.

In the meantime, previous to me, the Ministers of Municipal Affairs were all from the City of St. John's or from a surrounding area close by, Torbay and Paradise, wherever it may be. In this case here, the Minister of Municipal Affairs is from Central Newfoundland and Labrador.

I have a family back in Gander. I go back and forth every weekend too, or as much as I possibly can. Each and every one of you would know that I am travelling throughout the Province each and every weekend as well. As a matter of fact, I just got back from up in Labrador. Then I was down in Marystown, and I was back into Central and did a couple of functions there. Then I am back in here in the City of St. John's today.

MR. JOYCE: Why wouldn't you keep it up to the \$70,400?

MR. O'BRIEN: In the past what we have done, as I said, the \$44,900 – I know what you are asking in regard to rightsizing the budget, but the next Minister of Municipal Affairs may very well be from the City of St. John's. As you know, the Northeast Avalon holds 50 per cent of our population base and a fair number of our

municipalities, so they would not have to probably travel.

The portion of travel that drives it, which is somewhere between zero and the \$44,900 or so, I think there is about \$50,000 there in regard to actual travel. It is somewhere between the zero and the \$50,000 mark that is earmarked for my travel back and forth to my district, number one; and number two, elsewhere in the Province.

If you were to right size it you may have to very well right size it back again sometime in the future. We will just continue as we are, and then address any questions that you might have in the House at any given time.

MR. JOYCE: Okay. 1.2.02. Salaries, the budget was for \$112,000, it went down to \$77,500, but it is back to \$102,000. Was that \$112,000 not used?

MR. O'BRIEN: You said 1.2 –

MR. JOYCE: 1.2.02, General Administration.

CHAIR: Page 18.4, Minister.

MR. O'BRIEN: Yes, 01 Salaries?

MR. JOYCE: Yes.

MR. O'BRIEN: Okay.

MR. JOYCE: It was allocated but it was not used.

MR. O'BRIEN: Yes, we had a delay in staffing of a Clerk II position.

MR. JOYCE: Okay. That person is hired now?

MR. O'BRIEN: Yes, that person is hired now.

MR. JOYCE: Okay. The next thing, the same thing with the Benefits, I am assuming that would be –

MR. O'BRIEN: That is the same.

MR. JOYCE: – the same line?

MR. O'BRIEN: Yes.

MR. JOYCE: Back in Professional Services, that \$3,800, was that a contract or was that something that was used in 05?

MR. O'BRIEN: That was just for one consultant, one-time basis.

MR. JOYCE: The same thing again, Purchased Services. It was \$43,000, there was only \$26,000 used, but it is back to \$34,000 now. Can you explain what that is used for, the Purchased Services?

MR. O'BRIEN: Purchased Services is used for equipment rentals, copiers, and that kind of thing. We had a decrease of \$17,000 there, which reflects a lower cost than anticipated. Then we went through a spend analysis process and that kind of stuff, so we had a decrease of about \$3,800 there. Overall, that is just savings in regard to equipment costs, mostly, is where it is all contained in.

MR. JOYCE: Section 1.2.03, Salaries again. It was budgeted \$1,150,800 but it only used \$973,000, but it is up to \$1.1 million again. Can you explain why the funds were not used and now it is back up again?

MR. O'BRIEN: We had delayed recruitment of a financial officer position, PCM position. As well, under Salaries we had a decrease in regard to vacancies and delays of staffing. Now we are up again and those particular positions hired.

MR. JOYCE: Okay. Is there an increase this year?

MR. O'BRIEN: In regard to the 01?

MR. JOYCE: Yes.

MR. O'BRIEN: That is all contained in regard to Benefits, as well.

MR. JOYCE: Okay.

Supplies, the same thing, I guess. It is only small amounts. You see it was not used but it is back up again in 04.

MR. O'BRIEN: In Supplies?

MR. JOYCE: Yes.

MR. O'BRIEN: Again, it is just a decrease in – from year to year your supply base changes. We did not use it last year and we had a savings of approximately \$5,000. You cannot anticipate every year what your supply base is going to be. We went with the same budget line in regard to these estimates, as compared to what we had in our budget last year.

MR. JOYCE: I will go to Services to Municipalities, Minister, 2.1.01, Regional Support, Grants and Subsidies. You can see it was \$79,500 last year that was budgeted and the revised was the same amount, \$79,500, but this year it is \$119,000. Can you explain the increase in that?

MR. O'BRIEN: There is an increase of \$40,000 there that reflects re-profiling of funding from Policy and Strategic Planning to Grants and Subsidies. The reason why we did that was that we support PMA which is professional administrators, which are in St. John's this week actually, and we pay that out of that. We used to pay it out of Policy and Strategic Planning, but the better place for that to be is under Grants and Subsidies. So we re-profiled the money over there where we have a more transparent budget.

MR. JOYCE: What was it used for?

MR. O'BRIEN: To support professional administrators.

MR. JOYCE: Okay.

The ones across the Province working at the towns?

MR. O'BRIEN: Yes, they are here in the city this week for their AGM.

MR. JOYCE: They are, yes.

The next one is Municipal Finance. We can see it is very close on the budget itself. Last year, it was increased a small bit by about \$35,000 and it is back down again for Municipal Finance. Can you explain the small discrepancies? Is that just different wage subsidy increases in 2.1.02?

MR. O'BRIEN: That reflects an increase in short-term temporary staffing and position reclassifications as well. Really, it is only a total of about \$20,500 in that regard and then we had reclassifications in a manager of financial operations in the financial municipal finance officer's reclassification piece. We have that from time to time, which you will see small –

MR. JOYCE: Policy and Strategic Planning, 2.2.01, Salaries, the budget was \$617,800. It went up to \$873,000, an increase of almost \$260,000, and it is back down again to \$554,600. Can you explain the difference in the increase and back down again this year for the decrease again of over \$300,000.

MR. O'BRIEN: We had a couple of people retire in the department; two former directors, which is \$255,200 of it in regard to their payout, severance, and that kind of stuff. We had two go out who retired. That reflects \$255,000 of that amount that we had to pay out. Then we had a couple of other managers in policy and program planning who retired as well. That is all contained in that \$255,200, so it is rightsizing itself again.

MR. JOYCE: So the decreases of those two people are not on the payroll this year?

MR. O'BRIEN: Well, the increase was that we had to have – those particular two people are not in the payroll, but the positions are refilled again. We had to pay out in regard to their severance and all the things they are entitled to once they retire.

MR. JOYCE: Okay.

Now where it is back down to \$554,000, it cannot be the same number of people, is it? It was \$617,000 in the estimate last year and it is

down to \$554,000, which is \$60,000 and something less.

Are all the positions still –

MR. O'BRIEN: We had \$44,000 worth of savings in regard to recruitment delays. Then the other ones will be starting out at lower salary steps than the people who actually retired. You must remember now that they went out at the high end and when we hire, we hire at the low steps so that is reflected in the lower \$554,600.

MR. JOYCE: Okay, that makes sense.

Professional Services – the budget for last year was \$120,000, \$324,000 was spent, and this year there is only \$20,000 budgeted.

Can you explain the increase and then back down to –

MR. O'BRIEN: Yes, that is the work that had to happen in regard to the Municipal Operating Grant formula. We had to pay for that, which we paid the Newfoundland & Labrador Stats Agency. So that is a one-time payment.

MR. JOYCE: Okay, but why is it so low this year? Last year it was budgeted \$120,000.

MR. O'BRIEN: Yes. Well, really, we got the work done so we do not anticipate needing Newfoundland & Labrador Stats this year because we got the Municipal Operating Grant formula finished.

MR. JOYCE: So you anticipated \$120,000 last year, but it went up to \$324,000.

MR. O'BRIEN: We actually did two years of work in one, really. They had dedicated more people to it because I wanted it for this year's budget. At first, they had said they would take a two-year period, but that was not satisfactory to me. Anyway, they decided to dedicate more people to it, which we had to pay it out in this year's past budget.

MR. JOYCE: That was used mainly for the help with MNL with the structures –

MR. O'BRIEN: With the Municipal Operating Grant.

MR. JOYCE: Okay.

Grants and Subsidies, \$50,000 last year and it is down to \$10,000 this year. Is that just a budgetary –

MR. O'BRIEN: That is a re-profiling too of the grant funding from the Policy and Strategic which we just talked about previous.

MR. JOYCE: Yes.

MR. O'BRIEN: That is the \$40,000 up from and to pay out for PMA.

MR. JOYCE: Okay.

Engineering and Land Use Planning – I have some questions later on land use. Professional Services, 2.3.01, it was budgeted \$78,000, there was only \$5,000 used, but again in this year's budget it is back up to \$58,000.

MR. O'BRIEN: Yes.

MR. JOYCE: Was there money not used?

MR. O'BRIEN: We usually use that for consultants in regard to the implementation to the Solid Waste Management Strategy, and Engineering Services. That \$73,000 reflects lower than anticipated costs that we had. We have, I guess, estimated \$58,200 for other work that we have to have done in regard to that implementation process. We are moving now on Western and various other areas in the Province.

CHAIR: Eddie, I am going to move on. Your time has expired. I am going to move on to George.

MR. JOYCE: Sure.

MR. MURPHY: Thank you, Mr. Chair.

Thank you, Mr. Minister, thank you to your staff as well for the work that they have done in the

past year. I know that at times there must have been a little bit of pressure. I know that the pressure is probably still there in this particular case with some of the austerity measures that have been undertaken by this government over the last little while and potentially for the next year and the year following. Congratulations on your hard work.

Mr. Minister, I wanted to start off with one particular section of the budget. Under the Engineering and Land Use Planning section, last year we asked you about the industrial water usage. You told us last year that it was OCI that owed \$714,300. That balance has not changed.

It is a serious matter for me because I know that while the people of Newfoundland and Labrador are being asked to put up with cuts, we still have a case here where industrial monies owing by a particular company still has not been paid. It does not appear that there has been one penny put down on this balance when you told us last year that this was a revolving amount and it would constantly change.

I wonder if you can give us an explanation as to how come we have not pursued OCI knowing that there are so many budgetary constraints, number one; and, number two, \$714,300, I can certainly think of a few things out there over the last couple weeks that we have run into that we could be spending that money on. I am wondering if you could explain that.

MR. O'BRIEN: Yes. When you are talking about industrial water and the cost to particular companies and particular towns, you have to remember first that the industrial water policy was brought in a number of years ago. It was brought in and what was done it was averaged from one community to another.

What I am saying is that the cost of delivering industrial water in one community might be completely different than in another community. I will give you two comparisons if you like. The industrial water supply in Port Union say, the Town of Trinity Bay North, is less costly to run than the one in Ramea, much less actually. It was decided back then that the people would be

charged, the communities would be charged, and the companies would be charged a blended rate. There is some dispute about that in regard to that blended rate.

As you well know, the plant out in Port Union has not been operational now since Igor. I met with the company back about maybe three weeks to a month ago. We had a good meeting. They are not shirking the responsibility they have in regard to paying for that, absolutely not. I want to be clear here in Estimates today, they know they owe in regard to an amount of water.

As a matter of fact, from an OCI point of view, I commend the company because they have supported the communities in regard to the plant closure programs with top ups to our CEE program. They are not that type of company, is what I am saying.

Government has to seek a way to be fair with these particular companies. That is what I am trying to do at this particular time. I suspect before next year's Budget, that amount will not be there because we would have come to an agreement in regard to the payout on that particular outstanding amount.

MR. MURPHY: Do we know who is going to be handling this file in the department so that we can come back to them next year to see the progress on the tackling of this debt?

MR. O'BRIEN: Me.

MR. MURPHY: Yourself? Okay.

Have you given OCI any kind of a timeline as regards to how fast we can get them to pay this off or is that still under negotiation?

MR. O'BRIEN: No, I do not give them any timelines or whatever. I am sure once we come to an agreement they will cut a cheque for the full amount. That is where it is going to be.

I will work with the Department of Finance along with the Town of Trinity Bay North as well because I have to be fair to the community. Industrial water supply is not the normal type of

water supply and distribution process that you should be using in regard to delivering water to a community. I have a few things to work out on both ends of that and we will be working with the community, along with the MHA and along with OCI in regard to solving that issue. I am quite sure and confident that I will have it solved within this fiscal year.

MR. MURPHY: We can have the commitment from the minister that we will see something tackled on that by –

MR. O'BRIEN: You will have a commitment.

MR. MURPHY: All right.

While I am there, while I am in that particular section 2.3.02 Industrial Water Services, there is a difference here of –

MR. O'BRIEN: Two-point what?

MR. MURPHY: In 2.3.02, it is the same section the OCI balance is carried under. Under Salaries, \$170,700 for last year, the revised was \$125,000. They are projecting \$170,700 this year.

MR. O'BRIEN: Yes, a vacant position, an Engineering Tech II position. We had trouble in regard to recruiting. That reflects the \$45,700 saving there. We filled that position.

MR. MURPHY: That position is filled or?

MR. O'BRIEN: Is filled.

MR. MURPHY: It is filled now, okay.

Down to Purchased Services, that same section again 06, \$550,500 actual against \$600,000 last year, budgeted down to \$490,000 this year.

MR. O'BRIEN: Yes. That reflects a reduction measure of \$100,000 in Purchased Services. As I said previous, we mainly use that area for equipment costs, copiers, or whatever it may be. Also, we do some other things too, freight costs, whatnot. So we have a re-profile in there for

about \$10,000 into T and C as well from that line.

We have the operating and maintenance costs for the Port Union fish plant, which is no longer needed. So you have a decrease there and a saving as well.

MR. MURPHY: Okay.

Minister, I was just wondering too at the same time, when we are talking about rental costs of equipment and everything has the department done a study of any savings in this particular case that would make, for example, rental over direct purchase of equipment? Are we better off renting? Is there some reason why we have to rent a lot of things rather than making an outright purchase?

MR. O'BRIEN: Well, I rented for thirty years in business and it was the best option back then and I believe it is the best option now, because those types of equipment change all the time. There is a lot of maintenance that has to go into them over the years and whatnot. So, you are better off changing them up every two or three or four years, whatever it may be.

We try to consolidate and streamline any equipment usages within the department itself, in regard to printers. Whatever cost savings we can apply in regard to that we do. I want to maximize every single dollar within my department, and we and my staff endeavour to do that whenever we possibly can.

MR. MURPHY: Okay, perfect.

I want to come back to, when it comes to Regional Support, some Grants and Subsidies here. I wonder if we could have a breakdown –

MR. O'BRIEN: What heading are you under, George?

MR. MURPHY: In 2.1.01 you had an explanation here as regards to Grants and Subsidies. It was the reprofiling of Grants and Subsidies support for professional administrators. I am wondering as regards to the

amount of money there? Again, just to get it clarified.

MR. O'BRIEN: Well, the amount of money there is mainly – about \$40,000 came up from Policy and Strategic Planning, up to Grants and Subsidies where it should be. If you are going to support your professional administrators, MNL, or whatever it may be, it should be coming out of the Grants and Subsidy area.

We are reprofiling and restreamlining our budget lines to reflect a better way of putting that money out to those particular groups that need it. That supports their everyday operation, along with their AGM, which is happening this week in the City of St. John's. As well, we will have staff there during this process for training and that kind of thing. So, it is a very beneficial investment when it comes to municipalities, and especially rural municipalities in the Province.

MR. MURPHY: Can the rural municipalities, when it comes to the training, expect to see this dollar amount, for example, in next year's budget?

I know training for municipal officers, that sort of thing, is a bit of a concern amongst municipalities. So, I am looking at this dollar amount, \$79,500, and I am wondering if there is going to be more money put into the budgetary requirements of municipalities for that? Is this going to be – well, basically the \$119,500, are we going to something more substantial for training?

MR. O'BRIEN: Each and every year our budget changes. It depends on your revenue streams or it depends on a lot of things that happens over a year.

If you were to have a look at my budget, and you mentioned the austerity issues that have happened in this budget, I will say this, from my position as the Minister of Municipal Affairs, our government and our Premier understand full well the value of investing in our municipalities. That is the reason you see my budget lines to be what they are, because we aim to strengthen Newfoundland and Labrador from the ground

up, which the municipalities are the ground. We are the second level of government and then you go to the third, which is the feds.

That budget line is there. It has been there and we have supported the professional administrators and we have supported MNL now for a number of years. I believe there have been increases with regard to that amount over the years, as well, over the last ten years.

All I will say is that from my position as the Minister of Municipal Affairs, I intend to keep supporting PMA and keep supporting MNL as long as possible – not as long as possible, but as long as I am here. The simple reason is that is valued dollars. That is a good investment.

CHAIR: George, we will get back to you in a little bit.

Eddie.

MR. JOYCE: No –

CHAIR: No, at this point we will go back to you.

MR. JOYCE: I did not know if they wanted to have a few questions or not.

Minister, I will just keep going down line by line. In 2.3.02.06, Purchased Services, there was \$600,000 there last year, there was only \$550,000 used, and this year it is estimated \$490,000. Can you explain the decrease?

MR. O'BRIEN: Yes, that is to do with the Port Union plant as well, in regard to a lower than anticipated operating and electrical cost for the water treatment plant. The plant is not operational, so the volumes are not going through. So you have a decrease there.

Then we have some reprofiling, as I said before. There is a reduction measure of about \$100,000. We right sized the budget there, but it is mainly to do with the Port Union fish plant being non-operational.

MR. JOYCE: Okay. Can I ask why? If it is non-operational and it is budgeted this year at \$490,000, how can you budget \$490,000 if it is not operational?

MR. O'BRIEN: Because it is an industrial water supply system, which is completely different than the normal systems that you would have in a normal town. We have to keep it operational and we have to make some changes there to bring it to a town standard before we actually pass it over to the community to operate it themselves. Normally, as you know, the community is responsible for operating their own systems, but in this case here it is a completely different system than the norm.

MR. JOYCE: So eventually it will be turned over to the town?

MR. O'BRIEN: Absolutely.

MR. JOYCE: Okay.

Section 2.3.03 Urban and Rural Planning, Salaries, there is a decrease there of almost \$100,000?

MR. O'BRIEN: That is a reprofiling of a position, a computer programmer to Engineering Services. There is a planned savings of \$56,000 there as well, but we did not need the position so we reprofiled it over to Engineering Services where we needed it most.

MR. JOYCE: Okay.

Transportation and Communications, it went up from \$18,000 to \$40,000, back down to \$18,000. Can you explain the increase?

MR. O'BRIEN: That is due to the higher number of appeals on the appeal boards. You must remember, last year before we got to it we were stalled for a little while in regard to appointing the appeal boards. So, we finally have those completely functional with everybody appointed. Now the appeals are going forward. We had a savings last year but we anticipate having the same amount in this

year's Estimates as compared to the budget last year.

MR. JOYCE: Are all the appeal boards now up and running?

MR. O'BRIEN: Yes.

MR. JOYCE: I appeared in front of one there about three weeks ago. It took a while but – about a month ago, I should say. So they are all up and running now?

MR. O'BRIEN: Yes, all up and running. There is a schedule for this fiscal year in regard to hearing of appeals. There are a fair number out here in the east, because this is where the growth is and the population is, but they have been scheduled by calendar dates for each and every one of the boards. Now the people who have appeals in front of those particular boards know where the schedule is and when they are meeting. Then they can see progress.

MR. JOYCE: Purchased Services, there is the budgeted, then it was increased to \$30,000, and it is back to its normal budget. Could you just explain that for a minute?

MR. O'BRIEN: That has to do with the higher than anticipated board member fees and consultant costs in regard to the protected road zoning amendments. We are getting a fair number of them now these days, as well, as the Province grows. People are looking for amendments to the protected road zoning and other types of amendments.

MR. JOYCE: I am going to go to Assistance and Infrastructure, 3.1.01. I will go to –

MR. O'BRIEN: Which one are you gone to?

MR. JOYCE: In 3.1.01, Financial Assistance.

MR. O'BRIEN: Okay.

MR. JOYCE: We see a decrease there in the Grants and Subsidies. Can you explain how much a decrease and why the decrease?

MR. O'BRIEN: That is a decrease in amount. It is going to decrease over the years because it is amortized over.

As you know, in 2008 we moved from a loan basis to a cash base in regard to supporting our municipalities under the cost-shared ratios. We have a current balance, in regard to the Newfoundland and Labrador Municipal Financing Corporation, but we are paying that out over a period of time. You have a decrease in principle, so then you are going to see a decrease in regard to the payout as well over time. As a matter of fact, over a period of time it will go down to zero.

MR. JOYCE: Okay. That is not increasing. Is it because of the 90-10 ratio that it may need dropping?

MR. O'BRIEN: No, it is because we are on a cash basis.

MR. JOYCE: Cash basis.

MR. O'BRIEN: Yes, so that will become obsolete in a period of time. It does not really function in that way any more.

MR. JOYCE: In 3.1.03, Municipal Operating Grants.

MR. O'BRIEN: Yes.

MR. JOYCE: You can see in Grants and Subsidies there is a decrease of almost \$1.1 million. Can you explain why that is?

MR. O'BRIEN: Yes, okay. We will go to the 2012-2013 Budget first. The amount there is \$17,850,000. We actually paid out \$22.45 million in regard to those Municipal Operating Grants last year.

You must remember that municipalities govern themselves on a calendar year, not a fiscal year. The \$4.6 million was paid out prior to the end of our fiscal year and then the \$17,850,000 was paid out after the fiscal year, April 1.

Then when you take it into account, the 2013-2014 Estimates, the \$16,020,000 is the amount that we will pay out in this current fiscal year to municipalities of populations under 11,000. You have to remember that there is a savings there because we are not paying the over 11,000 in Municipal Operating Grants. We replaced it with a \$25 million capital fund.

MR. JOYCE: Okay.

In actual fact, what you are saying is that if it is \$22 million paid, some municipalities or all municipalities are on a different calendar year than the Department of Municipal Affairs or the government?

MR. O'BRIEN: Say that again to me.

MR. JOYCE: The municipalities are on a different calendar year?

MR. O'BRIEN: They are. They are on a calendar year, not on a fiscal year.

MR. JOYCE: Yes. You mentioned \$22 million was paid out and that was on the calendar year or the fiscal year?

MR. O'BRIEN: It was \$22 million, but you always have to remember, I am operating on a fiscal year. We paid out \$4.6 million of that Municipal Operating Grant fund in the previous fiscal year. Then we paid out \$17.85 million in the next fiscal year. Then the \$16,020,000 will be paid out of this fiscal year, but the decrease is just that we removed the over 11,000 population communities, and that is the amount needed to support the rest of the communities.

MR. JOYCE: Yes. Next, Minister, 3.1.04, Special Assistance, there you have Professional Services. The budget was \$375,000 but there was only \$20,000 used. Why was that budgeted for \$375,000 and only \$20,000 used?

MR. O'BRIEN: That \$375,000 reflects the commitment we had made to the Cougar Memorial Fund. We moved that money, \$354,000 of that out to the Heritage Foundation. We have consulted with the families and that

piece is over. We have a report from the consultant and now we have moved that money out to the Heritage Foundation because they are the right group to go forward with an actual design of whatever we are going to place in memory of those people who lost their lives in that tragedy.

MR. JOYCE: Is there any anticipated date?

MR. O'BRIEN: Well, it is up to the Heritage Foundation really. We have encouraged the families of the people who lost their lives in that tragedy to provide feedback, so hopefully within the next year or so.

You must remember it took a number of years to establish the Ocean Ranger Memorial, too. That is not something that I believe you should be rushing. I do not believe you should be rushing to one conclusion or an opinion of one particular family, or one particular person. I think you would have to look at it as a whole. Some of these people are as far away as BC, Scotland, wherever it may be. It is process that we have to go through, and you have to be really cognizant to the sensitivity of the issue as well.

MR. JOYCE: Is the department out of it now once the funds were transferred?

MR. O'BRIEN: It is out to the Heritage Foundation. We have nothing to do with it now.

MR. JOYCE: So, the Heritage Foundation is the ones dealing with the families.

MR. O'BRIEN: They are the ones who are going to deal with it now. We are up to design now and what it is going to look like.

MR. JOYCE: Okay.

CHAIR: Thank you, Eddie.

George.

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

Mr. Minister, having to do with that section, 3.1.04, Special Assistance, maybe a little bit more of an explanation here as regards to the difference in the line items, \$2,004,800 total in Special Assistance, down to \$1.2 million.

That \$1.2 million would be? Can you give us an explanation as regards to why that number is down? Is that part of that particular program?

MR. O'BRIEN: Really, it is a decrease of \$1.4 million. As you must remember, you have to add up the \$354,000 with the \$20,700 above, then that gives you the real number. So it is down by about \$1.4 million approximately. That is a cost savings we identified in the Budget process that we could deal with. That is the reason it is down to \$1.2 million.

As well, you never know where the Special Assistance is going to pay out. The simple reason is that you cannot anticipate what is going to happen in municipalities at any given time and how you are going to support them. Looking at past history, \$1.2 million, we will deal with that because a lot of the things we deal with, with municipalities, we can put over to Municipal Capital Works as well, so we have that avenue.

MR. MURPHY: Perfect.

Back up to the top of this page, 3.1.01, Municipal Debt Servicing, I noticed the amount is down greatly from last year. Are we still on track for 2020?

MR. O'BRIEN: Yes, we are. That is the – what is the word I am trying to think on?

OFFICIAL: (Inaudible).

MR. O'BRIEN: No, there are two parts to it. We are out to the bonding.

OFFICIAL: Direct debt.

MR. O'BRIEN: Yes, direct debt is on track for 2020.

MR. MURPHY: So we are not seeing – well, I guess we are not hearing any in this particular case. The number is down here. How are communities doing with it?

MR. O'BRIEN: Actually, communities have nothing to do with this, right?

MR. MURPHY: Yes, but I am just wondering as a bit of a sideline to this. When it comes to communities and the acquiring of funds, if you will, and the paying off of their own debt, obviously government is retiring some debt on their own. Are you hearing anything from communities, any difficulties?

MR. O'BRIEN: No. I want to be very clear in regard to this heading. This is purely an all-provincial debt.

MR. MURPHY: Yes.

MR. O'BRIEN: This is our amount that we actually provided to municipalities. Right now, we deal on a cash basis and a cash basis only. So if I have a commitment authority of \$130 million, well, then I cash base \$130 million out the door to municipalities. They actually go to the banks and borrow their money, or their portion of it. Municipalities have nothing to do with this payout right here.

MR. MURPHY: No.

MR. O'BRIEN: In regard to their debt service ratios, I keep a close eye on debt service ratios in each and every municipality in the Province. When I was assigned Municipal Affairs, I had some municipalities with a debt service ratio of 40 per cent, even 60 per cent. Most now are down below the 22 per cent mark.

We have some down in the single digits, and we have some – most in the teens, which is exactly where you would want your municipality when it comes down to debt service ratios. So they are well able to borrow when they have to in regard to any of the municipal capital works and the projects they want to take on. We have municipalities right now very strong as compared to where they used to be a decade ago.

MR. MURPHY: Perfect. Okay.

Coming down to another line item, over to section 4.1.01, Fire and Emergency Services; last year you said the report was being reviewed, you were doing a review on that. We know the department is still on track for basic 911 services throughout the Province by 2014.

I am just wondering if you can give us an update on that. Particularly when it comes to how municipalities are dealing with civic numbering, and I guess how your department is dealing with civic numbering, is there any update on it?

MR. O'BRIEN: We have \$750,000 earmarked for that particular implementation right now in this year's budget. We are not at the point yet in regard to civic addressing or whatnot.

In that \$750,000, there are monies there available to us to hire consultants with expertise in regard to any of the challenges we may or may not have under the 911 implementation. Certainly there are areas, and we have recognized areas in the Province that there will be challenges in regard to civic addressing. The consultant will engage with municipalities as we move forward and address that issue.

As well, you must remember, parallel to that we are going to also engage in regard to enhanced 911 as well. We are not going to have that ready by the target date because we are doing one, and one after the other, but the enhanced process will address some of those issues with regard to civic addressing in the future as well, from a technology point of view.

MR. MURPHY: Okay, perfect.

Down to 4.1.02 in Fire Services, Salaries from \$649,400 to this year's revised, \$765,400, this year budgeted for \$558,100.

MR. O'BRIEN: I have lost you.

CHAIR: Subhead 4.1.02, Minister.

MR. O'BRIEN: I have the wrong page.

The increase is reflective of \$116,000 that we had to pay out for retirement payouts – two employees. We had Fred Hollett retire, along with a director retire. That is the reflection of that. As well, the \$558,100 would reflect a lower salary scale from a start position.

MR. MURPHY: Are you going to miss Fred?

MR. O'BRIEN: Yes. I have seen Fred a few times since then.

MR. MURPHY: He is a good fellow, I have to say.

MR. O'BRIEN: Yes, absolutely.

MR. MURPHY: Down to 4.1.02.10, Grants and Subsidies, \$626,500 down to \$506,500.

MR. O'BRIEN: It is just a reduction measure that we participated in with regard to this year's budget. That would be in the supply of equipment.

MR. MURPHY: When you say equipment here for that particular line item, can you specify what kind of equipment we could be shorting ourselves with?

MR. O'BRIEN: We support our fire halls with things such as cost-sharing bunker suits and whatnot. We have had significant investments over the last five years in that. We have certainly addressed a lot of issues out there today. I am not saying that we do not have – equipment rotates to a standard, so we can live with \$120,000 decrease. It is not a whole lot really, but in regard to our overall budget and the support that we give our fire halls, we have invested heavily so we can absorb that decrease this year.

MR. MURPHY: Do you anticipate any shortfalls or anything in the various departments? Do you think that we are going to be short-changing ourselves with \$120,000 cut there?

MR. O'BRIEN: Say that to me again, George.

MR. MURPHY: I am just wondering – that seems to be a substantial amount from grants and subsidies. I know that you have been doing an awful lot of equipment replacing and turnover, that sort of thing. I am just wondering, are we going to be spiting ourselves –

MR. O'BRIEN: No, it is time to sit back. We have done significant investments over the last four or five years. We bought a lot of bunker suits, a lot of BA systems and that kind of stuff, and continue to do it. We are continually assessing fire halls. Our people are out there looking at their equipment and updating our files down in Fire Services to support me as the minister responsible.

Right now, after the significant investments that we have made in the past, the \$120,000 reduction, we can live with that for now. Once those assessments are done and get a clearer picture in regard to regionalization and fire halls coming together as well that is out there, that we will have a look at that when the time comes. Right now the \$120,000 is not a huge amount.

MR. MURPHY: Okay. All right, we will keep an eye.

Section 4.1.04, Joint Emergency Preparedness Projects, this section I am looking at it, the appropriations for the Budget for 2012-2013 were \$106,000.

MR. O'BRIEN: Yes.

MR. MURPHY: Down to \$43,500 for this year, but nothing appropriated for this year for Grants and Subsidies. Why is that?

MR. O'BRIEN: It is not our program; it is actually a federal program –

MR. MURPHY: It is a federal program?

MR. O'BRIEN: – that we just had administered for the feds. They had a program that they cost-shared 50-50, equipment purchases by municipalities, their fire halls or whatever. That ended March 31 of this year.

MR. MURPHY: I am just wondering if your department, having to do with that, it has to do with enhancing the national emergency response capability – are the feds shirking a responsibility here when it comes to emergency preparedness in Newfoundland and Labrador.

MR. O'BRIEN: No, I do not think so. They realize that we as a Province have taken the opportunity to invest in our fire halls. Their system was based on a 50-50 share with no provincial participation. I will just speak for myself in regard to Newfoundland and Labrador; we invest on the cost-share ratios that we have had that, really, a lot of the fire halls out there did not avail of this program.

The feds take fire emergency preparedness very serious. I believe they supported us in Igor. As a matter of fact, they supported us very well in Igor in regard to getting our documentation through the system and getting payments into the Province. I do not think they are shirking that responsibility whatsoever; it is just that they are re-profiling their dollars into better areas of investment.

CHAIR: Thank you, George. I am going to hold your thought there, if you would. I am going to turn it back to Eddie.

MR. JOYCE: Thank you, Mr. Chair.

Minister, I go to 3.1.05, Financial Assistance for Community Enhancement.

MR. O'BRIEN: Subhead 3.1.05.

MR. JOYCE: Grants and Subsidies, 10.

MR. O'BRIEN: Yes.

MR. JOYCE: There was an increase this year in the Community Enhancement Program. Did you see a need for it across the Province?

MR. O'BRIEN: It varies from year to year. Back in 2009-2010 I think we invested \$10.5 million in regard to Community Enhancement Programs. In 2010-2011, we invested \$9.1

million. The next year after that, we invested \$9.3 million.

What this reflects actually is a lesser of a need than in previous years. Newfoundlanders and Labradorians are finding work elsewhere. They do not want to be on EI. They are taking the opportunities that are out there in Newfoundland and Labrador, so you see a smaller amount actually paid out.

When you look at that number, really, it is an increase, but in my mind it is actually a decrease. As you know, we had two programs – not two programs, but we have two thresholds. We put out one round at first just to test the market because there is no scientific data out there in regard to who needs hours and who does not. There is nobody keeping track of that, but when you put out the first round it sparks the interest and the calls. From the MHAs, including yourself, we get a good picture of exactly what is needed.

This year past, we only see the need of a little over \$5 million. We will keep that number now as a rightsizing and just see exactly what happens this year and the upcoming year.

MR. JOYCE: This is not talking negative about the program because I know some great work has been with the program. I said it publicly and I said it to you privately.

Is there any way – and I am explaining some of the problems you run into as an MHA. What I usually do is get municipalities to have a list of people who need work so you have a good idea. By the time you get the first one and, say, some project is worth \$30,000 and you only give them \$10,000, they cannot get it ramped up and get it completed by the end of March.

One good example is the breakwater that they did out in Lark Harbour. They did tremendous work, but by the time they got the second funding it was too late in the year and the weather was too bad to do it, yet they still had the workers who could have done it.

Is there any way to look at that? Because it is a good program, a lot of good work; I will be the first to admit. Is there any way that we can –

MR. O'BRIEN: I am cognizant of that as well because I have gone out and viewed some of the projects that have been completed under the Community Enhancement Program. They are actually really good projects. There are some good ones.

I guess there is a mindset out there, times in the past, that these particular programs just enabled people to stand on the shovel and collect unemployment afterwards, but that is absolutely not true. There is a value to this program for the community and then there is a value to the person working, but there also is a challenge because the CEP program is not a job creation program.

You have to hold it to make sure that people avail of the work that is out there, and they should. That is number one. In regard to CEP, most of the people who avail of that particular program usually come from the fishing industry, plants, whatever it may be, in rural Newfoundland and Labrador. You know how the season fluctuates there as well, so you hold it and just see exactly and get a clear picture before you put it out.

I am cognizant of that in regard to the project, the climate that we live in as well, so we try to get it out as quickly as we can. We had it out a little bit earlier this year than we did last year. We actually accomplished a little but I would like to get it out earlier, I will be quite honest with you, especially when you have projects such as the one you just referenced.

I would encourage any of the MHAs, regardless, if they have a project that is climate sensitive, well then come to me personally and I will see what I can do.

MR. JOYCE: Minister, I will just bring this up, and I agree with the criteria, but some people need – this year with the exemption of 420, they needed 420 hours. I agree you have to have some rules in place; I have no problem with that.

Is there another way for the appeals mechanism, because this year it was only if it was medical? I know one or two cases that I had, where people were just in dire straits, through no fault of their own, and then they did not meet the criteria. I understand the need for the rules. I have no problem with that.

MR. O'BRIEN: Yes, it is hard to open up that door without a floodgate because I will go back to years past, that it was a job creation program. People just lived that system, and that is not what it was meant to be. If you have some issues in regard to people who have unique issues, well, again, come to me personally. I cannot make you any promises here in the House of Assembly but I will try to do what I possibly can.

MR. JOYCE: Yes.

Just a last comment on that before I move on. I know he is not here now, but would you pass on to Ron Murphy that the work that he does –

MR. O'BRIEN: I will. We have great staff there.

MR. JOYCE: - because I know he must be hounded. I know he tries to accommodate a lot of people and do whatever he can. So just pass that on to Ron from me personally, that I know the work that he does.

MR. O'BRIEN: I definitely will.

MR. JOYCE: Minister, 3.2.01, Municipal Infrastructure, Professional Services 05. It was budgeted for \$500,000, there was \$250,000 used, and \$275,000 this year. Can you explain why it was budgeted and very little or half of it used?

MR. O'BRIEN: Yes. That is mainly where we are advertising, tendering and whatnot. We do that more efficiently these days. So we saved that amount of money in this fiscal year. We anticipate that the \$275,000 in this year's Estimates will be enough to deal with that issue. We just do it more efficiently.

MR. JOYCE: The same thing with Purchased Services, it was budgeted \$33,500, down to \$10,000, and it is back to \$33,500 again.

MR. O'BRIEN: Again, in equipment rentals and that kind of thing. That fluctuates from year to year.

MR. JOYCE: Okay.

Grants and Subsidies, in the Budget there was \$97 million, it went down, the revised was \$75 million and now it is back up to \$111 million.

MR. O'BRIEN: That it right. The decrease reflects getting the money out the door in regard to getting all of the necessary work done. We work, as you know, each and every one of the communities that have projects have consultants who manage the projects for them. Sometimes there are issues surrounding that process, to the point that they get the project ready for tender. They might have to address issues with unanticipated overruns, or whatever it may be. They may have to come back to me to increase the amount, whatever it is, just reflected in that one issue.

In this calendar year, we anticipated getting about \$97 million of work out there, but we succeeded in getting about \$75 million out. That is where it is mostly, in regard to – I have to say, since 2010 we worked closely. I respect all of the consulting engineers in Newfoundland and Labrador, but I have been straightforward with them as well.

We will challenge them on their work and their fees because I want to get as much value from that \$97 million as I possibly can for the municipalities that I am the minister for. So, that in turn slows the process a little bit, but it does save – not government money, because that is my commitment authority and that is the cash flow I have in regard to the projects going forward, but it does add value to the municipality. Every dollar that I save, really, is saved to them.

MR. JOYCE: Minister, 3.2.02, Federal/Provincial Infrastructure Programs. We

see here Grants and Subsidies, the budget last year was \$52 million, the revised was \$33 million, and it is back up to \$39 million. Can you explain the difference there? Was the money not spent, or is it a carryover or –

MR. O'BRIEN: No, the same thing. You must remember the Building Canada Fund now is winding down. It was a 2008-2013 Budget. The projects have to be completed by 2015, with all invoicing in by 2016.

As you know as well, the federal government just brought down their budget and they have a new Building Canada Fund. That amount has been announced, but it has not been actioned yet. So you are going to see a decrease, as a matter of fact, over next year's budget. Depending on how the present federal budget kicks in, you will see that go down because these projects are coming to fruition.

In regard to the difference between the \$52 million and the \$33 million, that reflects an anticipated expenditure cash flow decrease under the CSIF Building Canada infrastructure program. In other words, we have a number of projects out there, complicated projects. We have a couple out in Corner Brook, and we have two or three here in the City of St. John's. We have one in Goose Bay, I believe, if I remember right.

They are all going through different portions of the process. They just have not been, so we did not pump the money out because they are not ready to go to tender yet in regard to those projects. So you have not seen the cash flow.

MR. JOYCE: Oh, I can keep going.

CHAIR: George.

MR. MURPHY: I can understand his enthusiasm.

Thank you, Mr. Chair.

I want to come back to 4.1.03. We were talking about Emergency Services.

MR. O'BRIEN: 4.1.03?

MR. MURPHY: 4.1.03.

MR. O'BRIEN: Yes.

MR. MURPHY: In the Salaries line, from the budgeted last year, \$403,600, it was revised down to \$344,100, but it is up again this year to \$693,300.

MR. O'BRIEN: Yes.

MR. MURPHY: If we can get an explanation.

MR. O'BRIEN: Recruitment delays in regard to a decrease of \$59,500 between one and the other, \$403,600 and \$344,100. Then there is an increase of \$289,700, which reflects an additional salary funding for the E-911, which is offset by a salary step increase, too. That is all to do with the implementation of 911.

MR. MURPHY: So we have an increase staffing, obviously, who are going to be working on that.

MR. O'BRIEN: Yes, absolutely.

MR. MURPHY: Good.

That obviously has to do also with the Property, Furnishings and Equipment, that acquisition there.

MR. O'BRIEN: That is correct.

MR. MURPHY: Up to Professional Services, \$261,600 against \$19,400.

MR. O'BRIEN: It is the same, the increase in regard to consultant fees for E-911 as well.

MR. MURPHY: Do we know who these consultants are?

MR. O'BRIEN: Not yet, I do not think. No, we do not. An RFP has been posted, so there will be a selection and a selection process will incur.

MR. MURPHY: So we can get a list of those when they are in line, of course, with the program?

MR. O'BRIEN: Yes.

MR. MURPHY: Total for Emergency Services – obviously that number is standing out, of course, because of the changes in that particular listing.

MR. O'BRIEN: That is correct.

MR. MURPHY: I wanted to come over as well to the municipal ticket pilot program to ask you for a bit of an update on the municipal ticketing program. We had a couple of concerns about the percentage the Province is charging to administer it.

Have you heard anything back from municipalities as regards the dollar amounts and as regards what is being charged in the processing of tickets?

MR. O'BRIEN: In regard to ticketing and the ability to ticket?

MR. MURPHY: Yes.

MR. O'BRIEN: Really, that sits with the Department of Justice and down with the courts in regard to that process. I would not be able to comment in regard to how many tickets they have issued and the amounts that have been collected because we do not really track that piece as such. It lies down at the courts, really.

MR. MURPHY: Okay, I will make a note and pass that on when the Justice Estimates come through.

We carry on to solid waste management and recycling. In your opening remarks last year, you said that at the end of the 2013 fiscal year, two-thirds of the people of Newfoundland and Labrador would be tied into the program.

Can you give us an update as regards to that particular program when it comes to solid waste management?

MR. O'BRIEN: Solid waste management is actually moving very well in the Province. As a matter of fact, it is faster than anticipated. As a matter of fact, I will say this, as well, for the record: In 2010, I was advised that I would have challenges there in regard to the implementation of that particular strategy. What I will say is that municipalities and the people of the Province have certainly bought into the implementation, the strategy itself, and the value of it in regard to the future of Newfoundland and Labrador.

Robin Hood Bay, as you know, is up and running quite well in all aspects. The only piece there that we have to address and work with the particular board is composting. They will move that forward. That is an ever-evolving technology. I have impressed on each and every one of the boards to make sure that they look at all the technologies because the technology is changing. There are a lot of cost savings there that could be had.

Out in Central, the Central facility is up and running. I am not sure if you have been there. It is an absolutely state-of-the-art facility. You would not believe that it is an actual waste management destination. They are moving now this year in regard to their material recovery facility. We are doing a lot of work with them in regard to recycling.

Waste on the West Coast is moving forward finally. We had some great work done with the committee and the chair. We will be moving to a board structure pretty soon over the next couple of months or so. We have money in the Budget to address transfer stations and public drop-offs over on the West Coast that have to be developed. One will be in the transfer station in the Wild Cove area of Corner Brook, another one over in Bay St. George, another one I think – I just cannot remember now to be honest with you where they all are. There are several of them and public drop-offs as well. They will be developed. We have the money in the actual budget for that.

As I said, we have the money in the budget in regard to the Central waste and then we have a fair bit of money for dump closures for Central

now that they are up and running. We will be closing a lot of dumps I think, somewhere around eighteen or so in Central. There are twelve or so that have to be environmentally closed that is in Eastern. Then as well we will be consolidating some dumps over on the West Coast. Configurations such as areas or regions that might have three or four dumps in a region now will go down to one dump until we get the public drop-offs and the transfer stations in place, and then start transporting into Central.

As well, there is as fair bit of work going on inside the department of looking at various technologies and solutions for some of our remote areas such as the South Coast of Newfoundland and Labrador, as well as we have some money to do some work in Southern Labrador, some work in Goose Bay, and some good work over in Lab West. We have around \$4 million invested in Lab West now; we will probably spend another million or so in cleaning up their incinerator site that we closed.

So there is a lot of work going on in waste management, believe me. It is good money that we have invested. Municipalities, again, and the people of the Province bought in to waste management and the value for our future.

MR. MURPHY: Thank you for that.

I am just wondering as well, when it comes to waste management – and I know there have been several concerns about the cost of transportation particularly when it comes to waste that is coming into Central. Any plans on the department to help address some of these costs of transporting waste?

MR. O'BRIEN: I will have to say it this way; you are living in the past in regard to the concerns for transportation. The actual numbers are moot; they are cost-neutral. So it does not cost – as a matter of fact, transportation cost is really a very small amount as compared to the overall cost of managing waste.

So, when you look at if you put it in a pie, it is a very small. When you take that out and have a look at it, and the consultant – we got a report in

regard to that – and you have a look at it in regard to the real cost of transporting as compared to establishing a big site over on the West Coast, the decision was clear that it was cost-neutral, probably a little bit of a savings, to transport as compared to establishing a site.

MR. MURPHY: Okay.

MR. O'BRIEN: So that is gone.

MR. MURPHY: Subhead 4.1.05, Disaster Assistance, under Fire and Emergency Services Agency. Line 01, Salaries, they were \$350,000, down to \$280,000, back up again to \$285,000. I am just wondering: Did we lose a position here as regards to Disaster Assistance?

MR. O'BRIEN: We had an engineering tech that worked over in Fire and Emergency Services. They worked in regard to some of the disasters, Igor or whatever. There is a lot of work to be done there, in regard to engineering and consulting and advising communities and whatnot; but when we had a real look at it, you do not know when you are going to have an Igor; you do not know today or tomorrow, and we felt that was better off being in the engineering division here at Municipal Affairs. So we support now that particular issue from our engineering department where all of our engineers are. We have eliminated that position over in Fire Services.

MR. MURPHY: Okay.

CHAIR: George, I will come back to you.

MR. MURPHY: All right.

CHAIR: Eddie.

MR. JOYCE: Thank you, again.

Minister, we will have a discussion later about the waste management on the West Coast and the cost of transportation, because I think somewhere along the line yourself or an official should meet with the municipalities that have grave concerns about it.

MR. O'BRIEN: That is fine. We will meet with them, but the numbers are clear. I can tell you they are clear. They might have their concerns or whatever, but anyway we will address the issues.

MR. JOYCE: The numbers might be clear, but the part that is not clear to the people is that the initial capital cost is the provincial side. When you put that into the full transportation it is, but for Central and Eastern the capital cost will be borne by the Province.

What is happening out on the West Coast, they are saying if we settle up, here is what it is going to cost to settle up but that cost is not supposed to be included. It is being included on the West Coast but it is not being included for the capital cost because the transportation out in Central the provincial government set up.

MR. O'BRIEN: You cannot compare it like that. You have to compare operational costs to transportation costs, is where a lot (inaudible).

MR. JOYCE: Yes, and you could, but there is a big discrepancy.

MR. O'BRIEN: Absolutely. Then when you compare the operational costs to the operational cost of a big facility, such as Robin Hood Bay or Central, and then compare it to the transportation cost, it is cost neutral.

MR. JOYCE: Okay. Well, there are discrepancies on that I can assure you.

MR. O'BRIEN: You cannot include capital in operational costs. You cannot do it.

MR. JOYCE: I can assure you, there are discrepancies.

MR. O'BRIEN: A lot of people make the mistake of doing that but it gives a distorted view of the actual issue.

MR. JOYCE: Yes, but there is a lot of discrepancy on that, and we will disagree on that one.

MR. O'BRIEN: Bring them all in, I will meet with them.

MR. JOYCE: Actually, you were going to go out and meet with the Great Humber Joint Council and the officials.

MR. O'BRIEN: I will, yes.

MR. JOYCE: The Gas Tax Program, 3.2.03.

MR. O'BRIEN: 3.2.03?

MR. JOYCE: Yes. Salaries, there is a little increase in the budget to revised. It is up to \$370,000.

MR. O'BRIEN: Yes.

MR. JOYCE: Is there any –

MR. O'BRIEN: As you know, the Gas Tax Program is a fed program that we just administer.

MR. JOYCE: Yes.

MR. O'BRIEN: Really, the positions that are attached to the Gas Tax Program are contractual type positions. As you know, in this year's Budget the feds have insured municipalities across the country that the Gas Tax Program now is a permanent program.

This increase reflects a higher than anticipated compliance type of process that we go through. We have a lot of small municipalities in Newfoundland and Labrador that we have to engage in order for them to understand the federal regulations and specifications surrounding what they can or cannot use gas tax for. So that \$120,000 anticipates some increased efforts to bring municipalities into compliance and also identify projects that they are eligible for under the Gas Tax Program.

MR. JOYCE: So the regulations are set by the federal government. Am I correct on that?

MR. O'BRIEN: That is correct.

MR. JOYCE: It is administered by the Province.

MR. O'BRIEN: Yes.

MR. JOYCE: I will give you a situation that just came to my attention out in the Town of York Harbour. Now, I do not know who is the best to deal with this because I will be writing, probably yourself later. Is that they went out and did a project under the gas tax. They went through the process with the department. They put it out on tender and got it done, the work was done, no problem. Then they were told that the instalments would not come; three instalments instead of the money upfront. They assumed they would get the money for the tender upfront but it is done in three instalments?

MR. O'BRIEN: Yes, that is the only way we can administer it. We cannot just pay out the money upfront in regard to before the tender, right.

MR. JOYCE: No, no, the work is complete.

MR. O'BRIEN: The work is complete and it came out in three installments. I would think that would lie in regard to some of the work that we have to do with the consultants. Remember now, it is a community project but the consultants are hired to administer it.

MR. JOYCE: Who is the best person to write on that because the work is complete?

MR. O'BRIEN: All you have to do is just give me the details of it. I will go to my engineering department and I will find out exactly where it is.

MR. JOYCE: Their concern is that they have to go through the bank and borrow the money to pay off the tender because it is already done, the work is complete.

MR. O'BRIEN: Yes, I got you. I am just –

MR. JOYCE: I will write you on it because I know I am getting you on the blind on it, so I will just write you.

MR. O'BRIEN: No, I hear you. I have an idea where the problem is, believe me.

MR. JOYCE: Yes.

Minister, I am going to go to another one. I am sure you heard me talk about it, 4.1.06, Fire Protection Infrastructure.

MR. O'BRIEN: What is it again, 4.1.06?

MR. JOYCE: Yes, 4.1.06, Grants and Subsidies, \$1.7 million. What is that mainly used for?

MR. O'BRIEN: That amount is used for vehicle purchases in the Province, which we have about 280 fire halls, sixty units that we have to replace.

As well, we are looking at a new spec in regard to some of the apparatuses that might be needed in the Province. Sometimes a \$250,000 pumper that you see on the streets of Gander may very well not be the appropriate vehicle, and I am only going to use this loosely here now, for Cox's Cove. It may be something else. We have done a lot of work in Fire Services in regard to 'spec'ing a number of apparatuses that could address the issue in providing that service to the residents of a particular community at a much lesser cost than \$250,000 or \$280,000.

MR. JOYCE: How many trucks, say, are you anticipating this year? I know you cannot really do it.

MR. O'BRIEN: It depends on the spec. I would think at least eight, but it certainly depends on the spec and the type of vehicle we are replacing.

MR. JOYCE: Minister, I know you are looking at regionalization, but what can someone like Cox's Cove do to promote? I can give you an example.

MR. O'BRIEN: That is a loaded question.

MR. JOYCE: I spoke to the firemen's ball Saturday night –

MR. O'BRIEN: Get a good MHA.

MR. JOYCE: What can they do? I spoke to the firemen's ball Saturday night and they cannot even get a tube replaced because the truck is so old. It is an old English style. They cannot even get the tube replaced on their tire.

As I mentioned to you on several occasions, regionalization is not an option because of the distance they are from. They are in desperate need. I know I mentioned it before, before you were minister, by the way, that there was a commitment made by the former MHA to have a truck and whatever happened.

What can they do? To me, it is a grave concern for their safety because the truck now is getting to the point where it is inoperable and there is no one else they can call on. It is so far away and they have been looking at the geography. There is no one else they can call upon.

What else can they do? Is there any way they can get another assessment done of their –

MR. O'BRIEN: I do not think there is any need of another assessment for Cox's Cove because I am quite aware of the issue, not only from you but from the community itself, as well.

Regardless of what may or may not be promised in the past, I will be sitting down over the next little while and I will be having a look at all the fire halls that are out there in regard to the challenges they have, the equipment they have, the age of the truck, and well noted in regard to that particular vehicle, where they have to get parts for it, cannot get parts for it, and that kind of thing.

Some people believe that you can just stick, say, a pumper into a particular fire hall. If they are not trained in a certain way in regard to offensive as compared to defensive firefighting, there may not be a need for that particular – it

might not be the right truck for the right fire hall. I take all that stuff into account when I go down through the list to make sure that we are actually giving the particular fire hall the right piece of equipment that they can use.

MR. JOYCE: The one thing I would do if at all possible if you are ever out on the West Coast is to take a drive out and meet with the fire chief. They have a wait-list for the fire department and they have forty-four firetrucks.

MR. O'BRIEN: That is fabulous.

MR. JOYCE: It is a great community, but it is just a fire truck. I spoke to you and I know you are very aware of their concerns and going to look at the concerns. After Saturday night when I spoke to them, the firemen, they cannot even get a tube. It is getting to a state of desperation for the town.

MR. O'BRIEN: Well noted, yes.

CHAIR: Thank you, Eddie.

MR. JOYCE: Okay.

CHAIR: George.

MR. MURPHY: Thank you, Mr. Chair.

I want to come back to section 4.1.05 again, under Disaster Assistance.

MR. O'BRIEN: Yes.

MR. MURPHY: Line 05, Professional Services of \$700,000. There was nothing appropriated in the year previous, nothing appropriated for this year. How come?

MR. O'BRIEN: It was all to do with Igor, so we do not need it.

MR. MURPHY: Okay.

MR. O'BRIEN: She is done. We just have about probably twenty claims now. We prioritized all the work that needed to be done in regard to municipal infrastructure. Now we are

down to damage to some walking trails and whatever it may be. We do not need that any more.

MR. MURPHY: Okay, so the next line below that, line 06, Purchased Services, of \$3,180,000.

MR. O'BRIEN: Yes, those are contractor services that we do not need any more.

MR. MURPHY: Okay.

MR. O'BRIEN: All to do with Igor.

MR. MURPHY: All right, so that is to finish up that section. There is nothing else I do not think that I had as regards to what is directly inside the book. I just wanted to get clarification on some of the things that you mentioned earlier. Maybe you can help me out as regards to which section they would actually be covered for under line by line items.

I was going to ask you, we were just talking a little bit about fire equipment and retention, that sort of thing, I am wondering about monies that would have been appropriated towards firefighter training, that sort of thing, their travel costs, for example, when it comes to training. I wonder if you could give us a little bit of a debrief on that as regards to some of the challenges some of the municipalities are facing out there. I know that sometimes there is a strong up-front cost in that.

MR. O'BRIEN: Yes, we have a budget in training and support for fire halls and municipalities to enable them to send a contingent, I suppose, of volunteer firefighters to each and every training opportunity that we hold across the Province. We hold them in different regions at different times.

We have been very cognizant to the rural aspect of Newfoundland and Labrador and the way people actually work, to make sure that they are available to take and partake of that training. We had one in Grand Falls-Windsor only recently. We are planning one down in the Marystown area and the Burin Peninsula as well.

Then, we have them in here, up in CBS and wherever, and we will continue to do that.

Part of the supports that we provide is an offset to costs in accommodations and that kind of thing. We will continue to do that, because I, and I know government, and I am sure everybody here in the House of Assembly certainly values our volunteer firefighters and the services they provide to the Province. We have to recognize that it is mainly all volunteers. We have a few paid fire services across the Province, here in the City of St. John's and whatnot, but the main portion of our firefighters are volunteers. So we support them and continue to support them.

MR. MURPHY: Yes.

I wanted to ask you a little bit about the attempts by government. I do not know if there have been any in the past. I know that there was a program run through the university to attract women into firefighting. I am wondering about the retention of some of these firefighters.

Is government talking about the possibility of, for example, tax credits, this sort of thing, as regards to the possible retention of firefighters, to the volunteer role that they have? They are an integral role; a lot of these guys and girls, of course, do not get paid for what they do –

MR. O'BRIEN: We piggybacked on the federal program a couple of years ago. So that is in place. There are certain guidelines surrounding the number of hours, that kind of stuff. Whatever it is, I guess you could view it as somewhat of a retention aspect of it.

MR. MURPHY: Incentive, I guess.

MR. O'BRIEN: Incentive, I suppose, is a better word for it, absolutely. They should have certain things provided things to them. So we are doing that right now, and it is my understanding that most of the fire halls out there and most of the volunteer firefighters have availed of it. It means about \$1,000 in their pocket over a particular year, depending on their gross salary, that kind of stuff. It varies from

one person to another, really. It is a \$1,000 value towards their income tax return.

Those are the kinds of things that we do. Province-wise, in regard to some of the fire halls that you have in rural Newfoundland and Labrador, people work and they have to work and they are back and forth, some of them have complements of probably thirty, forty volunteer firefighters; but, at any given time, they may only have like fifteen to twenty volunteer firefighters available because they are going elsewhere for work, that kind of stuff.

We encourage them to have as many full contingents of volunteers in their hall. We try to gear our training to make sure that we capture each and every one of them at some point in time. We are doing all that kind of thing to retain our volunteer firefighters and show them that we value them as an intricate part of their communities.

MR. MURPHY: A suggestion to government – I do not know if they are considering it already as regards to retention and recruitment. I am just wondering if government might be looking at other measures with regard to recruitment, if they are thinking about a recruitment program or any further measures that is going to be gearing towards that.

I know, for example, in Alberta they use recruitment videos; they use that a bit. I think it was in Gander that I saw it; they actually had a Facebook page. Are there any resources from your department to go towards any of the fire departments out there that they can avail of to, I guess, promote themselves in that way?

MR. O'BRIEN: We help them in every way in regard to some of the programs. For instance, we had a program that we partnered with the Insurance Bureau of Canada, providing smoke alarms. One of the aspects of that – yes, it is to provide smoke alarms to homes and cabins and whatnot that do not have them. I gave each and every one of the fire halls that participated in that program an opportunity to go to the door and have a chat and certainly have a chat in

regard to people who might be interested in becoming a volunteer firefighter.

As well, when we provide our training or whatever it may be – and all my staff down at Fire and Emergency Services is always available for a call from a chief, whoever it may be. Whatever support that we can give them in regard to getting materials out there, encouraging people to volunteer for a position within the fire hall, we will do so because we value their work.

MR. MURPHY: Thank you, Minister.

Just one more question, and it brings us back, I guess, to your preamble on eligible communities and relocation. Has government done any kind of an evaluation on how many communities they think are actually going to be taking advantage of the program? Maybe you can give us a bit of a breakdown on –

MR. O'BRIEN: Impossible to do, really. The simple reason is that it is up to the community. We will not, and I will say absolutely not, be driving relocation anywhere in this Province any time soon. We have had a number of inquiries from various areas – one with Little Bay Islands, which you are quite aware of.

MR. MURPHY: Yes.

MR. O'BRIEN: They are going to have to make a decision. It is not an easy decision, not whatsoever, but it is a decision that they have to make and they can only make on their own.

I would not be able to tell you and speculate in regard to what communities may or not avail of that program now or any time in the future to be honest with you, because I physically, mentally, cannot get into the heads of the people who live there. They are going to have chats among themselves, they are going to have community meetings, I guess, which I will not be attending, and they are going to have to make decisions.

Once they make a decision in regard to having the majority of the people who live there, then if they do have that well then I encourage them to

contact my department, we will provide them the supports and the guidance through the system and whatnot, and then we will go through a process that will determine if it is in the best interest of the Province and best interest of the people who live there if they relocate.

I want to be quite clear here this morning as well that there has to be a value to the Province as well. It is not just throw the money at it and the people will leave. We have to have a payback to the Province over a twenty-year amortized period. It has to be a value to the Province. We are not just about going out there and relocating small communities in rural Newfoundland and Labrador, not at all, absolutely not.

MR. MURPHY: Okay.

I have nothing else, unless, Ivan, you have one or two things?

MR. MORGAN: No.

MR. MURPHY: We are good here, I think.

CHAIR: Thank you, George.

MR. JOYCE: Minister, I am going to ask some general questions now and I am sure some of it you may have to get back to me on it later.

First of all, when will the fire trucks be announced?

MR. O'BRIEN: The fire trucks will get announced when I make my decisions. First, I am going to have a look at – I will be quite honest with you now. I have not had an opportunity to really have a look at my Municipal Capital Works as well. I have been busy since January 1, believe me.

I will be having a look at that first in regard to those. They are so climate sensitive that I want to get some projects out the door, award them and whatnot. Once I get those Municipal Capital Works done then I will have a real good look at the vehicle purchases that we might make in this given year. It will not be tomorrow

morning, but it will be probably over the next two or three months.

MR. JOYCE: Okay, thank you. They are asking me and like I said I would ask.

MR. O'BRIEN: Yes, you assure them that they are on my radar, let us put it that way.

MR. JOYCE: Okay.

Minister, I am going to ask a question now – and I know I have been at this for a number of years because I think it is one of the most blatant wastes of money that I have ever seen. I know the money just flows through your department. It is Don Downer and this so-called land use planning committee out on the West Coast. Can you tell me when that report that was supposed to be done three years ago is ever going to be complete?

MR. O'BRIEN: The Humber Valley – we have a report from the consultants in regard to that particular plan. We received it in Municipal Affairs and we have sent it out to all of the particular departments for their comments. We are waiting for the final comments to come back from the various departments: Natural Resources, Environment, whatever it may be. Tourism will have comments in regard to that particular plan. Once I get those comments back, we will send it back to the particular group, to that committee and then they will –

MR. JOYCE: There is no committee, Minister. From my understanding, there is no committee; there is one person.

MR. O'BRIEN: We will check – before we send it back, I will make sure there is a committee, let us put it that way.

MR. JOYCE: Okay.

MR. O'BRIEN: Anyway, we will move that back in a draft form. If they accept that in regard to what I send back, then they will have to go to public consultations or whatnot onto it and move it forward.

I will be the first one to say as well in regard to land use planning, it is a long process. There are a lot of views in regard to land use planning, both out there in the municipal sector, both out there in the private sector, and also in regard to the various departments that we have to consult with in government. It is a long process; it does not happen overnight.

MR. JOYCE: Can I ask you – because this was asked to me on several occasions – what is the purpose of this when it is nonbinding on any municipality? Most municipalities are not even partaking into it.

MR. O'BRIEN: Well, from my point of view, with municipalities in Newfoundland and Labrador – we are going to go through a process here now over the next couple of years with MNL and municipalities in general, but MNL is the main driving force and the representation you have from municipalities. We will not only have a look at fiscal opportunities and an arrangement, but we will also be looking at a lot of things.

From my perspective as the minister, I have to have a clearer picture in regard to development. As development expands, so too are the pressures on government to support that development from water and sewer or whatever it may be. When it comes down to a land use plan, even though it might not be binding to the municipalities, it certainly gives me a clearer picture in regard to what I may or may not be able to do to support the municipalities that are out there.

We have to be careful in regard to uncontrolled development. We have to be careful in regard to how we control our land and develop our land in regard to opportunities in the future with resources or whatever it may be. It gives me a clearer picture.

MR. JOYCE: I am not sure, Minister, if you look at the terms of reference that a lot of this here is not even included for municipalities who are incorporated. I know I am putting you on the spot because I know it was given.

I will ask this again. I got it last year, but it took me four or five letters last year. I guess the deputy minister is the one. Can I get up to March 31 what was paid to Don Downer per year, wages plus expenses, for the land use committee? I know last year it took me about seven to eight months and about five or six letters because it was committed to at Estimates. I can get it under Freedom of Information, but just to save the time and energy. How long would it – I know it is on the tip because it is paid on a monthly basis.

One Freedom of Information that I got from them for the land use committee, he got paid \$39,000 for the land use committee. When you look at the meetings that were partaking, it is a lot of money for a retired professor at the university and it is nonbinding. No one knows what is going on and there has not been a meeting in a year.

I do not know how long it would take to get me the information up to March 31, because it is a sore issue out on the West Coast: the wages he was paid per year, up to March 31 of this year, and the cost; he has an office set up and he has someone part time now, and the expenses. I know under freedom of information – and I know, Minister, you were not there at the time – one of the expenses was a seven-day conference in Niagara Falls on international land development. I said, it does not relate to the City of Corner Brook. So, if I can get that –

MR. O'BRIEN: First, I will apologize for the length of time it took, but we had two requests: one from yourself, and one from the gentleman next to you at the same time for the same thing. So we did a fair bit of work and we were running them parallel to each other.

MR. JOYCE: Yes.

MR. O'BRIEN: That is the reason it took a little bit of time the last time around. I apologize for that. It was not because we did not want to give it to you, absolutely not, we just wanted to give you the right information that you requested. We do not pay that directly. It is

paid out from one of the communities out in the region.

MR. JOYCE: Yes.

MR. O'BRIEN: Okay. So we have to get it back that way, but we will endeavour to make sure you get the information you requested in a shorter length of time than it took the previous time.

MR. JOYCE: Is there any expected end date for this?

MR. O'BRIEN: No, it is a long process, and it is a long process. Like I said, we are to the point now that over the next little while or so, two or three months, I should have any of the comments from all of the departments that have participated, then I will be sending it back out. Then it has to go to the public consultation process and public comments and whatever it may be. Then they come back with a finalized plan. Really, to be honest with you, I can either accept it or I can reject it, or I can modify it at that particular time, as the minister.

MR. JOYCE: In my opinion, if you want to talk about a job creation program, this land planning committee is an ideal situation if you want to set up a job creation program – in my opinion.

To get back to the Western Waste Management, the same person is running that now, who – once again, in my opinion, there are much more qualified people to do that out on the West Coast. If I can get a copy of what was paid to him to date for this, plus the expenses that was paid to him for that also.

MR. O'BRIEN: That is not an issue. Yes, no issue.

MR. JOYCE: The other thing, Minister, are there going to be any public meetings? I tell you what upset a lot of people on this transportation issue, because it was a policy of this committee that there would be a subsidy. If they are going to agree with having to go to the Central Waste Management – which I visited by the way, and

is doing a great job. Ed and the group out there are doing a great job and there is capacity for that in Central. I do not think there is any dispute about that.

The issue was that part of the Waste Management Committee and the groups involved, there was a contingent that there be a travel subsidy for some areas that are beyond 100 kilometres or 200 kilometres, like say, Northern St. Anthony, some places like that. In the cloak of the summer, with only six people present and one or two on a teleconference, they decided: Oh, we are going to drop this subsidy without any consultation to the municipalities that were involved.

My question is: Are there going to be any public consultations and public meetings? Because to date, I can assure you, there has been none. I will just give an example of the confusion.

There are two people on the city council who are on the Waste Management Committee who voted to scrap the subsidy. There are two councillors on the Great Humber Joint Council who have a motion in that the subsidy should come in. Here you have one council on two different groups. Will there be public consultation, public meetings, or are they just going to do what the chair wishes to do?

MR. O'BRIEN: I do not mind meeting with people in regard to the implementation of the strategy. I want to be clear with you, in regard to the transportation subsidy, let's park that right here.

Before we actually had the consultant's report in, before Central was established, before we had a clearer picture in regard to contracts on the East Coast, in regard to out in Bay de Verde area and what it cost to actually ship into Robin Hood Bay or whatever. It has always been the goal of Municipal Affairs in regard to the cost of disposing of waste to the public of the Province to hopefully have the same cost, or approximately the same cost per household in the Province, give or take. You will not nail it on the head.

When you have a cost comparison of operational costs to a facility on the West Coast to the cost of shipping, which is a very small portion of the actual cost of disposing of waste, when you have that cost neutral, if you would then apply a subsidy to that transportation cost, well the people of the West Coast could very well be disposing of their waste much cheaper than anywhere else in Newfoundland and Labrador. That is not fair to the Province.

Regardless of what was discussed in the past, what I have to do is be fair to each and every householder, each and every person in the Province. So, once we had a look at that and it was determined that it was cost neutral, a little bit of a saving, a little less to ship than actually operational costs of a big facility out in Wild Cove or wherever it may be, well then that is that piece.

I am not going to say there might not be some challenges in regard to the outlying areas and getting to transfer stations. That is yet to be seen as we choose the sites or whatever, but I have no problem with coming out and meeting with anybody in regard to explaining why the transportation subsidy is really not an option, is not needed, I should say, because it is not right. It is not right.

MR. JOYCE: What you are saying there – I will just clue up, ten seconds.

CHAIR: Okay.

MR. JOYCE: What you are saying there, Minister, I can dispute, and a lot of people can. I am going to tell you why.

MR. O'BRIEN: Yes.

MR. JOYCE: A lack of information on the West Coast.

MR. O'BRIEN: Well, it could be.

MR. JOYCE: I am not saying what you are saying is incorrect, definitely not, but you can see the confusion because people on the West Coast have not seen those reports. This is what I

am saying. Whatever this committee is doing out there, they are doing it under cloak of darkness. They are not having public meetings. They are not giving out these reports. This is part of the problem, is that no one understands what is happening with this waste strategy committee out on the West Coast.

MR. O'BRIEN: Yes, point well taken. We will try to endeavour, from my perspective as the minister, and my staff's perspective of Municipal Affairs, to make sure that the right facts are communicated to the particular communities that would be affected out on the West Coast.

MR. JOYCE: Okay.

CHAIR: George, I understand you had a couple of other questions.

MR. MURPHY: Just a couple of more questions before we clue up.

I wanted to come back to – by the way, we would not mind getting copies of those reports as well, just for the record. Do we know who would be responsible for those?

MR. O'BRIEN: In regard to –

MR. MURPHY: Yourself and your (inaudible).

MR. O'BRIEN: I will give it to my deputy minister to provide for you.

MR. MURPHY: Sure, thank you very much.

Mr. Minister, I just wanted to get some quick updates as regards to some of the regional plans ongoing. The Northeast Avalon Regional Plan, we noted last year there was a request for members to do a significant rewrite of the consultative process. I guess if we can get an update on the Northeast Avalon Regional Plan, because that was due to come out again I think at the end of May, or at the start of May. I wonder if we can get an update there. As well, the Humber Valley Regional Plan, can we get an update on the work that is being done in that regard?

MR. O'BRIEN: Okay, what is the last piece?

MR. MURPHY: On both regional plans, the Northeast Avalon Regional Plan and the Humber Valley Regional Plan. I think both were getting a significant rewrite.

MR. O'BRIEN: Okay. The NEAR Plan, which is the Northeast Avalon Regional Plan, back in the early 1970s I believe it was developed. We went through a process of consultation with municipalities.

What I have identified through my officials and myself – and I have had a number of meetings with the particular communities out on the Northeast Avalon – that the actual process I do not think was ever clear to them on how you move this down the road. It stalled in the initial consultation piece. It was not even near a draft plan or a finalized plan or whatever it may be.

Recently, I have communicated a decision in regard to me as the minister that I will do one of two things: I will sit with the particular communities involved and I will try to clarify the process and start from where it stalled and move it on forward; if not, I will start right from the beginning. The plan is outdated; it does not reflect the changes that have happened on the Northeast Avalon, especially in the recent years, the last ten years. It needs to be updated, it needs to be rewritten really, and then reflect what we are seeing happen in here in the Northeast Avalon.

I am not too sure if I cannot move it in regard to where it stalled back a few years ago, get everybody on side and have them see exactly where the process should run because they are not signing on to anything. They thought, I think, that the initial piece of consultation was the final plan; I really believe that, that is my own opinion. It is not – not at all, absolutely not.

If we are going to start from scratch, I am not sure if there is a benefit of starting now at this point in time with the municipal elections in the fall. You could have a fair number of changes on municipal councils in the area, especially in

the outlying area, even here in the City of St. John's for that matter. I may very well wait until after that election if I have to start from scratch.

As to the Humber Valley one, we have a draft form in from the particular committee. I sent it out as I said before to the particular departments for their comments which are a part of the process; Natural Resources, Environment, Tourism and whoever participates from a department point of view. We got most of their responses back now. We are waiting on a couple of others. Then I will consolidate that and then send it out to the particular committee for their response and a finalization of a plan. Then, if they send in a draft final plan and I accept it, it will go to public consultations. Again, I have to accept it first. We will have a look at that. That is the process going through.

Again, I will say that these plans are complicated. They affect a lot of people. They affect a lot of communities. They are not something you should be rushing in the first place. You have to be patient with it and move it along. There is a fair bit of work that goes into it both from the communities and the consultants, or whatever it may be.

I will be the first one to say in regard to the NEAR Plan it has been a challenge. As a matter of fact, it has been a challenge to clarify what stage they were at because they were not even close to a draft plan – not even close to it. Anyway, I have had some discussions. I think they are starting to understand the process now. I have actually made it a mandate of my own as the minister to kick-start that and push it forward.

MR. MURPHY: Okay.

I do not think we had anything else. There is nothing else coming to mind right now anyway.

I just wanted to say thank you to your staff again for coming out and sitting for two-and-a-quarter hours and not having a word to say.

CHAIR: Thank you, George.

Eddie.

MR. JOYCE: Yes, I just have some more questions in general. First of all, in part of that, for the Humber Valley planning committee, can I get a list of members and when they were appointed?

MR. O'BRIEN: I sure will.

MR. JOYCE: I am sure it is a long-listed committee. It is a big committee.

MR. O'BRIEN: I will endeavour to do so.

MR. JOYCE: Also, with that one for the West Coast, I really feel that the public out on the West Coast should be notified of the process and where it is at now. It is almost like off the radar for the last year, but I know that there is a certain individual still doing work or getting paid to do work.

MR. O'BRIEN: Maybe I will give an update on their symposium of exactly where it is. Most of the municipal leaders will be there at that in Gander, the wonderful District of Gander.

MR. JOYCE: It is a good spot.

The emergency preparedness program – they had one out in Stephenville. Is that going to be cut this year, that one for firefighters and fire training? Are you aware if that is going to be affected?

MR. O'BRIEN: I have no knowledge. That is within Advanced Education and Skills.

MR. JOYCE: I did not know if you were notified if there was going to be any decrease in –

MR. O'BRIEN: Not to my knowledge. It would be a question to ask the minister.

MR. JOYCE: Okay.

Capital works: How much money is allocated this year for capital works and how much was carried over from last year?

MR. O'BRIEN: We have about \$147 million cash flow in our projects going back as far as 2008. We had a \$130 million commitment authority last year. We have all of that out the door really in regard to projects being awarded – not awarded in tender now, but actually to the community.

We have about \$20 million of that left in regard to commitment authority that I will be using for the smaller municipalities which I will be reviewing now over the next few weeks or so. Then, as well, we have the \$25 million capital works program on top of the \$130 million, or their share of the \$130 million for the communities or for the 11,000 population base.

MR. JOYCE: Okay.

Minister, you may have to have someone look into this because I am just bringing it up. It is not in the Estimates, but it is an issue. About two years ago, Frenchman's Cove just went through a full water and sewer. The pavement is gone. I know there was a dispute with Transportation and Works and Municipal Affairs about that work not done properly. Even coming down where you are going into the water intake, there is a drop there now about two or three feet. I drive it on a regular basis because I have to go out to the south shore.

Is there any way that they can go back and look at this? Because this was brand new pavement put down less than two years ago. It is torn up. There are dips. It has to be fixed either this year – I know that Transportation would not take it over until Municipal Affairs fixed the road. I do not know if Cluney is aware – I am sure he is aware of it.

MR. O'BRIEN: I am familiar with the project as well. Is that a community road or is that provincial road?

MR. JOYCE: A highways road.

MR. O'BRIEN: That is a highways road, right?

MR. JOYCE: Yes.

MR. O'BRIEN: Yes, so if there is going to be any issue in regard to the paving it is going to be in Transportation and Works.

MR. JOYCE: It would be Transportation and Works but what happened, when they did the water and sewer project, it tore up the whole road.

MR. O'BRIEN: Okay.

MR. JOYCE: Part of the contract from Municipal Affairs was to repave.

MR. O'BRIEN: To repave. Okay.

MR. JOYCE: The pavement – Transportation and Works, I know, was in consultation with the department – was not up to standard and there are major problems with the –

MR. O'BRIEN: Okay.

MR. JOYCE: I do not know if that has been resolved, because the road is actually torn up. It is two years old. It is a crime, actually.

MR. O'BRIEN: I will have somebody from – and Cluney will have somebody from the regional office go out and have a look in regard to the dip and the condition of the pavement again, and give me an overview. We will have a chat here in the House about it.

MR. JOYCE: Yes, because it is. Transportation will not take it over because it is not up to their standard, and they are still in limbo.

MR. O'BRIEN: Okay.

MR. JOYCE: Residents are always saying, geez, boy – and it was a great job, the water and sewer and all that. There is no issue with that. It is just that road is still – and it is in dispute. No one wants to touch it, and it is two years old. I think it should have been done over a year ago –

MR. O'BRIEN: Yes.

MR. JOYCE: – which would have been done a year. There were major holes in the road, major portions of the road down to the gravel.

MR. O'BRIEN: Okay. Well, I am going to have a look at that because if that is the case there might be some issues in regard to warranty. I do not know. I will not speak of them now.

MR. JOYCE: Okay.

MR. O'BRIEN: Let me have a look at it for you, and we will get together in the House.

MR. JOYCE: Perfect. Yes.

I have just a few general questions, Minister. Is there any money put forward for the number of boil orders in the Province? Is there anything specially done for that?

MR. O'BRIEN: We have seventy-two treatment projects in the Province in regard to treatment of water and safe water. We have a number of systems out there that are not being used. We have maintenance issues and whatever it may be, and therein lies the boil order issues.

One of the things that came forward in regard to the new Municipal Operating Grant was the issue surrounding maintenance costs and issues surrounding operational costs and whatever. That is the reason I wanted to have our Municipal Operating Grant ready for the 2014 calendar year of municipalities, if at all possible, to increase their municipal operating monies to address those issues. I cannot remember off the top of my head how many systems out there that are not in operation. They are there, but they are just not in operation because they do not put the chlorine in and whatever it may be.

I will be upfront; there is an issue in rural Newfoundland in regard to chlorine. We have paid big money, good money, to have a chlorination system installed but the people who live in the actual community do not want it because they do not want to taste the chlorine in rural Newfoundland Labrador. I am quite

honest with you here. So, it is a challenge, because it is not just us. We have invested heavily in regard to chlorination processes, but as well, we recognize the challenges of the municipal council.

We are cognizant of the boil orders. You have to remember as well when it comes down to boil orders, you have to break that down. There could be three systems in one community and that is three boil orders, because you do. You have to have that, too. Then you have to break it down to actually how many municipalities are on the boil order. That is two different things.

You have to remember that there are different systems and the number of systems in communities. The regulations are in Environment in regard to that, and we support the communities from a capital program. As well, we are trying to help in regard to their operational and maintenance costs under the Municipal Operating Grants.

MR. JOYCE: Minister, how many potable water dispensing units are in the Province now?

MR. O'BRIEN: I am pretty sure we have thirteen that are funded. Thirteen that is operational. We have a number –

MR. JOYCE: Can we get a list of communities that have them? I am sure that is public knowledge.

MR. O'BRIEN: Yes, absolutely. As a matter of fact, we have some up on the Northeast Coast of Labrador. They are good systems.

MR. JOYCE: Are there any more planned?

MR. O'BRIEN: Yes there is, absolutely.

MR. JOYCE: Okay. I know it is a big issue out in Corner Brook, and I am sure it is all over, with the new federal regulations concerning water effluent. Has the Province signed on that yet? Are there negotiations with the Province with the new federal regulations coming in?

MR. O'BRIEN: Well, there is really no sign on from the Province's point of view. They are federal regulations and they are what they are. They are implemented by the feds. Municipalities right across Canada have to deal with it.

There is time, because there are certain thresholds in regard to high priority areas as compared to lower priority areas. They go from 20-20, 20-30, 20-40. We are going to probably have – not a session as such, but we are going to have a chat at a symposium in Gander which is happening in the next six weeks or so from now in regard to some of the things that the municipalities can do.

I know Corner Brook is doing some work in regard to flow and composition and that kind of thing in regard to their outfalls. That does not cost a lot of money. I think the City of Corner Brook is doing that for probably \$15,000. So you can just imagine a small community of 500 or 600. It does not cost a whole lot to get someone to come in and do that kind of work for you.

You are only talking about \$15,000 there for the City of Corner Brook. That is the first stage it should be at because that will determine exactly where you are in regard to high or low risk, depending on if you are in a freshwater body as compared to a saltwater body, that kind of thing. That is the kind of work they can do.

As well, under the Building Canada Fund, waste water is an eligible item under the Building Canada Fund. It is no different than waste water Province-wise. You can address some of the issues in regard to the new regulations using the Building Canada Fund, which is going to kick in another year as well.

The federal budget does not earmark monies in regard to implementing those regulations from a capital point of view, but they have earmarked somewhere around \$51 million under a number of programs to address those types of issues. We will be working with municipalities as well, but we have advised municipalities there is work they could be doing that is not costly at all, just

to get a clearer picture of exactly where they sit in regard to their outfalls, their flows, and their composition of whatever their (inaudible).

MR. JOYCE: Is there anything in place? Because right now, from our understanding, there are about 185 that the federal government already said are high risk. Is there any funding there to help out the provinces, or will that come from the federal government to try to see if they are, in fact, high risk or is that something the municipalities –

MR. O'BRIEN: The high-risk areas, they all know it, but just take the City of Corner Brook in regard to the outflows and composition, and the piece they are having. It is only costing them \$15,000 for a city. So all of those communities, which we will impress on them, could do that for very little, to be honest with you, to get a clearer picture, regardless of which category they are in. Then, as I just said, under the Building Canada Fund, waste water is eligible in regard to an investment there.

The feds may very well – and we have not seen the fine print of the federal budget in regard to how that is going and our share. All that kind of stuff has not been determined, and what kind of a formula they are going to use to divvy out the federal budget over a ten-year program, but it is eligible. They have not earmarked a specific fund to address those regulations. They have not, absolutely not, and I want to be clear about that. I also want to be clear that it is federal regulations.

From my point of view, as the Minister of Municipal Affairs, regardless, we will try to – over the period of time, and they have time. Over the period of time we will try to assist municipalities to address those issues.

MR. JOYCE: Another thing you brought up, the City of Corner Brook are doing a new water treatment, I think \$25 million?

MR. O'BRIEN: Forty-seven.

MR. JOYCE: Forty-seven now?

MR. O'BRIEN: Forty-seven million.

MR. JOYCE: Okay, because they were saying they have it down to \$25 million.

MR. O'BRIEN: No, they cut \$25 million off by going to design build.

MR. JOYCE: Design build, can you explain that? Because that is not totally clear out in Corner Brook.

MR. O'BRIEN: Design build is an accepted practice in Canada, North America, Europe or whatever. What it does in regard to the actual solution, it involves all aspects of the industry in one tender. You have the engineering consultants, you have the architects if they are needed, and you have the construction industry. Under the normal tendering process they are segregated. So you do not get one value from the other. When you combine them all it forces the whole industry to look at a complete solution and all the technologies that are out there.

In this case here, when we went through the normal tender process it came in at about \$60 million-odd. By pulling it back and going to design build, we actually – they changed some of the design. The construction industry was in on it from the front end instead of the back end, which brings value to it. They trimmed \$20 million, \$25 million off the actual and ended up with really the same technology, with a few changes in the design and whatnot, and trimmed \$20 million-odd. So there is the value.

You will see me, as the Minister of Municipal Affairs, as long as I am here, that in certain projects you would not do resurfacing of a street under design build, but if you have a treatment plant or whatever it may be, or even a multi-purpose recreational facility, an arena, you are better off going to design build because you will see value. I am thirty years at it.

MR. JOYCE: Okay.

I have another question about the 911-emergency system. When is it planned to be up and running? Because when I was out in Cox's

Cove the weekend, when I was talking about the fire truck earlier, one of the people brought up about when they call 911 now it goes to St. John's.

MR. O'BRIEN: Yes, it will go to St. John's Regional. St. John's Regional is providing that service for here now. In the overall, to make a long story short, that will change because St. John's Regional is not interested in providing that kind of a system to the whole Province in regard to a call centre.

As we move it forward on implementation, through consultants and advice we get from experts, we will structure 911 in a different way than you see today. You have St. John's Regional. You have 911 really available in all the Northeast Avalon, along with Corner Brook, Lab West, and whatever it assists today. The challenge is providing that 911 service into the Cox's Coves of the world and making sure they have someone who understands exactly where Cox's Cove is.

MR. JOYCE: Yes, and that is their concern. I give the example of Frenchman's Cove. There is one in the Burin Peninsula and there is one in the Bay of Islands. It is a concern for a lot of people.

MR. O'BRIEN: Yes, we will flush all that out.

MR. JOYCE: Municipal Operating Grant formula with MNL, do you have any idea of when that is going to start? What is the anticipated date?

MR. O'BRIEN: January 1, 2014.

MR. JOYCE: You are anticipating it is going to be –

MR. O'BRIEN: The new one.

MR. JOYCE: The new one.

MR. O'BRIEN: Yes, and we will be advising the municipalities of their share of the budget, which is already built into the fiscal framework of \$22 million. That will, as I said before,

eliminate the population bases of over 11,000 and then that will give them a greater share. As a matter of fact, if you took the \$22 million and compared it to the \$16 million that they normally get under the program, that is a 38.5 per cent increase in regard to Municipal Operating Grants for those smaller communities.

MR. JOYCE: Yes.

The new fiscal framework agreement with MNL, or all of them: When will negotiations or discussions start? I am sure they are ongoing.

MR. O'BRIEN: Their first meeting is next week.

MR. JOYCE: Okay. When do you anticipate that will be?

MR. O'BRIEN: I am saying, even Mayor Doc O'Keefe is saying, and the President of MNL, we are anticipating anywhere from a year and a half to two years to do it because, I am going to be upfront, we are going to look at it all. I am going to throw it all on the table, everything. You have to compare apples to apples. You have to compare the services that are being provided here as a Province as compared to services that is being provided in other jurisdictions. Sometimes you compare two, such as policing or whatever it may be. You have to throw it all on the table.

As a matter of fact, I am throwing governance on the table. I was never a councillor or a mayor, but it is an area I have taken a great interest in, to be honest with you. I love working at it. So I will throw the governance piece on the table, too, and have a look at it all; have a look at LSDs, have a look at unincorporated areas, have a look at it all, have a look at the total Province.

As I said to the President of MNL, we are going to start with a big pile on the boardroom table and then we are going to start working it forward. If we work in partnership and have a good look at it, open and transparent, I think at the end of the day we are going to come with a solution.

MR. JOYCE: Yes.

The federal government Gas Tax Agreement, they may be relaxed in some of the criteria. Is the Province aware of that, in consultation with the federal government, in agreement?

MR. O'BRIEN: We have some indicators in regard to other projects that may avail of the gas tax and whatnot, but we do not have full clarity yet, because, as you know, the federal budget is just down. MNL made good presentations to the feds in regard to relaxing those special occasions from regulations. So as the Canadian federation did as well, so did I.

I have had a couple of discussions and correspondence with them, because over the last three years or so I found there are challenges in regard to some of the communities, especially in rural Newfoundland and Labrador, making use of that money. It is a waste of time to have it there if you cannot use it.

I am glad the federal government see fit in regard to bringing more flexibility to the program, but once we get it from the feds we will be communicating that to the municipalities. We will probably have a session at MNL, or a symposium or whatever the timing is in regard to communicating that to them. I am not at liberty to get into an expanded version of it here today because I do not know it, to be honest with you, yet.

MR. JOYCE: Yes.

The federal government has that new commitment for the infrastructure funds. When will that take place and how much will the Province receive out of that \$14 million?

MR. O'BRIEN: We do not know yet. The formula, we know numbers for Canada but we do not know exactly how they are going to break it down. I think the last time around it went based on per capita, whatever. I have made representation on that a couple of times.

I have a fair relationship with Lebel. I got to know him over the last little while or so. He is a

good minister, I must say, and he comes with a lot of background in municipal affairs and whatnot. So, he has – hopefully, I will say – a soft spot for municipal governance. We will be working with him on that in regard to the breakout and our share.

As well, I think it actually kicks in, probably in late 2014, or some time in the spring of 2014 it will actually kick in. You must remember that the BCF is winding down now. So, there is still money flowing from the old program, even though it has ended. There will be a transition period there for about a year and then it will kick in.

MR. JOYCE: My last question and then I am going to have a few statements. Emergency plans for the municipalities: How many are left to be done that are eligible or in the process of being done?

MR. O'BRIEN: About 95 per cent of the population base of Newfoundland and Labrador now is covered by a municipal emergency plan. We have some outstanding small communities out there that have not, but we are continually working with them.

In regard to the number of municipalities that have submitted, I think it is up around a high 250 or so that have submitted, if I remember my numbers right. There is probably, the remainder, 276, then you have your LSDs as well. I have been trying to communicate to all of them regardless of what they are that they should have a emergency preparedness plan because you never know when the next Igor is coming. It is good to have it, it is good to update it, and I will continue to do so.

We are working with those municipalities that have not submitted as of yet, and I feel confident in saying that in the next little while we will have them all in. Again, some people in the first of it would say, another plan, but I tell you it is one of the most important plans that they might have in their toolkit when it comes to the climate changes that we are seeing over the last number of years.

MR. JOYCE: Okay. I am finished with questions.

CHAIR: George.

MR. MURPHY: Thank you, Mr. Chair.

Mr. Minister, I guess really, in context, I only have one more question as regards to this round of cuts. How many positions did Municipal Affairs lose and how many did they lose through redundancy that sort of thing? Maybe you can paint us the picture.

MR. O'BRIEN: We have only had three people who were impacted. One actually is now with our engineering division here in Municipal Affairs from Fire Services. The other two: an administrative person, half time position I think; and the other one was a technical position that we did not need any more. That is all we have.

I will say again that through the process – and I have gone through many Budgets now over the last ten years or so – yes, it was a time that we had to have restraint and review our public service, review our programs within our departments. I am a firm believer, as a minister and MHA, that you should be doing that regardless. I think we do, under our present Premier, and we will be doing that on an ongoing basis regardless of deficits and regardless of surpluses.

It is incumbent on us to deliver the services to the people of Newfoundland and Labrador in the most cost-efficient way, in regard to cost, to the Province, if we can save a dollar and spend it elsewhere. There are great demands in regard to the Province and in regard to the population base.

We are developing, in my world – cancer drugs are being developed each and every day; they are very expensive. We want to be able to have our people of the Province avail of those kinds of things. Then it is incumbent on us to find better ways to efficiently provide that service.

In saying that, we also value our municipalities. That is the reason why we have a very small

complement of employees, they do a lot of work, spend a lot of hours supporting municipalities, supporting me as a minister, managing projects and whatnot, and bringing great work and great advice to the municipalities. I was very lucky that I only had three positions that were impacted.

MR. MURPHY: How many other positions were just made redundant? We know about Fred Hollett.

MR. O'BRIEN: No, Fred is not redundant. Fred retired.

MR. MURPHY: No, sorry he is retired.

MR. O'BRIEN: We had a couple of vacant positions that have been on the books for a while.

MR. MURPHY: Unfilled, yes.

MR. O'BRIEN: I think there are probably about another five positions that were vacant that we just let go, just vacant positions but they have not been filled for a number of years now.

MR. MURPHY: Okay.

MR. O'BRIEN: Yes.

MR. MURPHY: That is it for me.

CHAIR: Thank you.

Eddie, to clue up.

MR. JOYCE: Just to clue up, yes. I just thank the minister and all the staff for coming out. There are three comments I would like to make. First of all, with your department, it touches everybody in the Province with the municipalities. The more services you can give out, the better off every individual is going to be in the Province.

Second of all, will you pass on to the staff in Corner Brook who I deal with on a regular basis that they do a great job out on the West Coast.

They have a good reputation on the West Coast dealing with the municipalities that I deal with.

Third, for you, Minister, you are one of the few ministers in the Province that we deal directly with the department, which helps out, that we do not have to drive your poor executive assistant half nuts all the time calling him on little small issues. It is much better to be able to deal directly with the regional offices instead of having to call someone in here to get the information.

To you, as you understand the process that it is better to deal with the regional office, you are one of the very departments that allow that and you can see it is better for the municipalities to get a timely answer and for people to run out and have a look at things. I just want to pass that on, also, to you.

CHAIR: Minister, do you want a closing remark or are you good?

MR. O'BRIEN: No, I am good.

CHAIR: Minister, to you and your staff, and to all the rest of them, I thank you for coming this morning to the Estimates. Again, I was pretty impressed this morning that you were there off the cuff and your knowledge of the department is thorough. I want to thank you for your frankness and your knowledge this morning. Thank you so much.

Just a couple of things before we clue up this morning; I am going to ask the Clerk to call the subheads.

CLERK: Subhead 1.1.01.

CHAIR: Will subhead 1.1.01 carry?

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subhead 1.1.01 carried.

CLERK: Subheads 1.2.01 to 4.1.06 inclusive.

CHAIR: Will subheads 1.2.01 to 4.1.06 inclusive carry?

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay'.

Carried.

On motion, subheads 1.2.01 through 4.1.06 carried.

CLERK: The total.

CHAIR: Shall the total carry?

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay'.

Carried.

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

CHAIR: Shall I report the Estimates of the Department of Municipal Affairs carried without amendment?

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay'.

Carried.

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

CHAIR: Thank you.

As well, you just saw distributed to you minutes of our last Social Services Committee meeting of May 16, 2012 with the Department of Education.

Can I have a mover and a seconder to approve the minutes of May 16, 2012?

MR. JOYCE: So moved.

CHAIR: Moved by Mr. Joyce; seconded by Mr. Crummell.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay'.

Carried.

On motion, minutes adopted as circulated.

CHAIR: This being the end of this meeting, I remind Committee members that we do reconvene tomorrow morning for the Department of Education Estimates at 9:00 a.m.

Thank you so much, everybody, for coming, and have a great day.

The Committee adjourned.