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

May 27, 2015 - Issue 7

Department of Municipal and Intergovernmental Affairs  
Labour Relations Agency

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Honourable Wade Verge, MHA

## **SOCIAL SERVICES COMMITTEE**

Department of Municipal and Intergovernmental Affairs

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Chair: Glenn Littlejohn, MHA

Vice-Chair: Stelman Flynn, MHA

Members:

Tony Cornect, MHA

Lisa Dempster, MHA

Glen Little, MHA

Kevin Pollard, MHA

Gerry Rogers, MHA

Clerk of the Committee: Kimberley Hammond

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Appearing:

### **Department of Municipal and Intergovernmental Affairs**

Hon. Keith Hutchings, MHA, Minister

Ken Curtis, Departmental Controller

Sean Dutton, Deputy Minister, Intergovernmental Affairs

Peter Howe, Assistant Deputy Minister, Lands

Colleen Janes, Deputy Minister, Municipal Affairs

Cluney Mercer, Assistant Deputy Minister, Engineering and Infrastructure

Paul Scott, Assistant Deputy Minister, Intergovernmental Affairs

Heather Tizzard, Assistant Deputy Minister, Corporate Services and Policy

Scott Winters, Manager, Communications

### **Labour Relations Agency**

Donna Ballard, Chief Executive Officer

Glenn Branton, Chief Executive Officer

### **Also Present**

Eli Cross, MHA

Eddie Joyce, MHA

Nick McGrath, MHA

George Murphy, MHA

Randy Simms, Researcher, Official Opposition Office

Ivan Morgan, Researcher, NDP Office

Pursuant to Standing Order 68, Eli Cross, MHA for Bonavista South, substitutes for Glenn Littlejohn, MHA for Port de Grave.

Pursuant to Standing Order 68, Eddie Joyce, MHA for Bay of Islands, substitutes for Stelman Flynn, MHA for Humber East.

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

Pursuant to Standing Order 68, Nick McGrath, MHA for Labrador West, substitutes for Tony Cornect, MHA for Port au Port, for part of the meeting.

The Committee met at 9:06 a.m. in the Assembly Chamber.

**CHAIR (Pollard):** Good morning, everybody.

It is Wednesday, May 27, 2015 and welcome, everybody, to the Municipal and Intergovernmental Affairs and Labour Relations Agency Estimates. Thank you for gracing us with your presence on this raining morning. Before we dig in to the Estimates, we will have some introductions, beginning with Mr. Joyce.

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

**MR. SIMMS:** Randy Simms, Researcher, Opposition Office.

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

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

**MR. CROSS:** Eli Cross, MHA for Bonavista North, and I am filling in for Glenn Littlejohn.

**MR. LITTLE:** Glen Little, representing the beautiful, historic District of Bonavista South.

**MR. CORNECT:** Tony Cornect, MHA of the great and cultural District of Port au Port.

**CHAIR:** Thank you.

I would like to ask the minister for an introduction and go from there.

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

Keith Hutchings, Minister of Municipal and Intergovernmental Affairs and I will ask my staff to introduce themselves.

**MS JANES:** Colleen Janes, Deputy Minister for Municipal Affairs.

**MR. DUTTON:** Sean Dutton, Deputy Minister of Intergovernmental Affairs.

**MS BALLARD:** Donna Ballard, CEO of the Labour Relations Agency.

**MR. BRANTON:** Glenn Branton, CEO of the Labour Relations Board.

**MR. SCOTT:** Paul Scott, ADM, Intergovernmental Affairs.

**MR. MERCER:** Cluney Mercer, Assistant Deputy Minister, Municipal Infrastructure.

**MR. HOWE:** Peter Howe, Assistant Deputy Minister for Lands.

**MR. WINTERS:** Scott Winters, Manager of Communications.

**MR. CURTIS:** Ken Curtis, Departmental Controller.

**MS TIZZARD:** Heather Tizzard, ADM, Policy and Corporate Services.

**CHAIR:** Thank you.

I am Kevin Pollard, MHA for Baie Verte – Springdale, filling in for the Chair, Glenn Littlejohn.

It is the wish of this Committee, I understand, that we will go with Labour Relations first. Before we do that, I will ask the minister – he has up to fifteen minutes to have his opening remarks. Before you do, we will ask the Clerk to call the subheads.

**CLERK (Ms Hammond):** Subhead 1.1.01.

**CHAIR:** Subhead 1.1.01.

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

Mr. Chair, I do not have any extensive remarks here this morning. I am certainly delighted to be here to share with the budget Committee the layout for our budget estimates for this fiscal year.

With that, I will certainly go to the Committee.

**CHAIR:** Thank you, Minister.

The first speaker over here has up to fifteen minutes.

**MR. JOYCE:** I will not be fifteen minutes on this.

First of all, thank you, Minister, and all of the staff for being here today. I will just go on the Standing Fish Price Setting Panel. How much is paid per meeting for each person on the board?

**MR. HUTCHINGS:** Again, just for clarity, where are we to, Mr. Joyce, which number?

**MR. JOYCE:** Heading 1.1.04, Standing Fish Price Setting Panel.

Subhead 6.1, sorry.

**CHAIR:** Say that again, Mr. Joyce.

**MR. JOYCE:** Subhead 6.1.04.

**CHAIR:** Subhead 6.1.04, I cannot find that.

**MR. JOYCE:** Standing Fish Price Setting Council.

**MR. HUTCHINGS:** Subhead 1.1.04, Standing Fish Price Setting Panel?

**MR. JOYCE:** Yes.

**OFFICIAL:** Yes, 6.1.04.

**MR. HUTCHINGS:** It is 1.1 here.

Sorry, Mr. Joyce. Okay.

**OFFICIAL:** It is 1.1.04.

**MR. HUTCHINGS:** Subhead 1.1, yes.

**CHAIR:** For clarity, 1.1.04, Standing Fish Price Setting Panel.

Thank you.

**MS BALLARD:** Your question, Mr. Joyce, was the -?

**MR. JOYCE:** On that line item, how much do the people on the panel get per sitting per day?

**MS BALLARD:** The panel itself – Mr. Joyce, their per diems come from Professional Services. The Salaries budget line of \$94,500 is for one staff person who deals with the negotiations in the fishing industry and is administrative support to the board itself. The board members are paid their per diems from Professional Services.

**MR. JOYCE:** How much do they get paid?

**MS BALLARD:** Their per diem rates; the Chair is \$1,000 per day with a \$500 annual retainer, the regular members are \$600 per day with a \$3,000 annual retainer, and the alternate members are \$6,000 per day.

**MR. JOYCE:** Six hundred dollars per day.

**MS BALLARD:** Six hundred dollars per day, sorry.

**MR. JOYCE:** Can we get a breakdown of how much has been paid so far this year? Say, up to a year, how much has been paid per person?

**CHAIR:** Could I interject there, please, before you answer. Could you wait for the red light and then say your name, please, for the purposes of the media people downstairs.

Thank you so very much.

**MS BALLARD:** That information is available and can be provided.

**CHAIR:** Yes.

**MR. HUTCHINGS:** That is fine. We will make that available.

**MR. JOYCE:** Okay.

Last year, Minister – Bill 22 – during the Estimates it was stated there would be a review of the Labour Relations Act. We were told stay tuned. Have there been any amendments made to the Labour Relations Act?

**MR. HUTCHINGS:** No, not at this particular time, but we are looking at various initiatives in terms of the act itself.

**MR. JOYCE:** Okay.

In 1.1.02, Transportation and Communications, there was a reduction of expenditures compared to the budget. The budget was \$63,000 and the actual spent was \$12,000. Now it is back up to \$43,000. What was this money supposed to be used for and why was it not used? It is subhead 1.1.02.

**MR. HUTCHINGS:** In Transportation and Communications there was a decrease of \$20,000 in 2015-2016 due to identified savings through the deficit reduction exercise. As well, there was a decrease of \$51,714.50 in revised, due again to spending and travel restrictions.

**MR. JOYCE:** Are the restrictions lifted now?

**MR. HUTCHINGS:** Well we are always certainly cognizant of travel and expenditures. We have gone through a process – as you remember, the Premier announced last year – to look at restrictions in terms of travel that we are doing. We still need to meet the needs, obviously, and the services we provide through the Labour Relations Agency, and we will continue to do that.

**MR. JOYCE:** Okay.

We see here with the Salaries figure for the department there is no change, actually. How many people are on staff? How many are used for arbitration, mediation, and conciliation, the numbers themselves?

**MR. HUTCHINGS:** The Labour Relations Agency has twenty-two staff under the direction of a chief executive officer.

Donna, we want you to take us through the particulars of the question there.

**MS BALLARD:** Yes. The Labour Relations Agency and the Labour Relations Board together have a staff of thirty-three. That includes executive, but not the Labour Relations Board per diems. That is separate.

Within the Labour Relations Agency, we have a unit of labour relations officers. I believe those are the people you are talking about who deal with mediation and conciliation and so forth. Within those we have a director and four officers, an officer specific to the Fish Price Setting Panel, and an administrative staff; so five officers altogether plus the director.

**MR. JOYCE:** So there are twenty-two people at the staff –

**MS BALLARD:** Plus one administrative staff. That is for the Labour Relations Division of the agency itself.

**MR. JOYCE:** Only five of them do conciliation? What does the rest do?

**MS BALLARD:** Yes.

**MR. JOYCE:** What is the role of the other seventeen or eighteen?

**MS BALLARD:** Well, then we also have a Labour Standards Division. Those are the people who deal mostly with non-unionized labour relations issues. They take a lot of phone calls when people call, for example, and say they did not receive their overtime they worked on the weekend. They give out information as to what the minimum wage would be, what their rights are with regard to clothing allowances, those sorts of things, mostly in the non-unionized retail sector.

They will become involved, if it is necessary, in investigations. They will issue orders. For example, if somebody is not paid what they are supposed to be, orders will be issued and registered with the court. They also provide information sessions to high schools, college graduates, people who are entering the workforce and so forth, mostly the non-unionized sector.

There are eight staff who deal with that including an office in Corner Brook, which has one Labour Standards Officer and one administrative staff. The other officers are here in St. John's. There is a Director and administrative staff as well.

In addition to that, we have a policy and planning division, which has four staff. They are responsible for the corporate services of government annual reports and that sort of thing, plus policy development such as amendments to legislation, the worker protector legislation, those sorts of things.

Then there is the Labour Relations Board itself, which has a staff of officers who do the investigations and prepare for the staff meetings.

**MR. JOYCE:** Okay. Thank you.

On 1.2.01, the Labour Relations Board itself, it says the Salaries have gone up by \$69,000. The actual was \$665,900 and the budget was \$735,500. Was there hiring there?

**MR. HUTCHINGS:** Mr. Joyce, that is related to an increase of \$21,400 in 2015-2016 due to the 3 per cent salary increase.

**MR. JOYCE:** Increase, okay.

**MR. HUTCHINGS:** Salaries fund about eight positions, I think, at the Labour Relations Board office.

**MR. JOYCE:** Okay.

That is all of the questions I have for now, Mr. Chair, but I am sure I will be back.

**CHAIR:** Thank you, Eddie.

We will pause there. We will go with George.

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

Just to carry on in 1.2.01 in the Labour Relations Board, just a couple of more questions on the line items.

Professional Services line shows that in 2014-2015 you were looking for \$79,800 and the actual that you spent was \$94,000. I was just

wondering if you can give me a breakdown of what happened here.

**MR. HUTCHINGS:** Yes, that was an increase there of \$14,200 in 2014-2015; revised due to 2013-2014 expenses for a very detailed and complex Labour Relations Board case involving fourteen parties. It was a significant legal issue dealing with something that had not yet been interpreted. So there were additional professional services required for that particular case.

**MR. MURPHY:** Can you give us any more detail on what that case involved?

**MR. HUTCHINGS:** I would have to go to Donna on that.

**MS BALLARD:** That maybe before the board still.

**MR. BRANTON:** That is a decision with respect to the offshore platform.

**MR. MURPHY:** Okay.

For this year then you are budgeting only \$70,000. You are anticipating that there is going to be a resolution to this case, I guess.

**MS BALLARD:** Yes, that case is finished.

**MR. MURPHY:** That is done.

**MS BALLARD:** Yes.

**MR. MURPHY:** Okay.

There was another line item here that was of concern and jumped out.

I wonder if you can give me a breakdown again in 1.1.02, Administration and Planning. The Transportation and Communications in the budget here showed \$63,700. In actual fact, you only spent \$12,000. Can you give me another breakdown of what happened here again?

**MR. HUTCHINGS:** In that particular case, there was a decrease of a little over \$51,000 due to spending and certainly reduced travel and being cognizant in our financial position and travel restrictions based on that.

**MR. MURPHY:** Is the department still tied in with the travel restrictions now as a result of what we are seeing in the budget?

**MR. HUTCHINGS:** Again, we are cognizant of our expenditures, but if the services that we provide, whether it is the Labour Relations Agency or anywhere else, those services have to be provided. So we will provide those services.

**MR. MURPHY:** Okay. So you do not anticipate that there would be anything that would be held back as a result of that and spending would go on.

Under Purchased Services, Minister, \$300,000 against \$352,200 that was budgeted. I wonder if I can get a breakdown of what these Purchased Services may have been.

**MR. HUTCHINGS:** We are still with 1.1.02?

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

**MR. HUTCHINGS:** Okay, sorry.

We had an original of \$352,200 estimated, revised to \$300,000. Then, yes, for this year is \$325,000. So are you asking about the \$300,000, sorry, again?

**MR. MURPHY:** Yes.

**MR. HUTCHINGS:** There was a reduction there, as we can see, of \$52,200 for 2014-2015. Again, spending, in terms of being cognizant of our spending, certainly resulted in less than anticipated expenditures. Administration and Planning funds also purchase services for the Labour Relations Agency. So we get a reduction of \$52,200.

**MR. MURPHY:** So what sort of services would you have bought under this particular line item?

**MR. HUTCHINGS:** Donna, could you give us some detail in regard to that?

**MR. MURPHY:** Please.

**MS BALLARD:** Subhead 1.1.02, Operating Accounts?

**MR. MURPHY:** Purchased Services.

**MS BALLARD:** Purchased Services – the most significant cost is our lease for our building.

**MR. MURPHY:** It is lease costs, isn't it? Okay.

Has government been looking at other places, for example, where it could save money when it comes to leases, that sort of thing? Any empty government facilities that are out there, for example, where they could be moving their offices? Right now, where are their offices too? Are they renting off the private sector out there now?

**MS BALLARD:** Well, we are in the Beothuk Building –

**MR. MURPHY:** Right.

**MS BALLARD:** – which a decision was made some years ago to have us separate from government itself because of the independent nature of what we do, including –

**MR. MURPHY:** Okay.

**MS BALLARD:** – providing conciliation services to the public sector as well. So we have the floor there, as well as the Labour Relations Board, and its hearing room. So all of the space that we have there is necessary, and we also have a very small office in the government building, which is rent-free, in the sense, for us as an agency in Corner Brook.

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

Mr. Chair, I have no other questions on this particular section right at the time being –

**CHAIR:** Okay, thank you very much.

We go back to Eddie.

**MR. JOYCE:** I am just going to ask, Minister, you mentioned Bill 22, that there are no plans. I notice there is no money in the budget. So does that mean it is not going to be coming forward this year, the changes –

**MR. HUTCHINGS:** (Inaudible).

**MR. JOYCE:** Subhead 1.2.01, Bill 22. You just mentioned that you are going to bring some changes forward. There is no money in the budget itself. Will there be changes? You mentioned earlier that they were looking at it (inaudible) the minister said: stay tuned.

**MR. HUTCHINGS:** I did not say there were going to be no changes, no. I said we are always under review in terms of legislation and possibilities of what we might do.

**MR. JOYCE:** Is there any money in the budget this year to bring changes forward this year?

**MR. HUTCHINGS:** Changes will be done through our staffing. As you know, we bring legislative changes to the House for a review, if we were to do it. So we have the staffing if we were to do legislative changes.

**MR. JOYCE:** Okay.

**MR. HUTCHINGS:** Donna, anything further to add on that?

**MS BALLARD:** One of the big pieces of work that we are doing right now, Mr. Joyce, as you are probably aware, there was a motion in the House in the spring related to worker protection legislation. So, we are doing that in-house with an interdepartmental committee. We have the capacity within our policy division working with other departments of government to bring that forward. Of course, there is the OPE which will assist us in public consultation. So we can use in-house resources to bring that forward. We have the capacity.

**MR. JOYCE:** Okay.

I will just go back to Standing Fish Price Setting Panel. It says here Profession Services of \$90,000, and it is up to \$115,000 this year. Why the increase? Are they expecting more board meetings?

**MR. HUTCHINGS:** Donna.

**MS BALLARD:** As you can appreciate, it is volatile, and it just depends. We usually keep enough money in there so that we are able, depending on how many disputes and how many hearings there needs to be, to ensure that we

have enough money to cover it; but we are not expecting necessarily anything more specific this year, unless there are issues with the industry.

**MR. JOYCE:** This price setting council, is that paid totally by government?

**MS BALLARD:** Sorry?

**MR. JOYCE:** Is it paid totally by government?

**MS BALLARD:** Yes.

**MR. JOYCE:** One hundred per cent – so there is no cost recovery from the (inaudible) –

**MS BALLARD:** The panel itself is established and funded through government, yes.

**MR. JOYCE:** Okay.

This \$90,000, is this just for the price panel – it cannot be?

**MS BALLARD:** The Salaries of \$94,500, that is salary and benefits for the one officer I discussed earlier.

**MR. JOYCE:** Yes.

**MS BALLARD:** This is all just for the panel, yes – this particular 1.1.04. So then you have your operating expenses, and so forth. Your Professional Services, of course, as I indicated, would be for the per diems and the travel for the Standing Fish Price Setting Panel.

**MR. JOYCE:** Just a question for the minister: If there is no agreement with the panel, once they set it, is there any arbitration after that or is it binding?

**MR. HUTCHINGS:** The final –

**MR. JOYCE:** Decision by the panel.

**MR. HUTCHINGS:** I guess they are open to the courts if they wanted to go through the court.

**MR. JOYCE:** The courts, okay.

I am fine, Mr. Chair.



**CHAIR:** Thank you very much. We will proceed by asking the Clerk to call the subhead.

**CLERK:** Subhead 1.1.01.

**CHAIR:** Shall 1.1.01 carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

On motion, subhead 1.1.01 carried.

**CLERK:** Subhead 1.1.02 to 1.2.01 inclusive.

**CHAIR:** Shall subheads 1.1.02 to 1.2.01 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

On motion, subheads 1.1.02 through 1.2.01 carried.

**CLERK:** The total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

On motion, Labour Relations Agency, total heads, carried.

**CHAIR:** Okay, ladies and gentlemen, that concludes the Labour Relations Agency Estimates.

Thank you very much.

We will take a minute just to – okay, I think we are ready to go.

I will ask the Clerk to call the subhead.

**CLERK:** Moving on to Municipal and Intergovernmental Affairs, 1.1.01.

**CHAIR:** Subhead 1.1.01.

Okay, Mr. Joyce, you have the floor whenever you are ready.

**MR. JOYCE:** Okay.

Thank you again.

Minister, I am just going to ask some probing questions first and then we can go through the line items. It is much easier to ask the staff than me trying to dig it out and go through each line until we get the answer.

Waste management; can you tell me what line item and how much is put in that for the Western Region this year? Where is that in the Estimates?

**MR. HUTCHINGS:** It is probably easier if we went through line items and when we get to it, we can give you those details on it, if you want. Or we can skip around.

**MR. JOYCE:** What happens a lot of times is that we may not make it through the three hours. I do not know if the staff – I am sure they would know.

**MR. HUTCHINGS:** Okay, we can skip through it. What section is it?

**CHAIR:** Cluney.

**MR. MERCER:** It is under subhead 4.2.03.

**MR. JOYCE:** Okay.

How much has the Province put into waste management this year and budgeted this year for waste management for the Western Region?

**MR. HUTCHINGS:** I will just give a high-level number, Mr. Joyce, and then we will get into further details. To date there has been

approximately \$160,000 spent on waste management?

**OFFICIAL:** No.

**MR. HUTCHINGS:** It is \$160 million, sorry.

This year we are in the range of \$60 million in terms of future continued expenditures. That will be related to a transfer station in Clarendville, as well as the six transfer stations for the West Coast. That RFP will be closing, I do believe, at the end of the month. It is expected that those facilities will be up and operational in mid-to-late 2016.

In regard to your question specifically in regard to break outs of that, I will go to Cluney to speak to that.

**MR. MERCER:** Included in subhead 4.2.03 for waste management expenditures for this year there is \$12.75 million. We expect to spend \$4 million or \$5 million of that in cash flow associated with the construction of transfer stations in the Western Region. That would be in addition to \$4 million that they already have, that government has provided in previous Budgets. We expect the total cost of the six transfer stations to be roughly \$30 million spent over three years.

**MR. JOYCE:** How much of that is provincial money?

**MR. MERCER:** The \$12.75 million budgeted for this year is gas tax funding, so that would be money that came from the federal government. The \$5 million previously advanced to the board is all provincial money from provincial coffers.

The minister referenced \$160 million spent on the waste management strategy to date. In excess of \$90 million of that has been provincial expenditure and \$62.4 million of it has been federal expenditure out of gas tax funding.

**MR. JOYCE:** In the 2014-2015 budget for Grants and Subsidies it was \$41.4 million, but only \$17.3 million was spent. Was that \$40.1 million federal gas tax? Why wasn't the money distributed?

**MR. HUTCHINGS:** The same one, 4.2.03?

**MR. JOYCE:** Yes.

Last year it was \$41.4 million.

**MR. HUTCHINGS:** Yes, Mr. Joyce, that reflects lower waste management expenditure as a result of some of the infrastructure work not proceeding as quickly as intended, as planned; as well as grant payments to municipalities of \$15 million under the gas tax program that are held for various reasons: municipalities may not have submitted their proposals or municipalities may have not been in compliance with the program requirements; as well, interest earned on funds that have not yet been spent.

**MR. JOYCE:** There was \$26 million or \$27 million not spent last year?

**MR. HUTCHINGS:** It was \$24 million.

**MR. JOYCE:** There was \$24 million not spent.

**MR. HUTCHINGS:** That would be related to the infrastructure projects, identifying the projects, rolling them out in terms of planning, tendering (inaudible) –

**MR. JOYCE:** Is it carried over to this year?

**MR. HUTCHINGS:** Yes.

**MR. JOYCE:** Is there any breakdown of where the money is going to be spent, or what major projects it is going to be used for?

**MR. HUTCHINGS:** I have listed some of them, but we can certainly give you a list of what is in the hopper this year for moving forward. We can certainly give you that.

**MR. JOYCE:** Yes, if you do not mind.

I do not know where it is at in the budget items as I go through – the cost to operate the Western Regional Waste Management, do you have a breakdown for the Western Region so far, the cost of that?

**MR. HUTCHINGS:** Do you mean cost of the authority to run it or the investment we made in infrastructure?

**MR. JOYCE:** Salaries, who is on salary? I know Don Downer is. The cost to operate it, can I get a copy of the breakdown on that?

**MR. HUTCHINGS:** The operation of the Regional Waste Management Authority?

**MR. JOYCE:** Yes.

**MR. HUTCHINGS:** Yes, we certainly can do that.

**MR. JOYCE:** Yes, and who is on the regional authority now because there was some discrepancy there where people in the last election never made it and new appointees –

**MR. HUTCHINGS:** The appointees would come from the local governance structure and sit on the authority.

**MR. JOYCE:** It took a nice while before they were – that is what I would like, if I could get a copy of that.

**MR. HUTCHINGS:** You want to know who sits there, where they are from I guess.

**MR. JOYCE:** Yes, who sits there and the cost to date for the Western Regional Waste Management; if I can get a salary breakdown, travel, and meetings.

**MR. HUTCHINGS:** Okay. We have that available. Do you have anything to add to that, Cluney?

**MR. MERCER:** Mr. Joyce, the Western Regional Service Board for the calendar year 2014, which would correspond with our budget year 2014-2015, we did not provide any funding to the Western Regional Service Board for operations. They would have on their website published their operational budget for the year, the salaries of staff, stipends for board members, they are all a part of that budget, and they are paid for by fees collected from municipalities, local service districts, and users of the waste management services in the Western Region.

Yes, we can provide these two pieces of information for you.

**MR. JOYCE:** The Wild Cove dumpsite is totally self-sufficient now? Is that what you are saying?

**MR. MERCER:** The Wild Cove dumpsite – while the ownership of this site, on paper, belongs to the City of Corner Brook, the Western Regional Service Board has taken over operations of that. The operational cost of the Wild Cove site as well as the Bay St. George’s site is all combined together in their operational budget and they have budgeted the fees on the basis of a balanced budget.

**MR. JOYCE:** Okay.

I just one more question on waste management. What is the capacity of Central? Would you have that? I know it is not in the Estimates, the capacity of Central waste management at Norris Arm to handling waste management –

**MR. HUTCHINGS:** (Inaudible) overall capacity.

**MR. JOYCE:** I visited the site a few years back and it was about 30 per cent, 32 per cent, 33 per cent capacity; that is it.

**MR. HUTCHINGS:** Do you mean at capacity at that point?

**MR. JOYCE:** At capacity, yes.

**MR. HUTCHINGS:** Yes, we can certainly provide that information. Cluney, do you know –

**MR. MERCER:** I think what you might be referring to, Mr. Joyce, is the initial lined cell that was developed at the site. The site itself, from a landfill perspective, is good for about 150 years. The lined site that collects the leachate that is treated before it is released into the environment was a five-year cell.

So the ongoing operational costs associated with the Norris Arm site is that every four or five years they will put in a new liner and it will be connected to the existing liner. It is like having a self-contained unit. By the time that landfill is completed, they will have dozens of lined cells.

**MR. JOYCE:** So my question is: Can they handle the waste management from Western Region?

**MR. MERCER:** Absolutely. When the facilities, not only the landfill facilities at the Norris Arm site but the recycling facility as well that just became operational earlier this year, it was all built to accommodate waste from Western.

**CHAIR:** Your time has expired. Do you have a follow-up question (inaudible) –

**MR. JOYCE:** Just one follow-up question.

**CHAIR:** Okay.

**MR. JOYCE:** You are telling me that the intent from day one – what you just said was the intent was never to build a site in Western Newfoundland, that was built to the capacity that could handle Western Newfoundland.

**MR. MERCER:** No, that was not the intent. The decision of the Western committee to take waste to Central Newfoundland was made in time for the capacity, or to increase capacity into the leachate treatment system for the landfill and the material recovery facility, which is the recycling facility. That decision was made in time to incorporate the additional capacity into the design requirements before the infrastructure was actually built.

**MR. JOYCE:** Oh, that is not correct.

**CHAIR:** Okay, I have to stop you here now. You have to park here for the time being. We have to go to George. We will come back to Eddie on that.

George.

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

Just to carry on with the questions around the Wild Cove site and the installation of a liner. I believe it was last year government decided against the installation of a liner out there in that particular site. I think it was a cost-saving measure. Do you have an update on that or what government has done with that afterwards?

**MR. MERCER:** At Wild Cove?

**MR. MURPHY:** I think it was at the Wild Cove site.

**MR. MERCER:** I am not knowledgeable of any discussion about a liner for Wild Cove.

About four or five years ago when the Western Region was looking for potential sites for a landfill site for the Western Region, there was some consideration given to Wild Cove at that time. Underneath the soil in Wild Cove there is a clay layer. So there was some consideration given to whether or not it was a natural liner, but Wild Cove was eventually ruled out because it did not have the capacity to take waste for the Western Region for a minimum of a fifty-year period.

**MR. MURPHY:** Okay.

I am just curious, when it comes to the decision to move material then to the central area of the Province, has your department done a cost-benefit analysis of the benefits of moving it to the Norris Arm site versus keeping a full-fledged operating facility on the West Coast of the Island?

**MR. MERCER:** Yes, there has been significant analysis done. There was one significant report that was commissioned by the Regional Waste Management Committee in the Western Region. The work was completed by SNC-Lavalin over the course of two years with significant analysis to demonstrate that the cost of transporting Western waste to the Norris Arm facility was cheaper from a household cost perspective for the region.

**MR. MURPHY:** Okay.

**MR. MERCER:** In addition, it was followed up with a study on the impact on the environment in terms of the additional trucking.

So from a greenhouse gas emission perspective, we looked at both options of operating a lined landfill in the Western Region versus trucking. It was determined it would be cost neutral and carbon neutral from an environmental perspective.

So there has been significant work done to demonstrate that it is, in fact, cheaper to take Western waste to Central Newfoundland.

**MR. MURPHY:** Mr. Minister, I am just wondering is that report available? Can we have a copy of that report so we can have a look at it?

**MR. MERCER:** Most certainly. A copy of that report is actually posted on the Western Regional Service Board's website, and has been there for at least a year-and-a-half or so now.

**MR. MURPHY:** Alright, thanks.

I will just go over to some line items then. Starting at 1.2.02, Administrative Support, your Purchased Services line shows \$30,600 was budgeted for and \$42,000 was actually spent in the past year. I am just wondering if we can get a breakdown of what happened here.

**MR. HUTCHINGS:** Subhead 1.2.02?

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

**MR. HUTCHINGS:** What was the line item?

**CHAIR:** Purchased Services.

**MR. HUTCHINGS:** That was due to an increase of \$11,400 we can see there of higher than anticipated departmental advertising, equipment rental, printing, and other general purchased services costs that we had an increase in that amount from what the estimate was to what was revised.

**MR. MURPHY:** Okay.

Down to 1.2.03, Strategic Financial Management, I wonder if we can get a breakdown of what is happening here as regards to your salary line. You have \$212,000 difference in the revised figure for this year against what was budgeted and, again, you are up to almost \$1.2 million in salaries for this year.

**MR. HUTCHINGS:** The decrease between the two years reflects some staff vacancies we have and some delays in staffing those vacant positions. So that is related to actual positions.

**MR. MURPHY:** Okay. I am just looking at the salary details for this year and it looks like it is up. Are there going to be any hiring in this particular department?

**MR. HUTCHINGS:** Hirings?

**MR. MURPHY:** Hirings.

**MR. HUTCHINGS:** Yes. There would be recruitment done there. As well, funding that was moved from the division's budget last year to be used in another division is being moved back to this division this year.

**MR. MURPHY:** Okay.

**MR. HUTCHINGS:** There was a salary component there. There is also an increase associated – before I indicated the 3 per cent salary increase due to the collective agreement.

**MR. MURPHY:** Yes.

How many of these vacancies are going to be filled this year?

**MR. HUTCHINGS:** How many?

**MR. MURPHY:** Yes. How many positions are we talking about here?

**MR. HUTCHINGS:** Do we have that, Colleen?

Go ahead.

**MS JANES:** There are four currently vacant. Whether all of those will be recruited during this year remains to be seen. A couple of those are the same type of position, so we would move to fill one and then we would determine whether we have an operational requirement.

**MR. MURPHY:** Okay.

So we do not know yet, if that is the case, if these are going to be contractual positions, just a temporary filling of these positions, or if they will be full-time permanent.

**MS JANES:** They would not be contractual positions. These would be either permanent or temporary positions.

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

Coming over to 2.1.01, Regional Support in Regional and Financial Support Services, the Transportation and Communications line shows \$106,700 that was budgeted for, and \$87,700 was the actual for this year. I wonder if I could get a breakdown of what is happening here.

**MR. HUTCHINGS:** Is that Transportation and Communications?

**CHAIR:** Subhead 2.1.01.

**MR. HUTCHINGS:** Okay.

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

**CHAIR:** Transportation and Communications.

**MR. HUTCHINGS:** Yes, that reflected just lower than anticipated travel and communication costs. We have adjusted it for the estimate this year to \$90,000.

**MR. MURPHY:** Okay, so \$90,000 would be historical that you would be going back on?

**MR. HUTCHINGS:** Yes, it would be reflective of what we have seen, I guess, to date in terms of what was required based on last year and looking to this year. We feel certainly that would meet our needs.

**MR. MURPHY:** All right.

Under Purchased Services, \$49,700 was spent against \$63,100 budgeted. That same figure that you had budgeted is also the same figure that you have budgeted for this year as well. I wonder if we can get a breakdown here.

**MR. HUTCHINGS:** On the decrease?

**MR. MURPHY:** On the decrease, yes.

**MR. HUTCHINGS:** Yes, it just reflects lower than anticipated training, meaning in general, Purchased Services required throughout the year. I guess historically we see it has gone back to \$63,100.

**MR. MURPHY:** Right.

**MR. HUTCHINGS:** It is just reflective of what it historically has been, so we will maintain that for this year's Estimates.

**MR. MURPHY:** Down to 2.1.02, Municipal Finance, Professional Services; \$15,000 was budgeted for and there was nothing spent this year. I am just wondering what was happening with this line.

**CHAIR:** Subhead 2.1.02, Professional Services.

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

**MR. HUTCHINGS:** That reflected lower than anticipated consultant costs. As well, costs typically incurred by the department for work completed by the Stats Agency were not incurred this year due to the elimination of the whole interdepartmental building system. That caused some of that reduction as well.

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

Just a quick note on the Municipal Finance section on the Salaries, not too much had changed in Salaries versus this year – what was budgeted for this year, I should say, against last year. Last year, you had budgeted \$416,200. I am wondering if I can get a breakdown of just what is happening here, or what did not happen, I guess, in this particular case.

**MR. HUTCHINGS:** There was a salary decrease of \$30,900 between 2015-2016 and the salary budgeted for 2014-2015. It reflects an increase in funding for required step increases. Sorry, that is going from what was budgeted and what we are looking at for this year.

**MR. MURPHY:** Right.

**MR. HUTCHINGS:** There is a 3 per cent salary increase negotiated as we spoke of as well. There was some offset in attrition management. Did you ask about the revised number as well?

**MR. MURPHY:** Yes, the budgeted figure was \$416,000. It was actually all not spent, I guess, in this particular case.

**MR. HUTCHINGS:** Yes, okay.

The \$33,100 was due to one of the director's positions being vacant for part of the year.

**MR. MURPHY:** Right.

**MR. HUTCHINGS:** That was part of the salary for that position.

**MR. MURPHY:** Okay.

**CHAIR:** Okay.

George, could I hold you there?

**MR. MURPHY:** Yes.

**CHAIR:** Eddie.

**MR. JOYCE:** (Inaudible) a couple of questions. I thank the minister and staff.

The ADM just mentioned that – and I just have to get this correct in my own mind – Western made the decision. After Western made the decision to move it to Central in Norris Arm, then Central built their facility to equal that. Is that correct?

**MR. MERCER:** To be clear, the area that constitutes that Central Newfoundland regional landfill facility was identified back around 2008, and prior to the Western Region having much work done in terms of planning. The area that is available for landfill development at the Norris Arm site is significant, it is tens of hectares. The estimated life of that site, from a landfill perspective, is in excess of 100 years. The landfill site itself is developed on a cell-by-cell basis, each cell being a lined cell so that you collect leachate and you treat it. Each of those cells has a life of about five years.

The landfill got developed. So the landfill, even with taking waste from the Western Region, is good for nearly 100 years. During the period whereby the Western Region made the decision to go to Central, the first cell for the Norris Arm site was under development. That cell was only intended for the use of the Central Region. All the other facilities on the site – the leachate treatment, the recycling facilities – were all designed and constructed building capacity in for the Western Region.

Given the fact that the landfill, which is developed on a cell-by-cell basis, can accommodate waste for 100 years, there is no issue with taking waste from the Western Region and accommodating it at the landfill site. It may mean that you have to develop cells more frequently, absolutely, but you will have double the users contributing to the cost of replacing that cell.

**MR. JOYCE:** Okay.

When I visited the site – the Central site opened in February 2012 with the capacity of 30 per cent for all Central. The decision was made months later, July 26, 2012, for Western.

I mean, this is a very big issue in Western because in your own report that you just referred to, it is \$1.8 million extra to ship the garbage by truck. It is in the report; I mention that to the minister. It is in the report.

What you are saying here today is that there was already a decision made to ship that out of Western before July because the facility was built. I visited the facility personally; it was at 30 per cent capacity only. You cannot have it both ways.

**MR. MERCER:** I will address one issue at a time. Your \$1.8 million in transportation costs from Western to Central is indeed correct, but you fail to realize in the same report it identifies in excess of \$2 million per year in savings associated with not having to operate the landfill or the recycling facility in the Western Region.

The net benefit is that it is cheaper on a household cost. Our objective here, everyone's objective here, including all of the regional service boards and the Department of Municipal and Intergovernmental Affairs, is to provide the cheapest operational cost to the residents and households of the Province for a modern waste management strategy.

That is in the document. If you follow your logic in terms of the 32 per cent capacity in 2012, well, we would be at capacity right now – if they were only operating for one year and they were at 32 per cent. What you are referring to is the five-year cell, but there will be dozens of

cells developed within the landfill to constitute a landfill.

**MR. JOYCE:** I was at the site. I went through it. It was not the 32 capacity for that cell; it was 32 per cent for the whole site, the whole area, the acreage for the whole area. I went through it with the regional manager there. That is just interesting, that is all. Anyway, I will get back to it because obviously, in my opinion, it was a predesigned plan, which I said from day one was never to be built in Western Newfoundland.

How much is in the budget this year to do – I know the minister mentioned that there will be stations built in Western Newfoundland. How much is in the budget for that tender and where in the budget – the transfer stations?

**MR. HUTCHINGS:** Looking over the next three years there is about \$30 million. I think that is right, Cluney, for the six transfer stations? Yes.

**MR. JOYCE:** Is there going to be a tender this year for that?

**MR. HUTCHINGS:** Yes, there was an RFP that is closing the end of this month. We look at awarding in, hopefully I would say, June.

Cluney, do you want to add anything further to that?

**MR. MERCER:** It is a design-build RFP. The tender was issued the first week in January. It is closing, I think, the end of May or the first week of June. We expect to award a contract to the successful bidder, I would say, within six weeks or so of that closing. We expect construction to start this year. Construction will continue into 2016 and potentially early 2017 before they are fully completed.

With respect to your question we answered earlier, the budget for this year – cash flow for this year on the \$30 million the minister referenced is \$12.75 million, contained within the gas tax funding that we previously identified for this year. That is in addition to the \$5 million that we provided the board with under a previous year's budget.

**MR. JOYCE:** This \$12.75 million would be for the transfer stations?

**MR. MERCER:** The \$12.75 million is what we have budgeted in gas tax this year. We do not expect the Western Region will spend that much money this year. So we will spend some of the \$12.75 million on other infrastructure in other regions. We are committed to the \$30 million expenditure for the Western Region and have been for a long time.

**MR. JOYCE:** My question is how much is going to be spent out of the \$30 million for the Western Region this year? I am being asked a lot of questions on it. This \$30 million that is supposed to be spent for the Western Region, how much is in the budget to be spent this year, this fiscal year coming up that we are going to vote on in the House of Assembly?

**MR. HUTCHINGS:** What is the exact number that is in – overall the waste management number we have in there, but we have called an RFP-Build Design, when that comes back, obviously, there will be a selection process for.

So when you are looking at cash flow, it depends on when the project starts and what cash will flow in the current year. Whatever that commitment is, we will meet that commitment.

What that number will be, we are not really sure because you know what the cash flow is going to be based on when the project starts and when construction starts, but we will meet that commitment.

**MR. JOYCE:** Okay.

The remaining will be spent up to 2017?

**MR. HUTCHINGS:** Yes, as the project is being built and unfolds.

**MR. JOYCE:** Okay.

Can I ask why the delay for the Western Region?

**MR. HUTCHINGS:** Delay in –



**MR. JOYCE:** The Western Region was supposed to be completed in 2012; that was the initial plan in the provincial strategy.

**MR. HUTCHINGS:** We looked overall at the waste management strategy. I referenced before, we had a plan, a strategy with some detail we would have to bring through, as a government, and attach dollars to it. That plan started in 2007.

So, obviously, it is a significant plan when you look at the Island and Labrador in terms of where we were in terms of opening burning, teepees, you name it, and how we would progress to a modern waste management facility and infrastructure in the Province. It is a big undertaking. As we went through that, and on a regional basis and building the capacity on the ground to get everybody involved to do that, there are challenges with it.

So recognizing, would we like to have done it sooner? Sure, but it is a significant undertaking. There is the infrastructure build. There is the change in people's ability to buy into waste management, to stream waste management, and how we handle all of that. We built significant infrastructure and moved it forward.

We are committed to Western Newfoundland, just like we are to other regions of the Province, to build on infrastructure and bring the best possible service we can to waste management to all Newfoundlanders and Labradorians.

**MR. JOYCE:** Okay.

I will hold. I have a few other questions.

**CHAIR:** Okay.

If I could interject for a moment, not to be mean or cold-hearted or whatever, I would like to remind everybody that the minister has his discretion as to how far he goes and strays from the line items in Estimates, as opposed to policy. Hopefully, we can through this session within three hours and everybody will be satisfied. I just want to clarify that.

Okay, George.

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

I will just carry on with a couple of line items and at the same time, I guess, come up with a couple of general questions around policy too, if that is alright with the minister.

Under section 2.1.03 under the Local Governance, I want to first get into the salary details of this particular department; \$443,800 was budgeted for. The revised figure was \$371,900. This year you are anticipating salary increases to \$523,600. So I am wondering if you could give us a bit of a detailed breakdown on what is happening, particularly, number one with the salary line, I guess, to start off.

**CHAIR:** Okay, for clarity, 2.1.03, Local Governance, Salaries.

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

**MR. HUTCHINGS:** Okay, \$443,800 to \$371,900, we would have a decrease of \$71,900 between the two years due to savings related to staff vacancies and a delay in staffing those vacant positions. So that would be related to staffing.

**MR. MURPHY:** Okay.

This year your salary details were up though. So do you anticipate filling some of these vacancies?

**MR. HUTCHINGS:** Yes, the salary increase of \$79,800 between the two years as well reflects a re-profiling of a contract position from the gas tax program, which is about \$87,500. There is an increase in required funding for salary step increases again; the 3 per cent salary increase negotiated through the collective bargaining process. There is a new staff at a lower salary step of \$8,500. So all of that combined gives us the \$523,600.

**MR. MURPHY:** Okay, so how many vacancies altogether are going to be filled here? By the looks of this it is going to be substantial.

**MR. HUTCHINGS:** Colleen, do you have that number?

**MS JANES:** The minister referenced that there is a re-profiling of salary from a gas tax contractual position that is now moving to Local Governance, so that is predominately the basis for the increase there. There is an intent to fill that position this year.

**MR. MURPHY:** Okay.

Mr. Minister if I can ask you a question around the Local Governance section here altogether, it says, "... the Department's legislative program and provides interpretative advice on the various legislation to the Department and local governments; and administration of the Municipal Training Program." It also gets into the question around amalgamation, as well as community relocation requests.

I was just wondering: Has your department, as of late, been taking any inquiries as regards to the possibility of amalgamation, number one; or, number two, when it comes to requests for the possibility of community relocation?

**MR. HUTCHINGS:** Yes – and I will get staff in terms of numbers – we always get inquiries in regard to possibilities of amalgamation, local service districts to municipalities, a local service district wanting to consider incorporating. We certainly get inquiries like that and discussions. I think it is something we all agree we need to go to in terms of greater regional services and regionalization.

On the issue of relocation, I think there is, if I remember correctly, four that are in the process – or five. Those are communities that have showed an interest. In our relocation policies, there are various stages to that in terms of identifying who exactly the residents are, because that is important from the official vote. There is a cost-benefit piece we go to.

Again, we have a commissioner who would hear any appeals in regard to people that the department may indicate, based on the policy, that we do not feel they are permanent residents, which you would have to be –we appoint a commissioner to hear those appeals and then make recommendations back to the department in regard to what they have found.

It is not a short process, but we have to make sure that everybody has a right to make representation. Obviously, residency is very important, permanent residency; and with that comes, obviously, the ability to partake in the decision-making process.

There are five right now that are ongoing in various stages.

**MR. MURPHY:** Five communities?

**MR. HUTCHINGS:** Yes.

**MR. MURPHY:** Which communities are they?

**MR. HUTCHINGS:** Those communities would be Round Harbour, Snooks Arm, Williams Harbour, and Little Bay Island. Nippers Harbour, we made a decision on that and based on the mayor and representation, the cost-benefit analysis we had done, I guess it was not reflective of some of the cost that they thought should or would not be involved. They made representation to me, as minister, and I said if you have additional information, make it available to us and we will take another look. I guess that is where that community is to right now.

**MR. MURPHY:** Okay. So somewhere down the road we will probably hear that some of these communities are gone by the wayside, unfortunately.

Mr. Minister, just further down in Professional Services then, \$28,900 was the number spent, there was nothing anticipated in the budget last year, nothing anticipated this year. What would that money have gone towards?

**MR. HUTCHINGS:** The increase was due to higher than anticipated consultant costs related to fiscal framework. We did some survey work in regard to general populous in regard to some of the initiatives. As well, that would be part of the What We Heard document. It was overall I guess the consultative process in terms of going through the fiscal framework over a two-year period and getting everybody's view on some of the initiatives.

**MR. MURPHY:** That would be the new fiscal framework that government just presented in the last little while.

**MR. HUTCHINGS:** Yes, it would be related to that. It would all be contained in our document: What We Heard.

**MR. MURPHY:** Okay.

In the Purchased Services line \$15,500 anticipated and you only spent \$6,000 there.

**MR. HUTCHINGS:** Again, that was more of an operational issue in regard to a decrease of \$9,500: lower than anticipated basic meeting rooms, equipment rental, printing costs, those types of things.

**MR. MURPHY:** Okay.

Farther down in Grants and Subsidies then \$46,500 was spent against \$119,500 that was appropriated for. It is the same dollar amount as what is being asked this year in line 10.

**MR. HUTCHINGS:** Do you want to speak to that, Colleen?

**CHAIR:** Colleen.

**MS JANES:** These would be grants that we provide for feasibility studies associated with communities who come forth with an interest on amalgamation, or some regional sharing of services. It is lower than anticipated spending this year, but for next year we already have a number of communities who have expressed an interest in having feasibility studies done associated with various initiatives. So we are anticipating to require that full amount this year.

**MR. MURPHY:** Okay.

Mr. Minister, I take it from the dollar amount that you are budgeting for this year, government obviously has some sort of a vision itself on where it would imagine they would like to see municipalities be in the next little while when it comes to the operations, for example, the local service districts and the regionalization of services.

I am just wondering if you might be able to explain a little bit on where you hope the government would be, for example, five years' time from now on these particular steps the government would like to see, I would imagine, happen. I think everybody in the Province has come to the realization pretty soon that we have to come to a happy spot, a happy medium, where we can share services.

**MR. HUTCHINGS:** Yes, good question. Our community sustainability partnership, obviously one of the issues we have identified in that through Budget 2015 was the whole issue of local governance. I guess over the past two years with the consultations for fiscal framework, we have heard a lot about that in regards to sharing services, more effective services, integration of communities and regions to provide that service.

For those of us who represent rural parts of the Province and local service districts and municipalities and areas that are neither, we have seen the challenges sometimes in providing services. We have seen success, and I think that is what we need to continue with and duplicate, whether it is fire prevention services, whether we are seeing it with waste management in regard to the model in regard to communities coming together, and doing things more effectively and efficiently.

Through the community sustainability partnership, what we have identified is a process that we would look to other jurisdictions to look at a regional governance model, what is out there, what may be applicable here, and to use that information to lead into the fall to start a process with all stakeholders and see a vision of where we need to go.

As you said, everybody understands that regionalization service, all of those types of things, at the end of the day are about providing the best service we can to our communities, to our regions. We know urbanization has happened internationally and it has probably happened nationally, and probably happens a bit slower here in this Province. It has challenges in coastal and rural communities. A different structure in regard to regional governance, I think that will provide better opportunity for delivery of those services.

Factored into all of that, there is only one taxpayer, and we all know who that is. Whether it is provincial or municipal, it is about sustainability and being able to find that model that supports sustainability.

To your question, after we go through this process in the fall and into 2016, we are hopeful that collectively – and it is a buy-in. My vision is it not a top-down process where government is going to say we got to do this, or we are going to do it this way. I mean, there may be some of that, but I think it is a collective buy-in from all concerned.

Municipalities Newfoundland and Labrador, some of the work they have done – I certainly recognize what they have done in the work on this. I think that is where we need to get and I think everybody recognizes that. That is sort of the road we are on right now in terms of the next year or so.

**CHAIR:** George, your time has expired and we will park there for now.

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

**MR. HUTCHINGS:** Sorry, I probably (inaudible) –

**CHAIR:** Okay, thank you.

**MR. JOYCE:** I will just go back – I am going to ask some probing question, but I will just continue on with George. In 2.1.03.01.10, Grants and Subsidies, there is \$119,500. That is for feasibility studies for, say, a place like amalgamation, relocation – York Harbour-Lark Harbour may be one of them. Can we get a copy of the lists that are being used?

**MR. HUTCHINGS:** For different requests in communities?

**MR. JOYCE:** Yes.

**MR. HUTCHINGS:** Yes, sure.

**MR. JOYCE:** I am assuming that if you send something to the Third Party –

**MR. HUTCHINGS:** Yes, any requests for information, we will distribute it to all concerned.

**MR. JOYCE:** To all, yes. To be fair to them also, so we can give it out.

I am going to get back to just a few probing questions because by the time you go through it, you will never get through it all with –

**MR. HUTCHINGS:** You can ask me in Question Period.

**MR. JOYCE:** What?

**MR. HUTCHINGS:** You can ask me in Question Period.

**MR. JOYCE:** No, but I thank you for your openness.

**MR. HUTCHINGS:** Keep in mind we have to get through the line items too, but you go ahead.

**MR. JOYCE:** Oh no, we will get through it. That is not a problem.

**MR. HUTCHINGS:** Okay.

**MR. JOYCE:** There is another little thing that is a bit hidden out on Western Newfoundland is this regional land use management committee. Can you tell me the status of that?

**MR. HUTCHINGS:** Under the Humber Valley?

**MR. JOYCE:** Humber Valley, yes.

**MR. HUTCHINGS:** I guess what we have received just recently was a proposed – I am not sure what the exact term is, land management plan, I guess, that is coming to the office –

**OFFICIAL:** Regional Land Use Plan.

**MR. HUTCHINGS:** Regional Land Use Plan. Over the past several months there has been back and forth between the committee out there and the department. Obviously from a departmental perspective, we look at the provincial concerns to make sure those are being accommodated in the new development plan.

Maybe in the last week or so it has come to the department. So now we go through a process where officials will review it to make sure it is consistent with the directions of the Province, the departments, and those sorts of things.

My understanding then – and someone can probably go through it as well – is that we would strike a commission to hear public input on the proposed plan. The commission would hear from all those concerned, would make recommendations in regard to that plan, and then would – the department and the minister would review it again and proceed to adopt a plan.

**MR. JOYCE:** Can you or your officials show me which line item there is a budget for that for last year and this year? Where and how much was spent on this?

**MR. HUTCHINGS:** If we do not, I can certainly get it for you.

Do you want to deal with that Colleen?

**MR. JOYCE:** Is that better, to get it for me?

**MR. HUTCHINGS:** Yes, I can get it for you and get it outlined so you know how much the expenditures were.

**MR. JOYCE:** How much expenditures were last year –

**MR. HUTCHINGS:** Yes.

**MR. JOYCE:** – and for this coming year because this has been ongoing now for seven years.

**MR. HUTCHINGS:** Okay. I have not been there that long.

**MR. JOYCE:** What?

**MR. HUTCHINGS:** I have not been there that long.

**MR. JOYCE:** No, I definitely understand that, Minister, and I know you are making a lot of difference over there.

**MR. HUTCHINGS:** Maybe Colleen might just want to speak to it for a second.

**MR. JOYCE:** Then, I do not know if it is too much, how much have been paid to date for that because it is –

**CHAIR:** Colleen.

**MS. JANES:** I can outline some basics, there is some additional information that we are still gathering in terms of the detail expenditure breakdown.

In terms of what is contained within the line items of the budget here, there is nothing. The expenditures associated with this particular initiative have been financed out of earlier budget years and currently rest with the planning authority in terms of future expenditures.

To date, government's expenditures associated with this have been \$572,000. That is associated with both the planning consultant and our share of it; the Province funds 80 per cent of the plans work. The 20 per cent is shared amongst the municipalities that are participating. So \$572,000 has been our expenditure to date.

We have not flowed any money in recent years because we flowed it in prior budget years and they still have money that they are drawing on. They have about \$12,000, almost \$13,000, remaining in the contract fund. The planning consultant has advised that should be sufficient to conclude the piece of work because they are virtually at the end. They have sent the plan in for us to review.

**MR. JOYCE:** Perfect, thank you.

I will just get back to the little question that I asked, the transfer stations, are there still going to be six in the Western Region?

**MR. HUTCHINGS:** Yes.

**MR. JOYCE:** Six. Okay, perfect.

Little Bay Islands; I know you mentioned the relocation. Can you tell me the status on that? I know we spoke on the Little Bay Islands one.

**MR. HUTCHINGS:** For Little Bay Islands, Mr. Joyce, there was some issue in regard to residence determination. There were some who

felt the determination made – they wanted an appeal process.

The review was done by a commissioner. The report has now been received by the department and that is being reviewed in regard to those who represented in front of the commissioner.

**MR. JOYCE:** Okay.

**MR. HUTCHINGS:** Once that is done, we will determine whether we are accepting the recommendations of the commissioner to determine who the residents are. Then we will proceed to a cost-benefit and a vote.

**MR. JOYCE:** Any idea how long that will be?

**MR. HUTCHINGS:** This step here in terms of accepting the commissioner should be done very quickly, so in the next couple of weeks. Then we will notify the residents. I have gotten calls and contacts from some people as well and I have kept them updated in the community.

**MR. JOYCE:** Okay.

Before I get off this topic I just thank you and your staff for the work you are doing with York Harbour and Lark Harbour and that amalgamation. I know that is proceeding slowly, but that is not the department doing this. That is within the council itself getting ready, so I just wanted to recognize the work that you are doing.

**MR. HUTCHINGS:** Thank you very much and the staff as well.

**MR. JOYCE:** Yes. Thank you for that.

I am just going to ask again – so I will not have to waste my time to go through all of the line items to find out – how much is put forth for the capital works this year for the smaller municipalities except for the larger seven? I know there are two.

**MR. HUTCHINGS:** We are still going through that. We would probably be somewhere around – and I say this is not completed yet – \$18 million to \$20 million, somewhere in that range.

**MR. JOYCE:** Can you tell me how much was carried over from last year, or how much is going to be carried over from last year?

**MR. HUTCHINGS:** We have a line item here that shows all previously approved Municipal Capital Works and all Municipal Capital Works. I think it is over \$100 million. There is a line item. What line is that?

**OFFICIAL:** Subhead 2.3.01.

**MR. HUTCHINGS:** Subhead 2.3.01.

**MR. JOYCE:** Subhead 2.3.01?

**MR. HUTCHINGS:** No, hold on now – subhead 4.2.01. The voted is \$107 million. That is the number we are looking at?

Mr. Joyce, if you go to 4.2.01, Municipal Infrastructure, the amount voted for this year is \$107,766,300.

**MR. JOYCE:** Okay.

How much is that a carry-over from last year? I know (inaudible) in new money this year.

**MR. HUTCHINGS:** Yes and Cluney can speak to this in a second. The large majority of that would be carry over based on prior year's approval of Municipal Capital Works multi-year. I mean in the multi-year, some of those seven may not have identified yet exactly what their project is, so we would not have flowed.

There is a whole combination of a bunch of things going on there. Those are basically monies that have been committed through multi-year, or we have sent out an agreement to a municipality saying we are going to do this project so you need to do your thing with your engineering, sign it off, and we get that back.

Cluney, do you have anything further to add to that?

**MR. MERCER:** I just had one point to what the minister said. Most municipal infrastructure projects take more than one year to do from the time the minister issues the funding approval letter. It typically takes three years actually.

In the initial year that the letter goes out we are finding that approximately 5 per cent of the value of the project is incurred in cash flow in the first year, roughly 50 per cent or 60 per cent in the second year, and the balance in the third year. It has typically taken the vast majority of municipalities, even the smaller ones, three years to complete a project.

**MR. JOYCE:** Okay.

**CHAIR:** Okay. Thank you.

This might be a good time to pause and have an intermission for five minutes. Is that the wish of the Committee and for those people downstairs as well to have a little break? Is that okay?

Okay, we will take five and we will come back to George.

### Recess

**CHAIR:** If all Committee members could take their seat, we will commence part two of Estimates of Municipal and Intergovernmental Affairs and Labour Relations.

We will commence with George; you are on deck, Sir.

Thank you very much.

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

It always helps, I think, to take a little bit of a break and recharge the batteries before you go on, so we can appreciate the last five minutes, anyway. Thank you very much for that. It just seems so unusual to go to the Government Caucus Room to have a cup of tea instead.

**MR. HUTCHINGS:** We are a good bunch.

**MR. MURPHY:** Not bad, not bad.

**MR. CROSS:** Everybody is welcome.

**MR. MURPHY:** I will give them a couple of extra points too, I guess, for the donuts at the same time.

Mr. Chair, just to come along with a couple of more line items before I get into general policy questions again. I will start off with 2.2.01, Policy and Strategic Planning. In this particular case I am looking at the salary details, if the minister can give us a breakdown on what is happening with the salary details here. I can see probably about 3 per cent there, and looking at the possibility of vacancies here, have there been any hirings, that sort of stuff.

**CHAIR:** So that is 2.2.01?

**MR. MURPHY:** Yes, sir.

**CHAIR:** Okay.

**MR. HUTCHINGS:** The \$614,800 to the \$566,200, the decrease there of \$48,600 was staff vacancies there as well and some delay in filling some positions. Then when we get to the voted number of \$634,900, there is a salary increase of \$20,100, compared to the prior year, reflects a required salary step increase, and also reflects a 3 per cent salary increase related to the collective agreement, and a newer staff hire at a salary step increase of \$2,300. So, cumulatively, all of those items bring you up to the estimate for this year.

**MR. MURPHY:** Okay.

How many vacancies were we dealing with in the department before, and how many now after the hirings?

**MR. HUTCHINGS:** I will defer to Colleen for that. Do we know?

**MS JANES:** I believe we have two vacancies within that division at the moment. I am looking to Heather Tizzard.

**MS TIZZARD:** There is one vacancy right now, and there is one when we had a delayed hiring.

**MR. MURPHY:** I did not hear that.

**MS TIZZARD:** Sorry. There is one vacancy right now, and there was some delayed hiring this year with respect to an information manager.

**MR. MURPHY:** Okay.

So those positions would be filled this year, obviously, according to that?

**MS TIZZARD:** Yes.

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

Moving over to section 2.3.01, Municipal Infrastructure and Waste Management, I guess a breakdown starting off here of the salary details. It is about a \$67,000 difference between last year and this year's actual. Of course that number jumps up again to \$516,000 this year.

**MR. HUTCHINGS:** Yes, the \$519,700 budgeted went to \$452,700, a decrease of \$67,000. There were some vacancies which had to be filled. Then for this year back to \$516,200; that number has gone down a little.

So yes, the decrease of \$3,500 between reductions associates with some attrition management and newer staff at lower steps. This is offset by required salary step increases and the 3 per cent salary increase negotiated that we spoke about as well.

**MR. MURPHY:** Okay.

Just a breakdown too on the Professional Services line; nothing anticipated in the revised figure, I should say. There was nothing there. This year it is \$450,800. I am wondering if I can get a breakdown of what is happening here.

**MR. HUTCHINGS:** Yes, this is the initiative that we announced in the Community Sustainability Partnership in regard to three regional service boards to engage regional water and waste management operators, to work with a pilot group of communities to address water and waste water infrastructure operations, and certainly to look at the challenges.

The second component of that too was for a consultant to be engaged to work exclusively on solutions to reduce the number of boil-water advisories. That is the money for that, to fund that. That is where you would find it, right there.

**MR. MURPHY:** That is that particular line item.

**MR. HUTCHINGS:** Yes.

**MR. MURPHY:** The \$450,000 is for that water partnership. Okay.

I was going to ask you a question around that, but it will come back to me. I might have to come back to it I guess.

Subhead 2.3.02, Industrial Water Services; there is a huge difference in the salary details from what was budgeted and the revised figure for this year. I wonder if I can get a breakdown there on what is happening with that particular line item.

**MR. HUTCHINGS:** Okay.

So \$174,100 was budgeted and revised to \$70,500. That is a decrease of \$98,200 between the two years. There was elimination of two vacant Engineering Tech II positions which was \$98,400. These were traded off for two new Planner III positions under Land Use Planning. As well, there was some small amount of attrition management.

It was offset by the 3 per cent salary increase that we spoke of again. So through all of that – that is where we arrived. There is a lower envelope there based on salary transfers.

**MR. MURPHY:** Okay.

I take it further down to provincial revenue in line 02. This would be the industrial water from OCI, I am guessing. They had an ongoing balance over the last couple of years. I am just wondering if I can get a breakdown of what is happening here. Is this the OCI industrial water here?

**MR. HUTCHINGS:** Well that would be all of the industrial water systems. There are six remaining that are with the Province. That would be collectively all the revenues.

**MR. MURPHY:** Okay.



One of them may or may not be OCI, but there are six or seven companies there that owe on industrial water, is that right?

**MR. HUTCHINGS:** Yes, they are arrears. The number they had has been paid. I guess it would show in this fiscal year in terms of revenue generation.

**MR. MURPHY:** Okay.

**MR. HUTCHINGS:** That payment schedule is to conclude in June, I think, and returns to what was outstanding.

**MR. MURPHY:** Okay.

**MR. HUTCHINGS:** I think it is in excess of \$400,000, if I remember correctly.

**MR. MURPHY:** It was something along those lines, yes.

It used to be substantially a lot more. I can remember it being, I think, \$718,000 at one particular point two or three years ago. I guess the department obviously has some sort of a plan put in place to get some of the revenue back and get some of these balances looked after?

**MR. HUTCHINGS:** Yes. In regard to that one, I think it was Port Union; there were three stakeholders that were involved with that. I think there was a municipality, OCI, and there was a third one.

When an assessment was done, we tried to do it on a cost-recovery basis. When they were looked at particularly, it was seen that the amount charged was in excess of what the cost recovery would be, so all three were adjusted accordingly.

**MR. MURPHY:** Okay.

So right now they are in good standing, let's say.

**MR. HUTCHINGS:** Yes.

**MR. MURPHY:** Yes, perfect, okay.

I want to come back up again to the Purchased Services line, the \$550,000 for this year against \$490,000 that was in the actual budget for 2014-

2015. Of course, it is \$490,000 as well that is budgeted for this year. I wonder if you can give me a breakdown on what is happening here.

**MR. HUTCHINGS:** That would be related to an increase of \$60,000. That is the expenditure associated with emergency repairs at the water treatment systems. That would be in addition to the routine maintenance schedule for the year.

Obviously, we would have a routine maintenance schedule, but if something happened to one of those industrial systems, oftentimes, most of them, there are residents accessing that water supply so we would have to respond and do what we need to do to make it operational.

**MR. MURPHY:** That is where you would find, for example, it might be a \$1,600 water pump repair or something for a local district. This is where you would find –

**MR. HUTCHINGS:** No, this is related to the six industrial water systems.

**MR. MURPHY:** Okay.

**MR. HUTCHINGS:** We would do the maintenance. Then, as I said, if something came up outside of – this year, obviously, we did not hit the \$490,000 because there were other things that came up that had to be dealt with, but we will go back to the \$490,000 in the envelope for this year.

**MR. MURPHY:** Do you have a list of those six industrial water systems that the government would be dealing with directly? Can we have a list of that?

**MR. HUTCHINGS:** Yes, sure. I probably have it here and I can tell you, but we can get the list for you, not a problem.

**MR. MURPHY:** Sure, that is great. Thanks.

Moving on over then to 3.1.01, under Crown Land, first off I note that the salary details are down about \$1 million overall in funding in 2014-2015, the revised to the budget figures. At the same time, the salary details were also up again to \$3.988 million. I am wondering if I can

get a breakdown of what is happening here in the salary details.

**MR. HUTCHINGS:** There was \$4.115 million budgeted from the last fiscal year, the revised was \$3,166,200. To that item, a decrease of \$126,800 between the two years reflects savings due to the vacant positions. There is some offset there as, again, this would involve the 3 per cent salary increase.

Then when you look at the voted number for this year, \$3,988,200 – let me see now. Yes, what I just said to you, \$3.988 million was reflective of what that number is here. The \$3,166,200 that was \$948,800 due to some vacancies as well and delays in getting those positions filled. It was also partially offset by a short-term salary cost related to the Lands Act Review.

**MR. MURPHY:** Okay.

**CHAIR:** Okay, George we are kind of into double overtime. If you do not mind, we could park there and come back to you.

Eddie.

**MR. JOYCE:** I only have a few more questions.

Just to continue on with Crown Land, Minister, which line item is the Lands Act Review paid?

**MR. HUTCHINGS:** In terms of funding for that Lands Act Review?

**MR. JOYCE:** Yes.

**MR. HUTCHINGS:** Colleen, do you have that?

**MS JANES:** There is some funding associated with Lands Act Review that is coming out of the salary vote there. There are some that are coming out of Professional Services. We have three people on the Committee right now. One is through a professional service contract; it is a solicitor. The other is through contractual employment, so that is coming out of salary dollars. The third is someone seconded from Eastern Health. I am actually not sure what line that is coming out of –

**OFFICIAL:** (Inaudible).

**MS JANES:** That is also coming out of the salaries.

**MR. HUTCHINGS:** Mr. Joyce, we can get you a list of what that is, if you wanted it.

**MR. JOYCE:** No, that is fine.

**MR. HUTCHINGS:** Okay.

**MR. JOYCE:** When do you expect this to be completed?

**MR. HUTCHINGS:** We had originally indicated in June. At this point we are completed the What We Heard document and it has been quite extensive. We are very pleased with the consultations on What We Heard. The Committee is reviewing all of that and I will be meeting with the Committee shortly and determine whether the June deadline is something we can meet. I have heard from the Committee, there is a lot of good information. They may want to do some more exploratory work before they respond back. I have not had that discussion with them yet, but I will shortly. We will be updating then exactly where we are with it.

**MR. JOYCE:** Just on a point, and it is in the budget itself, just to the minister and the staff, Copper Mine Brook, I know there is major, major issues out there, but I just want to recognize that your department now is taking the lead on that and trying to get some answers and dealing with the people out there on it. I just want to recognize that and have it on the record.

**MR. HUTCHINGS:** Thank you. Yes, we are working on that issue.

**MR. JOYCE:** On Lands, on 3.1.06, I was just wondering the Northeast Avalon plan, is that included in this funding here, the Land Use Planning – 3.1.06?

**OFFICIAL:** Is it 3.1.05?

**MR. HUTCHINGS:** Land Use Planning.

**MR. JOYCE:** It is 05, yes. It is probably my eyes.

**CHAIR:** For clarity, what (inaudible) –

**MR. JOYCE:** It is 05, sorry.

The NEAR Plan, is that included in this funding here?

**MR. HUTCHINGS:** Do you want to speak to that Colleen?

**MS JANES:** NEAR was funded out of our budget this year. There was a transfer of funds to Municipalities Newfoundland and Labrador. I am just struggling to find the precise line item that is reflected in. It is in Special Assistance. So you would find that reflected in 4.1.04 in terms of the dollars associated with the NEAR review.

**MR. JOYCE:** Okay.

How much was transferred for that NEAR Plan for the Northeast Avalon?

**MS JANES:** There was \$247,700 provided to Municipalities Newfoundland and Labrador as our contribution towards the development of the NEAR Plan.

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

That is enough of Crown Land right now. I just have a few other questions in municipal affairs.

Subhead 4.1.05, Grants and Subsidies, \$5,715,000. Is that for the community enhancement program? I am assuming it is.

**MR. HUTCHINGS:** Mr. Joyce, what was that again? I did not hear it.

**MR. JOYCE:** It is 4.1.05, Community Enhancement, Grants and Subsidies. The number is consistent there from last year to this year.

**MR. HUTCHINGS:** Yes.

**MR. JOYCE:** Is there any plan to get that out a bit earlier this year or –

**MR. HUTCHINGS:** Yes.

**MR. JOYCE:** It is a great project. It does great work.

**MR. HUTCHINGS:** Yes, there is. There is always that challenge between knowing when people's opportunity to receive employment have expired for the year and getting the project started.

I agree, in terms of the – we all know the type of work that has been done. A lot of it is outdoors. To actually get the work done – we all know what our weather conditions are like.

To answer your question, yes, we are always trying to get it out earlier. Once we understand that a region – the opportunity for people to get further employment has stopped, then we work with them to try and, if there is a shortfall in their hours, to get them to where they need to be.

**MR. JOYCE:** Okay.

I have one more question, Mr. Chair. Subhead 4.2.03, Grants and Subsidies, there is an increase there.

**CHAIR:** Under Municipal Infrastructure, 4.2.03?

**MR. JOYCE:** Yes.

**MR. HUTCHINGS:** Grants and Subsidies, okay. It went up to \$45 million. The increase reflects an increase of almost \$4 million for waste management funding related to infrastructure development in Southern and Central Labrador. That is offset by a carryover from 2014-2015.

**MR. JOYCE:** Instead of going to the line item, was there any assistance given to Lab West?

**MR. HUTCHINGS:** Yes. That is under Special Assistance, I will just reference that for you. What section is that again?

**OFFICIAL:** Subhead 4.1.04.

**MR. HUTCHINGS:** Subhead 4.1.04, Special Assistance. You can see there was a jump in this year's envelope, what is being voted, the \$4,308,000. The increase to that of \$1,908,000 reflects the increase funding for the Town of Wabush that was due to the idling of Cliff mines.

Obviously, that was in our response to the town and the region and community in terms of the challenges that presented itself with that.

Obviously, that was a direct grant to the town for operations and all the other things. We have done that in similar cases where we have had significant industry shut down in the Province before.

That is a funding stream that would phase over three years; 90 per cent the first year, 60 per cent the second, and 30 the third. It would be a three year period where we would assist the town in terms of removal of that prior grant that they got.

**MR. JOYCE:** Okay.

I just have one last question, 4.2.02 Federal/Provincial Infrastructure Programs, Grants and Subsidies, \$16,700. Can we get a list of that in 4.2.02?

**MR. HUTCHINGS:** Yes, sure. Under that heading where we reference various programs, you just want to identify where the programs were or towns, those types of thing?

**MR. JOYCE:** Yes.

**MR. HUTCHINGS:** Okay, yes.

**MR. JOYCE:** Just if we can get a list.

**MR. HUTCHINGS:** Yes, okay.

**MR. JOYCE:** Okay.

I am finished with the questions that I was going to ask. Can I just take my last minute or so to make a few statements?

**CHAIR:** Sure.

**MR. JOYCE:** First of all, Minister, I notice in your department this year you do not have fire and safety, but I just want to recognize last year when York Harbour and Lark Harbour had that major fire and the truck broke down. You went out, evaluated it, and there is a new truck ordered for that. I know it is life and safety, so I just want to recognize that, on behalf of the town. You took that initiative to do that

personally, to get involved in that. I just want to recognize that.

The other thing with Crown Lands – again, this is not to blow the staff up too much, but there is a major difference in being able to deal with the public out in Crown Lands. I just want to acknowledge that. Within the last five or six months the actual people now can sit down with the staff and go through the issues and follow through. Before, it was always that you could never get an answer. I just want to recognize that the staff – especially who I deal with out in the Western Region, because of policy changes there from the department, it is much better.

I just want to also recognize all the work that all of the staff do throughout Western Newfoundland – who I deal with and I am sure all throughout the Province who deal with municipalities. I just want to recognize that because there is a lot of work to be done and a lot of work has been done. There is a different culture to be able to deal with it in the last four to six months.

I know with Crown Lands and I know with Municipal Affairs, there is a difference. I just want to recognize that and thank the minister and the staff for the work they are doing out there because there is a difference. Just a few examples that I made to you: Coppermine Brook and a fire truck out in York Harbour and Lark Harbour because of necessity. People now feel that they can get answers whereas before they could not. I just want to recognize that.

**MR. HUTCHINGS:** Thank you.

**CHAIR:** Thank you, Eddie.

We can give you more coffee for these kind remarks.

Thank you very much.

Okay, George.

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

I do not have too much more, besides just coming down to a couple of line items here now that I think I can get to relatively quick. They seem to be self-supporting on some of the

evidence already that the minister has put forth as regards to the 3 per cent salary increases, and the filling of vacancies and everything. There is really not too much there when it comes to the numbers.

I wanted to start off, though, with 3.1.03, Surveying and Mapping. I know that when it comes to geodetic surveys, topographical base mapping, aerial photography and that sort of thing, we are in changing times. I know that the department is dealing with other issues, I would imagine, when it comes to surveying and mapping, like when it comes to climate change and that sort of thing too.

I wanted to ask a couple of questions about these line items. First of all, the salary details here in 3.1.03 show \$664,000 was in the budget for last year, but the revised figure is \$395,800. I am wondering if the minister could give us a breakdown on what happened here with the line item. All the money obviously was not spent, but at the same time, the salary details are up for this year.

**MR. HUTCHINGS:** Yes, the revised \$395,800 was a decrease of \$268,200. There were some staff vacancies and getting those filled, obviously, resulted in no payout for those positions.

When we look at the budget amount and estimate for this year, there is an increase of \$22,600 compared to the prior year, again through the 3 per cent salary increase negotiated on the collective bargaining process; a couple of new staff at higher step levels, that is about \$9,000; and, there are some offset reductions associated with attrition management, about \$6,200. Collectively, all of that puts us at \$686,600 for this estimate.

**MR. MURPHY:** Okay.

That is great to hear.

Coming down to 3.1.04, Geomatics Agreements, the Professional Services; \$150,000 was appropriated for, but only \$75,000 spent, and \$150,000 appropriated for again this year. I wonder if you can –

**MR. HUTCHINGS:** Yes, that is just reflective of a lower than anticipated consulting cost related to aerial photography and specific mapping projects. I guess historically we have been up around the \$150,000 mark so we have maintained it again for this current year.

**MR. MURPHY:** Okay.

I will move on from there then. That is great. Thanks for that.

Subhead 3.1.05, Land Use Planning; I am wondering if we can get a complete breakdown of what is happening as regards to the salary details here. It is a little bit up and down there. I am wondering if we can get a breakdown.

**MR. HUTCHINGS:** Okay.

The \$624,600 was budgeted in the last fiscal year. The revised was \$597,900. It is a decrease of \$26,700. There were some vacancies and with that vacancy, or a small amount, that money obviously was not allocated. Then, when we look at the current year and what has been asked in Estimates, it is an increase of \$104,200 compared to prior years for two new Planner III positions.

Yes, so we talked about it earlier – relating to the decrease – the two positions under Industrial Water Services. As well, there is a 3 per cent salary increase negotiated, as we have spoken of, that is about \$21,000. There is also some funding for salary step increases and that has been offset by some vacancies. There is also newer staff at lower steps; I think that is about \$8,000. So all of that, collectively, brings us to our voting allocation for this year.

**MR. MURPHY:** All right, so we are looking at two new and planning three positions that are obviously in these salary details.

**MR. HUTCHINGS:** Yes.

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

Subhead 4.1.01, Municipal Debt Servicing, I guess, Mr. Minister, just a general comment on how you are finding that municipalities are dealing with their debt. Some of them did have

issues over the time period. I wanted to have a look at the Grants and Subsidies number. I know that the number here is down. I wonder if you can give me a comment on why these numbers are down this year versus other years.

**MR. HUTCHINGS:** This would be the Newfoundland Municipal Financing Corporation. So prior to fiscal year 2005-2006, the Province's contribution towards municipal infrastructure projects was funded through interest-bearing loans from the Crown corporation. In 2005-2006 government decided to discontinue financing a portion of initial projects from this agency and to instead fund it through the annual Budget process. This entity is here, I guess this is the debt that is outstanding that the Province has that it is paying down. I guess this is a falling number.

If you look to up top, Municipal Debt Servicing, the decrease of \$1,325,700 reflects lower debt servicing expenses due to declining debt balances, debt reduction, and obviously no debt because we are not using that mechanism any more to finance, it is in our annual Budget.

Down on the next one, assistance and infrastructure, Grants and Subsidies again, if we look at that –

**OFFICIAL:** (Inaudible).

**MR. HUTCHINGS:** The top one is interest and the bottom one would be principal. In both cases, obviously, where you are paying off through the Newfoundland Municipal Financing Corporation, those numbers are falling.

**MR. MURPHY:** So the government obviously has a pretty good handle over that the last couple of years. I have noticed that these numbers have been declining over the last little while.

**MR. HUTCHINGS:** Yes.

**MR. MURPHY:** So there is no need to address this any further when it comes to that. Obviously, it seems like you have a good handle on it. Thanks for that one.

The only other section that I have questions on was 5.1.01, Executive Support – IGA, Intergovernmental Affairs. First of all, just a

breakdown of the salary details here, number one.

**MR. HUTCHINGS:** Budget 2014-2015 was \$280,500 and it dropped down to \$260,400. That decrease of \$20,100 reflects delay in filling a vacancy. It was a temporary director of intergovernmental planning and coordination.

Then if we look to the \$373,700 that has been asked to vote on, the increase of \$93,200 is again a 3 per cent salary increase through the collective bargaining process; re-profiling of temporary salary funding from 5.1.02, Intergovernmental Policy and Analysis; and forecasted temporary salary funding for costs associated with a temporary director of intergovernmental planning and coordination that will oversee hosting of a couple of events that are coming up this year.

The Council of Federation will be held in the Province; the Conference of New England Governors will be here; and the Eastern Canadian Premiers as well will be here in 2015. So that person will provide oversight for those three events.

**MR. MURPHY:** Okay.

Coming a little bit further down, Transportation and Communications shows \$128,800 expenditure for this year, can I get a breakdown of what is going to be happening here in this line item?

**MR. HUTCHINGS:** Again, with that one, the additional funding of \$95,000 in the current year is preparations related to the Council of Federation, Conference of New England Governors, and the Eastern Canadian Premiers in 2015 for transportation.

**MR. MURPHY:** Okay.

The Purchased Services line, I take it there is a connection there as well: \$927,900.

**MR. HUTCHINGS:** Yes, again, additional funding for these three events in preparation for those. It is all related to those three additional events that are happening in the Province this year.

**MR. MURPHY:** Okay.

I think that is about it – 5.1.02, just a breakdown of the salary detail line here.

**MR. HUTCHINGS:** There was a decrease there from the original budget amount – it was revised due to, again, a staff vacancy and the funding saved due to that vacancy. Then the voted amount for this year is \$763,400, the \$15,000 reflects re-profiling of some temporary salary funding to Executive Support in IGA, and we have newer staff at lower steps. That is offset by an increase in funding for required step increases, and we have the 3 per cent salary increases through the collective bargaining. Through all of that, we arrived at \$763,400.

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

Mr. Minister, I only have one more question here. I have been told that our House Leader, Ms Michael, has been extremely lucky, as of late, in Estimates, asking about the minister's briefing books.

I just wanted to ask if I can get a copy of the minister's briefing books on some of these issues.

**MR. HUTCHINGS:** Yes, sure. We will make a copy available to you.

**MR. MURPHY:** If it is possible. That is great.

**MR. HUTCHINGS:** Yes.

**MR. MURPHY:** At this time, Mr. Chair, I have no other questions other than as a final comment to thank the staff of the Department of Municipal and Intergovernmental Affairs for showing up this morning and being so forthright in answering questions. I would like to thank them for their efforts in keeping this Province going at the same time.

It certainly cannot be an easy job, but no doubt it can be sometimes a thankless task. So I want to thank you on behalf of our caucus, in particular, for the job that you do.

Thank you again for your time this morning.

**MR. HUTCHINGS:** Thank you very much. I appreciate that, and certainly your kind remarks for staff because they do an exceptional job right across our Province. They are on the ground dealing with a lot of issues.

Thank you for your remarks.

**CHAIR:** Thank you, Minister.

Now we will proceed with the vote. I will ask the Clerk to call the subheading.

**CLERK:** Subhead 1.1.01.

**CHAIR:** Shall 1.1.01 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

On motion, 1.1.01 carried.

**CLERK:** Subheads 1.2.01 to 5.1.02 inclusive.

**CHAIR:** Shall subheads 1.2.01 to 5.1.02 inclusive, carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

On motion, subheads 1.2.01 through 5.1.02 carried.

**CLERK:** The total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed.

Carried.

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

**CHAIR:** Shall I report the Estimates of the Department of Municipal and Intergovernmental Affairs and Labour Relations Agency carried without amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed.

Carried.

On motion, Estimates of the Department of Municipal and Intergovernmental Affairs and Labour Relations Agency carried without amendment.

**CHAIR:** We have a couple of housekeeping items to conclude our meetings.

I have the Social Services Committee, May 25, 2015. I am looking for a motion to accept.

Glen Little; seconded by Eddie Joyce.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed.

Carried.

On motion, minutes adopted as circulated.

**CHAIR:** The next meeting is Call of the Chair, but I do believe, from my recollection, this concludes the meetings of the Social Services Committee for this, as far as we know.

Before we ask a motion to adjourn, I just want to thank all Committee members for your thought-provoking questions. I would like to thank the minister and his departmental officials for your patience and willingness to co-operate and for your accommodations and all your stellar work that you do on behalf of the Province.

Thank you very much.

I will have a motion to adjourn.

Mr. Joyce; seconded by Glen Little.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Opposed?

Carried.

Thank you.

On motion, the Committee adjourned *sine die*.