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Forty-Eighth General Assembly

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

April 18, 2016 - Issue 1

Department of Municipal Affairs
Fire and Emergency Services-Newfoundland and Labrador

SOCIAL SERVICES COMMITTEE

Department of Municipal Affairs

Chair: Lisa Dempster, MHA

Vice-Chair: Tracey Perry, MHA

Members:

Paul Davis, MHA
Carol Anne Haley, MHA
Paul Lane, MHA
Betty Parsley, MHA
Scott Reid, MHA
Gerry Rogers, MHA

Clerk of the Committee: Sandra Barnes

Appearing:

Department of Municipal Affairs

Hon. Eddie Joyce, Minister

Jamie Chippett, Deputy Minister

Robyn Hayes, Departmental Controller

Peter Howe, Assistant Deputy Minister, Lands

Graham Letto, Parliamentary Secretary

Heather May, Director of Communications

Cluney Mercer, Assistant Deputy Minister, Municipal Infrastructure and Engineering Services

Dana Spurrell, Assistant Deputy Minister, Corporate Services Branch - Policy, Planning and
Accountability Division

Heather Tizzard, Assistant Deputy Minister, Municipal Support

Fire and Emergency Services-Newfoundland and Labrador

Hon. Eddie Joyce, Minister

Sean Dutton, Chief Executive Officer

Susan Walsh, Assistant Deputy Minister, Service Delivery and Regional Operations

Also Present

Derek Bennett, MHA

Steve Kent, MHA

Lorraine Michael, MHA

Kevin Parsons, MHA

Megan Drodge, Researcher, Official Opposition Office

Veronica Hayden, Executive Assistant

Ivan Morgan, Researcher, NDP Office

Pursuant to Standing Order 68, Derek Bennett, MHA for Lewisporte – Twillingate, substitutes for Betty Parsley, MHA for Harbour Main, for a portion of the meeting.

Pursuant to Standing Order 68, Steve Kent, MHA for Mount Pearl North, substitutes for Tracey Perry, MHA for Fortune Bay – Cape La Hune.

Pursuant to Standing Order 68, Lorraine Michael, MHA for St. John’s East – Quidi Vidi, substitutes for Gerry Rogers, MHA for St. John’s Centre.

Pursuant to Standing Order 68, Kevin Parsons, MHA for Cape St. Francis, substitutes for Paul Davis, MHA for Topsail – Paradise.

The Committee met at 6:05 p.m. in the Assembly Chamber.

CLERK (Ms. Barnes): Good evening, everyone. This is the first meeting of the Social Services Committee. The first order of business will be the election of a Chair.

I call for nominations for the Chair.

MR. REID: I nominate the Member for Cartwright – L’Anse au Clair.

CLERK: Any further nominations?

I declare the Member for Cartwright – L’Anse au Clair elected by acclamation.

CHAIR (Dempster): Okay, now we’re going to call for nominations for the Vice-Chair.

Are there any nominations for Vice-Chair?

MR. KENT: I nominate Kevin Parsons, the Member for Cape St. Francis.

CHAIR: Okay, we have a nomination for Cape St. Francis. Are there any more nominations for Vice-Chair?

Hearing none, the Member for Cape St. Francis is the Vice-Chair.

Before we get started, I’ll just ask people on each side to introduce themselves. The minister

can introduce his staff or have them introduce themselves.

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

MS. DRODGE: Megan Drodge, Researcher with the Official Opposition caucus.

MR. KENT: Steve Kent, MHA for Mount Pearl North.

MS. HAYDEN: Veronica Hayden, Executive Assistant to Paul Davis.

MS. MICHAEL: Lorraine Michael, MHA, St. John’s East – Quidi Vidi.

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

MR. REID: Scott Reid, Member for St. George’s – Humber.

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

MS. HALEY: Carol Anne Haley, MHA, Burin – Grand Bank.

MS. PARSLEY: Betty Parsley, MHA, District of Harbour Main.

MR. D. BENNETT: Derek Bennett, MHA, Lewisporte – Twillingate.

MR. WARR: Brian Warr, the Member for Baie Verte – Green Bay.

MR. DUTTON: Sean Dutton, Chief Executive Officer, Fire and Emergency Services.

MR. JOYCE: Eddie Joyce, Minister of Municipal Affairs and Fire and Emergency Services.

MR. CHIPPETT: Jamie Chippett, Deputy Minister, Municipal Affairs.

MS. SPURRELL: Dana Spurrell, Assistant Deputy Minister, Corporate Services – Policy, Municipal Affairs.

MS. TIZZARD: Heather Tizzard, Assistant Deputy Minister, Municipal Support.

MR. MERCER: Cluney Mercer, Assistant Deputy Minister, Municipal Infrastructure and Engineering Services.

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

MS. WALSH: Susan Walsh, Assistant Deputy Minister, Fire and Emergency Services.

MS. HAYES: Robyn Hayes, Departmental Controller.

MS. MAY: Heather May, Director of Communications, Municipal Affairs.

MR. LETTO: Graham Letto, Parliamentary Secretary, Municipal Affairs.

CHAIR: Thank you.

When you're speaking, say your name at the beginning – but did I understand clearly from this morning if staff are speaking and they haven't been speaking regularly, say their name first, but the minister and the person asking questions back and forth, they don't need to say their name every time?

CLERK: That's correct.

CHAIR: Okay.

We'll start with 15 minutes –

MR. K. PARSONS: Are we starting with Fire and Emergency Services first?

CHAIR: Yes.

MR. K. PARSONS: Minister, I guess you can do an opening statement.

MR. JOYCE: I'll just have a very brief statement about Fire and Emergency Services and, as we know, the role that they play across the province with the emergencies that arise throughout the Province of Newfoundland and Labrador. We also know with the fire protection across the province in the last few months, a number of emergencies that the staff helped out.

So I just want to recognize that, the work that the staff has done. I won't go into any long spiel on it, so we can just go through the Estimates.

Any questions?

CHAIR: Okay, before we move in, I understand that the Clerk has to call the subhead each time.

CLERK: 1.1.01.

MR. KENT: Good evening, once again. Thank you all for being here. It's not like any of us had much choice in that, I guess, but thank you all for being here nonetheless. It's great to see some familiar faces across the way.

As a former minister for Fire and Emergency Services, I've got first-hand knowledge of the great work that the department does on behalf of communities, families and residents throughout Newfoundland and Labrador. I know there's an exemplary team in place. I know there have been a few changes as well, since my day. I know there's still a strong team in place and look forward to working with you in my new role.

I don't actually have a ton of questions about Fire and Emergency Services. I suspect my colleague will have more questions when you get to the Municipal Affairs portion of the evening. But, nonetheless, here we go.

On 1.1.01, the estimated Salaries for 2015 was close to \$700,000, the actual expenditure was in excess of \$800,000, so there's obviously a difference of over 100 grand. I'm just curious why there was such a cost overrun. I suspect it has to do with 911, but I would certainly appreciate the information.

MR. JOYCE: The increase of the \$109,700 between 2015-2016 and the revised is a severance payout of the retirement of the assistant deputy minister.

MR. KENT: That makes sense, thank you.

From the 2015 Estimates to the 2016 Estimates, there's a decrease of almost \$11,000 in one of the lines; it's under Purchased Services. I'm just curious what that relates to.

MR. JOYCE: That was when we went through the line-by-line savings. There's a decrease there of \$10,000 achieved by when we went through the line by line. So that was what was found in the line items that we could save.

MR. KENT: Okay.

Would it be possible for us to get a breakdown on what's included in the Salaries number for this year, what positions would be included in that?

MR. JOYCE: Sure.

MR. KENT: And, recognizing that temporary positions aren't always in Estimates, are there any temporary positions throughout, not just under Executive Support but throughout – I can ask the question each time, but are there any temporary positions throughout Fire and Emergency Services that aren't reflected in the Estimates numbers?

MR. DUTTON: The staff complement is laid out in the Salary Details. There are 22 positions, including temporary. They're all reflected in the Salary Details book. It's in a slightly different format this year. There is another position that's currently vacant, but all of those are accounted for in that area. We have eight positions in Executive Support; there are nine in Fire Services; four currently in Emergency Services, with one vacant; and one under Disaster Financial Assistance.

MR. KENT: Thank you.

Still under 1.1.01, under Professional Services there was a budget in the previous fiscal year of \$150,000. It looks like it wasn't used. So I'm just curious what that was intended for and why there's no requirement to budget anything for 2016-2017?

MR. JOYCE: The decrease of the \$150,000 reflects the transfer of \$100,000 to Emergency Services, Transportation and Communications for helicopter support for ground service and rescue activities, which are demand driven; \$23,000 to Fire Services, Allowances and Assistance for increased workplace NL fees for voluntary firefighters; and, \$27,000 to Fire and Emergency Services capital, Property,

Furnishings and Equipment. Before that, the feds never had a capital line in the budget.

MR. KENT: Okay, but nothing was spent in 2015-2016. So it was transferred to other areas of the department or –?

MR. JOYCE: Correct.

MR. KENT: Yes, okay. So we'll see that elsewhere as we go through.

MR. JOYCE: Yes.

MR. KENT: This is a very minor point but in keeping with Estimates tradition, I'll ask the question anyway. There was a small amount of money for Property, Furnishings and Equipment budgeted in the previous fiscal. Only a portion of it was used. There are funds back in the budget for 2016-2017. Just recognizing the times we find ourselves in, is there any specific purpose for those funds for Property, Furnishings and Equipment?

MR. JOYCE: It is just when we went through it we decreased it by \$1,000 when we went through line by line. There was \$2,000 there and we just decreased it by \$1,000 in case there's something may come up, a photocopier or any other small piece of equipment needed for the division.

MR. KENT: That's all the questions I have at this point on 1.1.01, Madam Chair.

MS. MICHAEL: (Inaudible) questions. They were the ones that I had asked, so I'm fine for now.

CHAIR: Okay. So if there are no further questions for 1.1.01 we can call for a vote.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subhead 1.1.01 carried.

CLERK: 1.1.02.

MR. KENT: Thank you.

CHAIR: We can start with Ms. Michael.

MR. KENT: Oh, okay. We'll go back and forth, will we?

CHAIR: Yes.

MR. KENT: Okay, sorry.

MS. MICHAEL: I actually do not have any questions for 1.1.02. So you can go ahead, Steve.

CHAIR: Okay.

MR. KENT: On 1.1.02, there was an increase in the salary budget once again over budget under Salaries. I'm just curious what that cost overrun relates to?

MR. JOYCE: The increase of \$59,000, compared to 2015, was the reallocation of funds for Emergency Services to reflect the Administrative Officer I was paid out with adjustment to the JES. So it was brought forward to JES.

MR. KENT: So there was a position adjusted, which is why the budget for this year is different.

MR. JOYCE: Yes.

MR. KENT: What's the reason for the cost overrun last fiscal, because it's less than that amount.

MR. JOYCE: The Salaries in the 2015-2016 Estimates were \$543,000; \$26,000 was added to the JES adjustments, bringing the budget amount to \$570,000. The increase of \$80,000 between the 2015-2016 budget amount and the 2015-2016 revised, reflect higher salary costs due to student salaries, \$19,000, and the salary cost of an administrative officer, \$51,000, which was an expense under Fire Services and budgeted under Emergency Services.

MR. KENT: With regard to Employee Benefits, there was a significant overrun as well from the \$7,000 budgeted to \$12,800. I'm just curious why there'd be such a significant increase in Employee Benefits, given that this is a relatively small budget.

MR. JOYCE: Well, the second one first. The increase of \$5,800 between 2015-2016 and the 2015-2016 revised, that just reflects the higher expenditures related to the conference fees and registrations. In the Employee Benefits of \$650, the decrease of \$500, we went through it line by line, savings.

MR. KENT: Madam Chair, I'm not sure if the minister is referring to the right numbers, the right section or not. We're in 1.1.02. The numbers you're quoting are different than the numbers I'm reading.

MR. JOYCE: Oh, I thought you asked about Employee Benefits.

MR. KENT: Yes, Employee Benefits under Salaries, Operating Accounts: Employee Benefits. Are we talking about the same thing? We are?

MR. JOYCE: We are.

MR. KENT: Okay. All right, I'm just making sure, sorry.

Again, this is minor stuff I realize in the grand scheme of things, but the budgeted and revised were the same. There's a reduction in that budget for next fiscal. I'm just curious, what plans the department has to achieve those savings?

MR. JOYCE: It was a savings of about \$12,300. What we did again, when we went through the line by-line-item we found ways that we could save that funding – as we went through the line by line and tighten our belt a bit.

MR. KENT: Okay. So what are you not going to spend money on in 2016-2017 that you spent money? I appreciate the line-by-line answer, but what does that mean? What did you identify? If you are going to cut the budget by \$12,300 in a relatively small operation, when you went line by line what is it that you are not going to do in 2016-2017?

MR. JOYCE: What it is, as you can see, is supplies brought in for the office that we would either find efficiencies of what's already in the office. There are some we say we can do without. If you want me to get down to which

pen and paper we couldn't buy or whatever, I can definitely try to supply that to you but that's what we did for supplies that we had.

I don't know if Sean –

MR. DUTTON: As I understand, Finance looked at the numbers over a three-year period. So it wouldn't all be reflected in the book here, but this would be an amount that would go up and down over time. So they looked at the historic trend and came up with this number as a target, as a result.

Certainly, this would be an area where we would buy some equipment for Fire and Emergency Services school which we have each spring, and we'll continue to do that and other miscellaneous office supplies. So we're just looking for some ways to try to reduce that consumption.

One of the ideas the staff came up with was we get a lot of faxes of weather reports that we're also getting electronically. So we've asked Environment Canada to stop sending that to cut down on the use of paper in the office, and looking for other opportunities like that to just be a little more efficient.

MR. KENT: Thank you for that answer.

Under Allowances and Assistance there was an overrun in expenditure. There's a proposed increase to the new budget as well. I'm just curious if the minister could explain that as well.

MR. JOYCE: That was increased in 2016, up \$23,000. It reflects the transfer of funds from Executive Support, Professional Services due to increased costs associated with benefits for the 5,900 volunteer firefighters, workers' compensation premiums of \$188,000 and accidental and dismemberment insurance premiums of about \$20,000 – actually \$19,800.

MR. KENT: Okay.

And what grants and subsidies are covered under line 10 there? What would that include? The \$241,500 or \$241,000 going forward.

MR. JOYCE: This is for the operating expense of Newfoundland and Labrador firefighting

services, \$40,000. For the Learn not to Burn campaign there is \$61,000. The balance of the funds: response outside municipal boundaries, regional training, haz-mat response and haz-mat training.

MR. KENT: Okay, thank you.

That's all my questions on 1.1.02.

CHAIR: Does Ms. Michael have questions on 1.1.02.

MS. MICHAEL: Madam Chair, it's not a big item, just that wherever there is a list of grants and subsidies would we be able to receive a copy? Usually we've asked for that in the past from the different departments.

MR. JOYCE: When we give them out?

MS. MICHAEL: Yes.

MR. JOYCE: Okay.

MS. MICHAEL: Thank you very much.

And again, just to clarify – we sort of always do this in the beginning – whenever one party asks for something, everybody on the Committee receives it.

Thank you very much.

CHAIR: Okay, if there are no further questions –

MR. K. PARSONS: A question, Minister.

Minister, when you talked about the training and education, is that for the volunteer firefighters? Is that where the money comes for training for volunteers? There's a lot of training done under Fire and Emergency Services. It offers a lot of training for the volunteer fire departments in the province. Is that where we'd see some of this funding?

MR. JOYCE: Well, regional training initiatives. And there are some funds there for training: Learn Not to Burn, response outside municipalities. It is part of the training. It's part of the haz-mat response and haz-mat training.

MR. K. PARSONS: Okay, but it's not the actual training that you see volunteer firefighters having. In my area, I know they place a lot of emphasis on training. I was just wondering where that was to. I didn't know if it was here or not.

MR. DUTTON: The cost associated with the fire school – we mentioned supplies, some of the equipment that's required. Obviously, staff time is another related expense. We have staff from the agency that deliver the training at the fire school each year. We also engage some of the regional trainers in that and also in other training, and cover their travel costs associated with going to the fire school.

For participation of volunteer firefighters in training opportunities I believe there's funding that the Department of Municipal Affairs has provided in the past to support that cost. They don't fund it directly but they provide it to I think the PMA or an association thereof. They submit their claims to them to help support the training. So it's from a number of different line items across both FES-NL and Municipal Affairs.

MR. KENT: Madam Chair, just a question related to my colleague's question and to build on what Mr. Dutton just said. I understand that there's Fire and Emergency Services Training School scheduled for late May, early June in Grand Falls-Windsor. We've also been advised that's the only date being offered this year. That would imply a cut to the program. Is that in fact the case?

MR. DUTTON: No. We normally have an annual school in the spring. Other years we've had it in Gander, Clarendville and other sites. This year we'll be having it in Grand Falls-Windsor.

MR. KENT: So there have been no cuts to training for firefighters across the province?

MR. DUTTON: No, there have not.

MR. KENT: Okay, that's good to hear.

Thank you.

CHAIR: If there are no further questions for 1.1.02, we'll call for a vote.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subhead 1.1.02 carried.

CLERK: 1.1.03

CHAIR: Ms. Michael.

MS. MICHAEL: Thank you.

Just one question actually; it has to do with the revenue. It's an obvious question because the provincial revenue was – \$1,500 was the budget and then revised up to \$2,255,500.

I'd like an explanation of what that was about. Then, for this year, the Estimate is still well above what the Estimate was, or the budget was last year. If we could just have an explanation right across the line of the provincial revenue, Minister, please.

MR. JOYCE: 02?

MS. MICHAEL: Yes.

It's 02 – 1.1.03, 02.

MR. JOYCE: The increase in that was the repayment of the 911, the provincial money that was put up for a number of years to start up a 911 program. So this year they've paid it all back, most of it all back in one year. That was the increase in revenue for that amount.

MS. MICHAEL: And then would the \$105,400 estimated for this year be money going towards the 911 as well?

MR. JOYCE: No. That's the increase for the budget. It reflects the revenue expected from the province and the Territories for the CCEMO position for operating costs. That's the money that will come in. It's money that's coming in new.

MS. MICHAEL: Okay.

MR. DUTTON: The Canadian Council of Emergency Measures Organizations involves all the provinces and Territories through their emergency management departments or agencies. We have a secretariat that supports their work throughout the year.

The secretariat moved from Saskatchewan to Newfoundland and Labrador for 2016-17 and the following year. Historically, we've contributed \$6,100 annually towards that cost, so now the other jurisdictions will be invoiced by the provincial government. We'll have the \$110,000 available for supporting the secretariat which would include salaries, transportation, supplies and purchased services that's spread throughout the emergency services boat.

MS. MICHAEL: Well, if I can, Minister, since the money in 2015-16 was for the NL 911, where is the line that shows the money to keep that going? Because it is under your mandate to make sure that the 911 operates.

MR. JOYCE: It is a separate entity. It is its own corporation, 911 Bureau.

MS. MICHAEL: Okay.

MR. JOYCE: The funds from 911 are separate from anything in the (inaudible).

MS. MICHAEL: Do you know where the money comes from then? They must receive provincial money.

MR. JOYCE: No, they get the 75 cents per call.

MS. MICHAEL: Pardon.

MR. JOYCE: For a cellphone. It's 75 cents per cellphone.

What the provincial funds were – they were given so much to start up the program. So once they started up the program, then the 75 cents was paid back to the province, the money that was borrowed upfront.

MS. MICHAEL: Thank you.

I'm having a little bit of trouble hearing my – this is not working.

MR. JOYCE: I'll try to speak up.

MS. MICHAEL: That will be better.

No, I can hear now. When you speak up I can hear.

CHAIR: We'll get you a new headset.

MR. JOYCE: I'm usually pretty quiet but I'll try to speak up.

MS. MICHAEL: Oh yes, right.

Thank you.

MR. JOYCE: It's going to be against my nature but I will raise my voice.

MS. MICHAEL: Okay, that's fine.

They're all the questions I have for that section.

CHAIR: Okay.

MR. JOYCE: Thank you.

MS. MICHAEL: Thank you.

CHAIR: Mr. Kent.

MR. KENT: Thank you.

For 1.1.03, the Salaries number overall is down slightly, admittedly, but with salary increases and so on, I'm just curious what positions are being eliminated that would result in a smaller salary for the upcoming fiscal?

MR. DUTTON: There are no positions being eliminated. Earlier we talked about the position of Administrative Officer I that had been budgeted in Emergency Services but was being charged to Fire. For the new fiscal year that funding is voted in Fire. So that accounts for part of the differential.

There are also attrition management targets from 2015 that phase in over a five-year period. So they're impacting available salary dollars each year. That's partly offset by the contributions for

the Canadian Council of Emergency Management Organizations. Because we have that funding for this year and next, it helps to offset some of the impact from attrition targets. So there are no other positions being impacted here.

As I mentioned, there are four positions being funded at the present time, and there's a vacancy of a regional emergency management and planning officer. It hasn't been abolished, but hasn't been filled at this point either. So as staff come and go throughout the year, we may look at whether that might be the higher priority to fill once other vacancies occur naturally.

MR. KENT: I was wondering if the minister, or Mr. Dutton, could indicate what region has the vacancy for that emergency management officer at this point.

MR. DUTTON: Yes, it's in our Deer Lake office.

MR. KENT: Okay.

Moving on to Employee Benefits, a small number budgeted, a small number budgeted again this year. The revised budget for 2015-2016 was in excess of \$17,000. I'm just wondering if we could get some explanation as to why that would be.

MR. JOYCE: First of all, the decrease of \$100 between 2016-2017 – once again, you go through line by line, which was done, and also the Employee Benefits, the increase was \$16,900 between 2015-2016 budget and the revised 2015-2016 is due to an error. The amount should have been charged to Transportation and Communications for helicopter time for ground search and rescue. So it was put in there in error. It should have gone to ground transportation.

MR. KENT: Okay.

So you've probably just answered my next question then. In the next line, Transportation and Communications, is the bulk of that \$154,800 related to helicopter transportation?

MR. JOYCE: The increase there from 2015-2016, \$27,000 and the budget of 2015 reflects

the \$100,000 transferred from Executive Support, Professional Services, plus the \$10,000 from the CCEMO program, offset by the budget decrease of \$82,500 which reflects savings achieved in government line by line again, due to an hourly rate in a new helicopter contract.

The Transportation and Communications part, the increase of \$52,000 between 2015-2016 and 2015-16 revised is a higher search and rescue cost of \$135,000 expended. Initially, the amount was \$80,000. The \$16,900 incorrectly charged to Employee Benefits above is helicopter time in GSAR. So, once again, it wasn't put in properly and is put down to the helicopter.

MR. KENT: So what portion of the \$154,800 under Transportation and Communications is for helicopter time?

MR. DUTTON: I think it's \$97,500, if I'm not mistaken.

MR. KENT: Did you say \$107,000?

MR. DUTTON: \$97,500.

MR. KENT: Okay, so approximately two-thirds of it. What would the other third of that budget be used for? Is it cellphones? What other transportation and communications –

MR. DUTTON: It would include travel around the province by the regional emergency management staff and, as you mentioned, cellphones and other communications costs. There's also a component for the CCEMO secretary, a small portion of that.

MR. KENT: Okay. Thank you.

With regard to Purchased Services, what would the \$32,900 include?

MR. DUTTON: Okay, we're talking about Purchased Services?

MR. KENT: Yes, under Emergency Services, so Salaries, under Operating Accounts, Purchased Services.

MR. DUTTON: This would include repair and maintenance of equipment, vehicle repairs and maintenance, equipment rental, rental of pagers,

photocopier, AV equipment, radio licence fees, printing, advertising, promotion – there’s a lot of that – and general purchased services. There’s a \$2,500 element of that for the new year that’s part of the CCEMO secretariat.

MR. KENT: Thank you.

Because of Mr. Dutton’s comprehensive responses, I’m not going to ask about the \$400 under Property, Furnishings and Equipment. So we can move on.

CHAIR: Ms. Michael.

MS. MICHAEL: Okay.

Under 1.1.04, Disaster Assistance, the big question of course –

CHAIR: Before we move on to the next one –

MS. MICHAEL: I’m sorry; you have to vote on that.

CHAIR: – we’ll just call for a vote on 1.1.03.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subhead 1.1.03 carried.

CLERK: 1.1.04.

MS. MICHAEL: Thank you.

The Revenue line, obviously, is the one I’m going to ask a question on. The budget for last year dropped significantly in the revision with regard to the federal revenue and this year it’s down another \$6 million. If you could give us an explanation, please, Minister, of what’s happening with the federal revenue.

MR. DUTTON: We had anticipated the close out of both the 2008 Northeast flood claim for Gambo and the 2010 Hurricane Igor claim this fiscal year. Both of those claims had been

submitted in a final form to the federal government some time ago.

We found out in March that the Hurricane Igor claim, they hadn’t completed their audit work in the federal system of Public Safety Canada. So we received an interim payment related to Igor of \$20 million. In past years we received three other payments totalling \$51 million. So there’s a little over \$14 million outstanding to be determined.

The Northeast flood Gambo claim, which was about \$645,000, was paid out finally this year in March. So the only claim outstanding is the Hurricane Igor claim. We would anticipate receiving the balance payment this fiscal year, and all claims will be closed at that point in time in this province.

MS. MICHAEL: Thank you very much.

That’s the only one I have on that.

CHAIR: Okay.

Mr. Kent.

MR. KENT: Under 1.1.04 – no, I think I’m okay.

Thank you.

CHAIR: Okay.

No further questions on 1.1.04, we’ll call for a vote.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subhead 1.1.04 carried.

CLERK: 1.1.05.

CHAIR: Mr. Kent can start.

MR. KENT: Thank you.

Obviously, a significant reduction in budget which relates to primarily fire trucks, I would assume. So I'm just curious, while given our fiscal situation and the significant investments that have been made in recent years in this area, I understand the reduction. I'm just curious how the minister plans to use the \$1.88 million that remains for vehicles and equipment. I'm just trying to get a sense of what the impact on communities is going to be of the reduced expenditure and what the process is going to be for determining how those funds will be allocated in this fiscal.

MR. JOYCE: Well, to be totally honest with you, two years ago when you increased up to \$5 million there were a fair number of trucks given out last year. Again, I'm not saying they're not all needed, but I think how they were selected – were very much in debate how they were selected. What happened is we agreed that sometimes there are trucks we need, but you need a selection process on priority.

So what's happening with the \$1.8 million? As you know, the extra funding for the trucks was put in for one year. You increased it again for the last year, for some reason, and this year now it's back to the normal \$1.88 million. So the plan is once again receive the applications, get an evaluation done by the fire commissioner's office and then we would review it from there.

MR. KENT: I'd like to ask the minister or perhaps his deputy then to identify which of the trucks in the last couple of years that were given out weren't needed?

MR. JOYCE: I didn't say they weren't needed. I'm just saying the selection process through the priority level. Then the same thing, I guess, for the other things – you asked how they're going to be done this year. The fire commissioner's office will do an evaluation.

MR. KENT: So were there any trucks given out that didn't meet the established criteria of the department, in terms of priority level?

MR. JOYCE: I didn't check, because I don't even know if there was a priority level set-up.

MR. KENT: Well, I do know there was a priority level set-up, because I was the minister.

Granted, I haven't been the minister in a couple of years, but what you're suggesting –

MR. JOYCE: I didn't suggest anything, I'm just saying how –

MR. KENT: Let me finish –

MR. JOYCE: – there was none there.

MR. KENT: We're not –

CHAIR: Order, please!

MR. KENT: I'd remind the minister, we're not in Question Period now; he could let me finish and not interject.

He implied political interference in the awarding of fire trucks in recent years; that the selection of communities and fire departments to receive the trucks was questionable. So I'm asking the minister to explain in further detail what he meant by that.

There is an assessment done by Fire and Emergency Services staff. There are lots of communities that are in need of fire trucks and also necessary life-saving equipment. Now he's saying he doesn't know. I'm just curious in which instances he bases his comments on that there was something improper done in the past.

MR. JOYCE: Well, I'm –

MR. KENT: It's a fairly serious accusation.

MR. JOYCE: Once again, don't go putting words in my mouth, as usual. I didn't say there was anything improper. What I'm saying it's coincidental, very coincidental, and if you go back and evaluate it, there were 20 trucks last year that were given out and 19 happened to be in the government districts. So, in other words, in the 16 other districts, obviously, there was no need or no priority put in the other 15-16 districts, and it's just coincidental.

So you ask me how it was done – you should answer that or you should ask your minister how it was done last year, because they're the ones who made the decisions last year. You asked me how it was being done this year, and I'm saying that we'll wait for the evaluations to be done and

the applications to come in for equipment. So if you want to know how it was done last year, you should ask the former minister how it was done.

MR. KENT: All right, I'll note that response and probably quote it at some point soon.

The Transportation and Works Minister has referenced taking the politics out of pavement, but the new process does involve having the list being approved by the Premier's office. I'm just curious, when it comes to \$1.88 million for vehicles and equipment, is it much the same, will there be a list that is sent up to the Premier's office for approval?

MR. JOYCE: I think you should ask the Minister of Transportation and Works on what he does with his department. Once there's a list evaluated by our department, as usual, it will be done and it will be passed on to Cabinet. Will it be changed? I doubt it very much.

As you were saying, you wanted to talk to the Minister of Transportation and Works about the procedures that he has in his department – may I add, now that you've brought up Transportation and Works, unlike the \$500,000 that was taken from the Bay of Islands two days before the tender closed; I can assure you that will not happen with us.

MR. KENT: So while we're talking about the Bay of Islands then, Madam Chair, the minister is suggesting that trucks, in the past, were primarily gone to government districts. Can he confirm whether his district received any fire trucks or equipment over the last four years?

MR. JOYCE: Last year you did, yes.

MR. KENT: Okay, interesting.

Thank you.

CHAIR: No further questions?

MR. K. PARSONS: Minister, how many applications were in last year?

MR. JOYCE: I think it was 72.

MR. DUTTON: I believe it was 71 or 74. It was in that range, yes.

MR. K. PARSONS: And how many trucks did we put out?

MR. JOYCE: Twenty?

MR. DUTTON: Twenty.

MR. K. PARSONS: Twenty.

So, Minister, as an experience from my days as being a mayor of a town and the time that we applied for a truck was when the 50-50 funding was on the go, it made it very difficult for towns to be able to purchase trucks. I think over the last number of years you saw a large number of people applying because of the 90-10, 80-20 and 70-30 ratios. I think that was the reason why there was a big need because a lot of small towns just couldn't afford to go pay –

MR. JOYCE: I'm not saying there is no need. I agree with you. I agree with you on that.

MR. K. PARSONS: Okay, but I think that's the reason for the increase in applications. When the Town of Flatrock applied for it, there were only 12 vehicles that year that were applied for because of the cost. So I think the last couple of years the reason why the need – I'm not saying you said the need, but the applications increased because municipalities could afford to apply for them.

There were a lot of times – I know in one of the communities that I'm involved in they would never have looked at a fire vehicle because they couldn't afford it. And when it went to 90-10, a \$200,000 vehicle was \$20,000 which made it affordable for a lot of municipalities. So I think that reflects on the change in the cost of the amount of money that was there.

So we're going to reduce it down to \$1.8 million, that's basically around one-third of what we had. That will mean that this year there will probably be six vehicles that will be –

MR. JOYCE: Five or six, yes.

MR. K. PARSONS: Six or seven vehicles, okay.

The reason why the big change in the applications – because I know myself when we

did apply as a town, there were only seven applications there and you said there were 72 last year.

MR. JOYCE: I'll just clarify something. I said the truck was received last year in York Harbour-Lark Harbour, but it was approved the year before when their fire truck blew out when a house burned down and their pump was destroyed. There was no fire protection for York Harbour-Lark Harbour. The nearest one is about 30 kilometres away, so the truck was approved not last year, the year before, 2014. So it wasn't last year, as I just said. They received the truck last year.

MR. K. PARSONS: That is probably the same thing I'm talking about, towns and municipalities in the province could afford to apply for emergency vehicles –

MR. JOYCE: I agree.

MR. K. PARSONS: – because of the ratios that were cut down. They couldn't afford when it was 50-50.

CHAIR: In the interest of time, we have to keep moving along. We have a lot to cover in another section yet.

Mr. Reid has a comment or a question?

MR. REID: Yes, I'm sort of interested in the way fire trucks are allocated as well. My district received a truck; it was just before the by-election was called a few years ago. So it might be insightful if the minister could provide the number of trucks in the previous five years, the number of trucks that were allocated for each year and the community or the districts which received the trucks, if that's possible.

MR. JOYCE: I haven't got it here, but I'm sure we can get that information.

CHAIR: Okay, are there any further questions on 1.1.05?

No further questions, we'll call for a vote.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subhead 1.1.05 carried.

CLERK: 1.1.06.

CHAIR: Ms. Michael.

MS. MICHAEL: Thank you.

The obvious question: What is the \$27,000 for? Obviously, it is something specific under Property, Furnishings and Equipment?

MR. DUTTON: Yes, that's for a replacement of a vehicle in the Fire and Emergency Services fleet. We have 10 staff in field positions that utilize emergency service vehicles. There are nine currently in service, so this is to replace them as they're reaching the end of their useful life.

MS. MICHAEL: Thank you.

I have a general question that I'm not really sure where to ask, Madam Chair, so I'll ask it here. It does have to do with the Maritime Rescue Sub-Centre. Minister, I know that you have been mandated by the Premier to work with your colleagues provincially and federally on this. Could you give us an update on what the plan is with regard to getting the sub-centre set up again?

MR. JOYCE: Well, we're still in conversations with the federal government. It is a priority of the government. There are meetings taking place. It is a priority that we will be working in the mandate to ensure the sub-centre and the services are put back in.

MS. MICHAEL: Is it from our perspective as the province that this sub-centre would be under your department?

MR. JOYCE: Yes.

MR. DUTTON: No, it would be federal, under the Coast Guard.

MR. JOYCE: The federal government, yes, but under our mandate to push for it. Federal, but

it's our mandate to put pressure on the federal government to bring it. It's under the mandate letter for FES-NL to help with the federal government.

MS. MICHAEL: Okay. Do you have any sense from the federal government yet as to where they stand on this?

MR. JOYCE: Sean had a recent conversation.

MR. DUTTON: Sure, yes. I understand that Minister Tootoo's mandate letter also stated his requirement to reopen the Maritime Rescue Sub-Center. I recall there was some discussion about the fact the federal budget this year was silent on that specific commitment.

Minister Foote made some public comments about the fact that they still intended to do so. Also, last year the Coast Guard announced they were building a new building on the south side of the harbour here in St. John's. It's my understanding from federal officials that their intent would be to incorporate the Maritime Rescue Sub-Centre into that new building once that was ready, which I don't believe will be completed until – 2018, I think, was the last thing I'd heard about that.

MS. MICHAEL: Okay, thank you very much.

They're all my questions, Chair.

CHAIR: Mr. Kent?

MR. KENT: Just a number of quick, final questions.

We've been hearing rumblings that Fire and Emergency Services-NL may be rolled into another department of government as a result of structural changes that are upcoming. I'm just wondering if the minister has anything to say about that at this point in time.

MR. JOYCE: I have nothing to say. I'm not sure if it's in the line item. Is it in the line item?

MR. KENT: So the minister is saying you'll only answer questions that are specific to –

MR. JOYCE: The line item, yes.

MR. KENT: – this line-by-line process?

MR. JOYCE: Yes, I can't speak on hypothetical questions.

MR. KENT: Okay, so the minister won't confirm that's not actively being considered.

MR. JOYCE: Madam Chair, I know the Member is used to putting words in their mouth, but I'm not saying that I'm not. I'm saying this is a budget item – if you wanted to go through, and this is the Estimates. As you did yourself.

MR. KENT: I answered every question, Minister.

MR. JOYCE: As you did yourself. I can name many of your colleagues if you go through the budget items. You want to talk about government policy; this is not the place or the opportunity to do it. This is you go through the budget and you go through line by line with the budget.

MR. KENT: Okay, so that –

CHAIR: Does the Member have any further questions?

MR. KENT: I do, Madam Chair, yes. I'd like the record to show as well that I previously answered every question, whether it was policy or not, related to Fire and Emergency Services or Municipal Affairs or Health. I answered every question, unlike the current minister, who's refusing to answer my question tonight.

Would it be possible to get a list of the requests for vehicles and equipment that are presently in the possession of Fire and Emergency Services?

MR. JOYCE: Sure.

MR. KENT: Okay.

MR. JOYCE: I'm assuming it's no problem to release that.

MR. KENT: Great. That's good news. Thank you.

It would also be helpful to get some explanation as to how they're going to be ranked, what the

selection process is going to be for this year, given the minister has implied it will be a different process. We'd be very interested in knowing what process is being used this year as well.

MR. JOYCE: Once again, Madam Chair, I've got to have it on the record. I didn't imply they had a different process. What I implied was that it was just by coincidence, I would assume, that out of 20 trucks, 19 happened to go to PC districts and no one could find the criteria they had for the selection of trucks.

I'm not sitting here and letting the Member make statements that I'm making these accusations, I'm just stating the facts. If the facts don't jibe with what he did know when he was in government, that's his problem, but I'm just stating the facts. The facts are that there were 20 trucks, 19 happened to be in the PC-held districts, Madam Chair. How they were selected, as I said before you should check with your former minister. You were in Cabinet; you should have known how they were selected.

MR. KENT: I'm well aware of how they were selected and I take exception to the minister's comments.

I recall the York Harbour-Lark Harbour truck. But was there not a truck for Cox's Cove at some point as well in the last number of years?

MR. JOYCE: Madam Chair, is this in the line item? I'm just going through the line items here.

MR. KENT: Madam Chair, I'll ask again: Was there a truck for Cox's Cove in the last number of years as well, perhaps in the last four or five years?

CHAIR: The Member has 10 minutes from my understanding, as I am a new Chairperson. He has 10 minutes to ask questions and it is up to the minister's discretion whether he answers or sticks to the line by line.

MR. JOYCE: Madam Chair, this is Estimates.

CHAIR: Estimates.

MR. JOYCE: (Inaudible.)

MR. KENT: So I guess I have my answers. That would be at least two trucks in one particular district, Madam Chair, that were received. It just happens to be the minister's.

The 911 Bureau Inc. numbers, obviously as the minister points out, are separate from Fire and Emergency Services. It is an independent entity. I'm just curious, what is the process for their financial information to come to this House? Will those numbers be tabled in the House of Assembly at any point in time, similar to how a Crown corporation would be treated?

MR. DUTTON: As a government entity, while they're not a Crown agent, they would be covered by the *Transparency and Accountability Act*. They would be required to prepare a three-year strategic business or activity plan depending on how they're classified, and publish annual reports which would be tabled in the House.

As to the schedule of where they are and when those would be available, I'm not sure. They would be working with the Policy Innovation and Accountability Office on that process.

MR. KENT: Thank you for answering my question.

Would it be possible for both Opposition parties to obtain a copy of the minister's Estimates briefing binder? I suspect, at least for Fire and Emergency Services, it's readily available as we've seen tonight. Can we obtain a copy of that?

MR. JOYCE: You could have it right here.

MR. KENT: Okay, great.

Thank you.

MS. MICHAEL: (Inaudible) another copy of it?

MR. KENT: We'll make you a copy.

MR. JOYCE: Just for the record, you can have the copy, no problem – open, accountable. You should try it sometime, especially when it comes to the hospital in Corner Brook.

CHAIR: Any further questions on 1.1.06?

No further questions. We'll call for a vote.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subhead 1.1.06 carried.

CHAIR: That concludes the –

CLERK: The total.

CHAIR: Sorry, I now call for a vote on the total for Fire and Emergency Services altogether.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

SOME HON. MEMBERS: Nay.

On motion, Department of Fire and Emergency Services, total heads, carried.

CHAIR: Shall I report this section back to the House carried without amendment?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

SOME HON. MEMBERS: Nay.

CHAIR: Carried.

On motion, Estimates of Fire and Emergency Services carried without amendment.

CHAIR: I think we will take maybe a five-minute break now before we move into Municipal Affairs.

Recess

CHAIR: Mr. Bennett is sitting in now as a voting Member for Ms. Parsley, who's gone.

Executive and Support Services subheading, Municipal Affairs. What we're going to do is the whole with the minister. We'll run down through it and do that whole section and then we'll call for a vote at the end, okay?

I don't know if the minister has any opening remarks.

MR. JOYCE: I just have a few remarks.

As we know, in the budget that was just passed there were a few issues that came up. I know the Member opposite was asking questions privately about it and now that there is no change to the cost-shared ratio, there's no change to the sustainable partnership plan. Also, we have an increase in requests for funding.

What we're doing as a department, we're looking at funding and trying to make water as a priority for the province – help with water. Of course, in partnership with some funds here, we're in partnership with Environment and Conservation to try to get people off the boil order and increase water quality in the province. It is a tough task. There are a lot of municipalities seeking a lot of funding, and there are a lot of worthwhile projects there and there's only a certain amount of money.

Also, I just want to recognize that the federal government did come in with the Building Canada Fund. It definitely will help the province in municipal infrastructure and help the province as a whole with water infrastructure.

I just say to the Member, you can have the binder; you can have it now and save ourselves a lot of questions. You can have it. There's absolutely nothing here to hide, Madam Chair. I'm not inferring the Member is saying there is, but I know if you want the binder after you're more than welcome to have the binder.

CHAIR: Okay.

Mr. Parsons.

MR. K. PARSONS: Thank you, Madam Chair.

CLERK: 1.1.01.

MR. K. PARSONS: Okay.

Before I start right at 1.1.01, Minister, I indicated I have some questions that I'd like to ask upfront, basically about the department and different views of where you're going with things in the department and the little issues that are on the go.

I recognize the Department of Municipal Affairs and this budget, talking to municipal leaders in my district, are very pleased they didn't see a lot of changes because there was a lot of concern from municipal leaders that there was going to be a download of services to municipalities. They were very nervous, but they're very pleased this wasn't done.

A couple of little things I'd like to ask you questions about. As we mentioned earlier when we were doing Fire and Emergency Services, the ratios, just to make sure the ratios will stay the same for the next number of years.

MR. JOYCE: Just for this year. I can only speak for a year at a time, of course, because everything is a budgetary process. But this year, yes, the ratios will remain the same.

MR. K. PARSONS: Okay. It's very important to rural Newfoundland and to municipalities with declining populations with a lot of seniors and stuff like that in their districts. They don't have the funds, so it's important. I think it's a great program.

I want to ask you questions about – as you know, there are a few communities, like the Bay of Islands, had relocation. I know you were involved with that and I know there were talks of something being put in the budget for a new plan. As we saw out there, the vote went, I think it was 89-or-something percent, and in another area the criteria for the money that was allotted wasn't met. So I'd just like to ask a general question of what's being done when it comes to your policy on relocation of communities.

MR. JOYCE: I thank the Member for the question. It's never a problem answering a

policy question to the hon. gentleman. I thank you for that question.

The first thing, it is the Little Bay Islands not the Bay of Islands.

MR. K. PARSONS: Little Bay Islands, I'm sorry – Little Bay Islands.

MR. JOYCE: There are other ones there. There are no funds in the budget itself, and it's partly because you never know if it's going to happen. You go through the process, and I said that before. My understanding, there were never any funds put through in most all the budgets prior.

What you do is if the relocation process goes ahead, you would ask for a special warrant or try to find funds within your own department. That's normal practice, because if you fund \$18 million, \$20 million for one location and it didn't go ahead, it's always just a carry-over. So that's why there was no – we're just following normal practices for that. I know there's one in Labrador that's fairly close. There will be funds. There's already a commitment.

Even Little Bay Islands, once the criteria is set and there's a vote, there will be money found for it. We already agreed that, yes, we will go ahead with the relocation process if all the policy is followed by the towns and the vote is 90 per cent.

MR. K. PARSONS: Okay. Are we working on a different – like I said before, to me 90 per cent is really, really high. When you're dealing with small communities with small numbers, that four or five or seven, I think in this time, a family can affect what happens to the rest of the community. Is there any change in the policy?

MR. JOYCE: No, there's no change right now, as you noticed, in the policy of the previous government, and this government is 90 per cent. There has been no change. I haven't asked for any change in Cabinet either to change that policy from 90 per cent. We just inherited it and we just followed along with it. There has to be a certain balance there about what level. There is no change and I can't anticipate any change. I haven't consulted with any of the Cabinet on changing that policy.

MR. K. PARSONS: Okay. I think it's something you should look at in the future, though, because as we've seen in a couple of instances already, it's a major cost I understand to government. Some of these communities with only one person in school and with no convenience stores and stuff like this, it's difficult.

I just want to ask you about the Special Assistance Grants. I know we're going to go through it when we go to the line, is there any change in the amount of funding for special assistance?

MR. JOYCE: I think there's a decrease in funding for special assistance. I think that was put in last year's budget, from my understanding, because last year's budget – not this year – is when it was decreased and we're just inheriting the decrease.

MR. CHIPPETT: There was a previously forecast drop in that budget of \$238,000. But when we get to the line item, government is doing payments to Wabush in lieu of the mine closure and they decrease over time. So that's the other reason. I think the number this year is \$1.2 million. Last year it was \$1.9 million, and I think in the third year it's about \$676,000. That's why you'll see the decrease in that line item when we get to it.

MR. K. PARSONS: Thank you.

Minister, in your opening statement you mentioned water systems. We understand there is, and it's been there for a while, over 200 boil orders in the province. It's a major cost, and the cost is very high.

What agreement do you have in place with the federal government on this? You mentioned the federal government. Are there any issues or are there any cost-shared ratios that are coming with the federal government to pay for some of these systems?

MR. JOYCE: Just last week, we had meetings with the three departments: Service NL, Municipal Affairs, Environment and Conservation and Transportation and Works on boil orders. There are a number of reasons why there are boil orders. Some just shut off their

system. Some don't like the taste of chlorine, some more aren't properly trained to use their system and some it's just different problems with the water.

On a positive note, there was one there, we found out last week, was on boil order for 20 years. Now they're off. Environment and Conservation – there is part of the money from the federal government to help with this. Environment and Conservation is doing every process to start highlighting which ones we can get to try to help with the boil order, to come off it. Some may be training some technicians to help keep their system running. One of the issues they had is working a booster pump. That would help the chlorine run all throughout the system instead of just by the time it gets to the end. The chlorination – they take samples along the way.

There are a number of issues with the boil orders. There are a number of remedies through – Environment and Conservation are trying to remedy. There is federal money there to help with that and to do water systems in the Capital Works program.

MR. K. PARSONS: I just know of one incident in my district – I speak all this time for my district. The cost of these water systems, first when I looked at it about five years ago, you were talking a million dollars. Now we're talking about \$3 million or \$4 million for most of the systems that are in place. The strain that it's putting on municipalities is huge, but again, I think it's somewhere where we really have to go to the federal government to make sure they come onside and help as much they can.

Okay, I just want to talk a little bit about waste water and you mentioned this. The other day I asked you a question in the House of Assembly. I know in 2021 a lot of communities have to be – with the new regulations coming in under the federal government and I just want to know. I know today, I think you said something about 2021, 2030 and 2040 are when the regulations are set.

MR. JOYCE: I can speak to it. But Cluney, if there's anything I miss in there, you can jump in there.

The regulations with Environment Canada are that you have to get testing over 18 months. Each month the data that you collect you send off. Then, after the 18 months you apply for what they call a temporary permit from Environment Canada. After they evaluate the flow test and the rate that you presented, then they will give you what you call a permit. On that permit it will say when you have to be up to that standard.

So 2020 is the date for some, but it depends on the data and the flow rate that the municipality has. It's an 18-month process – up to an 18-month process – that you provide the data and then you apply for a permit. The federal government will look at your data and then give you your permit. On the permit it says when you need it.

There are some in 2020; some will go to 2025, 2030 and 2040. So a municipality has to apply for the permit officially after they supply the data. Then they would be told what year they have to be up and running with this. Am I correct on that, Cluney?

MR. MERCER: The minister is correct. So it's they register their system, they supply data and what Environment Canada will do is a risk assessment. They have a bunch of criteria that they determine risk on. Whether they look at the receiving waters, whether it's a freshwater body, whether it's a salt-water body, they look at the volume of the effluent that's going out and the quality of that effluent.

Based on the risk assessment your temporary authorization permit will say you need to comply with the new regulations by 2020 for high risk, 2030 for medium risk and 2040 for low risk.

MR. K. PARSONS: Okay.

On the same program – and I know Mr. Mercer will know this one too – when we dealt with one a few years ago, there was a call for six different solutions for the waste water that was going out. Is that still in place? Do you have to come back, and then you set up a committee and select the best three?

MR. MERCER: The process; once a municipality decides they need to comply with a regulation and needs to put a treatment solution in place, what the department has said to them is that you should consider looking at any potential solution. Because water, waste water solutions: most of them are proprietary solutions so they don't really fit into the traditional design-bid-build approach.

What we're suggesting to municipalities is take a look at your system. Do a desktop exercise; look at a half a dozen potential solutions. Understand what the capital construction cost is, understand what you're going to be in for in terms of annual operating cost, because that's something a municipality will have to deal with for the life of the asset. Understand what that is, then make application to the department for cost-shared funding for the project. So you go down the road of issuing an RFP for a design-build solution.

The initial piece of identifying five or six, it's a desktop exercise so that council understands, number one, what the capital cost is; and number two, what the operational maintenance cost is going to be on a go-forward basis.

MR. K. PARSONS: Thank you.

Minister, I've just got a couple of more general questions now I'd like to ask, one is on Crown lands. I know we did a review of Crown lands, reviewed the *Lands Act* back in the summer. I know in your mandate letter is also a review. What's going to be the difference between the two reviews?

I know on the *Lands Act* there were over 190 people that submitted to that review. I think the review was done the summer. I'm just wondering where we're to and what's the difference between the new review you're going to do?

MR. JOYCE: Yes, the review was completed, as you said. That's correct. Yes, it is in our department and we are looking at the full review. We're hoping to bring that into the House of Assembly in the fall. There are a number of things we're looking at, and just some possibilities we're sending out to different entities.

The *Lands Act* review is under consideration and I'm hoping to have it brought in the House of Assembly in the fall. The majority of issues that are in it will be brought forth. That's in review now and there may be some changes and modifications to it, but definitely it will be brought forward. I'm hoping to have it done by next fall.

MR. K. PARSONS: I'd like to recognize Mr. Howe here and thank him, because every time I contact or whatever, the department is very quick in getting back to me. I'd like to say thank you for that. I have a lot of issues with Crown lands as everybody does.

I look at Crown lands and I understand that years ago land didn't seem like it was worth anything to people. Today it's worth a lot of money. It's worth a lot.

Something new that I became aware of when I became MHA was how people determine who owns a piece of land. I know we can go back and look at whether they worked it or not. There was recently a court case with the Walsh's down in Torbay where the judge ruled that the land was worked because they fished on it, they cut wood on it and stuff like that. Is that part of the policy that is going to be changed in this?

MR. JOYCE: Part of the policy change that we're going to have is criteria, how far you go back and the length of time. That's all part of the review. I agree that goes back – I think it's '57 it goes back. I've appealed many on behalf of residents.

It is cumbersome. People are getting older and trying to get the aerial photograph and trying to get affidavits. All of that is taken into account. So part of the *Lands Act* review is to look at how we can move up that system, change that system or make improvements to that system. That's definitely a part of it. That was part of the recommendations also. We're definitely looking at the recommendations and seeing what is the best way to go forward.

MR. K. PARSONS: I'm going to ask a last question now. You mentioned about affidavits, for example. People will probably come to me now and ask for an affidavit. But when you go back to the '50s and '60s we don't have a lot of

people around anymore so it's a job. I know that affidavits are not part of the whole overall, but I think the courts do recognize affidavits.

MR. JOYCE: Yes.

MR. K. PARSONS: So it's important that it does get changed, because I know people who are dealing with Crown lands in my district that are having – and all over the province – a hard time with the ownership and where to go.

MR. JOYCE: I agree with you 100 per cent that there needs to be a review of it, and there will be changes to it. What they're going to be right now, we're still looking at it. But we're trying to look at a way to bring it forth because the issues you just brought forward are real and it's affecting a lot of people.

MR. K. PARSONS: I thank the minister for answering these questions.

Thank you very much.

CHAIR: Seeing the time on the clock, we'll now move to Ms. Michael.

MR. JOYCE: Just for the record, any policy question, I have no problem answering. If the Member for Mount Pearl North is going to ask me hypothetical questions, I refuse to answer; but any policy question, I have no problem answering whatsoever.

CHAIR: Ms. Michael.

MS. MICHAEL: Thank you very much, Madam Chair.

Just to say to the minister this is interesting to me as well because it's not just rural Newfoundland where this is an issue. I've had a number of conversations in my own district where Crown land and who owns land is an issue. So it's important urban-wise as well. We were all rural once upon a time.

I am going to ask a question – I only have one question in the Executive and Support Services section, a line question – with the understanding that I assume we will have the Estimates briefing book and then that way, smaller questions really don't need to be asked. So I'm

going to ask sort of some that I'd really like to have on the record.

MR. JOYCE: Sure.

MS. MICHAEL: In this one, Minister – it's your office – the Minister's Office, last year \$319,400 was the real money that was spent on the Minister's Office and this year it's only \$62,600. Are you going to be all by yourself? Can you explain to us what's happening in the office?

MR. JOYCE: What it is we have combined the two departments: Service NL and Municipal Affairs. The minister's salary and executive assistant, which I haven't got one yet, is in Service NL. Instead of having two executive assistants, there is only one. The minister's salary is in with Service NL.

MS. MICHAEL: Oh, really? Okay, thank you very much.

MR. JOYCE: There are not two executive assistants, one for each department; it's just one executive assistant and one minister for two departments.

MS. MICHAEL: One minister for the two departments, okay.

Basically, that's the only question I had for this section; everything else is sort of pretty straightforward, so I don't have any more questions. Maybe Kevin does, I don't know.

MR. K. PARSONS: I have a question when you go to the Executive Support. What I'm going to do, Minister, I'll just ask you to explain the line rather than go into whatever, if that's okay with you.

MR. JOYCE: Sure.

MR. K. PARSONS: It will make it easier for (inaudible) –

MR. JOYCE: Do whatever.

MR. K. PARSONS: Just on Salaries, could you explain what's happening there with the Salaries? Is there any added position? Why is there a difference?

MR. JOYCE: Jamie.

MR. CHIPPETT: Are we –

MR. K. PARSONS: I'm looking at Salaries under Executive Support, 1.2.01. Last year, it was budgeted for \$1,089,400 and this year it is \$1.1 million. I'm just wondering is there something that was added or is it an increase in pay, why the difference? It was budgeted; there's a little over \$70,000 in the difference in the budget.

MR. CHIPPETT: The difference in Salaries from last year was vacancies at an ADM position and communications manager; and one ADM secretary was maternity leave actually, I believe. The difference for '16-'17, the reason it is up reflects salary step increases, so a full staff complement and step increases.

MR. K. PARSONS: Okay, that's what I figured.

We go to section 1.2.02, Administrative Support; again, if you can tell me what's happening there with the Salaries.

MR. CHIPPETT: So there were vacant positions the year previous and actually there was one position there that as a part of our attrition management plan, we took out of the complement for the department. So there's only one person associated with that activity and when the position became vacant we eliminated it, abolished it. And the only funding that's left there in the salary line for '16-'17 is for students. We do both summer students and co-op students through that particular line item in the budget.

MR. K. PARSONS: Okay, perfect. Thank you.

On the Transportation and Communications line, last year there was \$42,900, the revised was \$50,000 and this year it's down to \$33,400.

MR. CHIPPETT: That reflects, as the minister and CEO Dutton referred to earlier, our line-by-line exercise, so a look at the historical spending. And in terms of the \$50,000 in projected revised, it was a result of higher postage and courier costs. You don't exactly know what you're going to use in the run of

year. So that's the reason for the higher projected revised.

MR. K. PARSONS: Okay.

Can I ask just a general question? What revenue would you have there? How do you come up with revenue on that line: the \$5,000, the \$3,900 and the \$5,000 there?

MR. JOYCE: I'm not sure where –

MR. K. PARSONS: We're on section 1.2.02 and 02 is the Revenue – can you explain what that line means here?

MR. CHIPPETT: I'm going to defer to Robyn on that one.

MS. HAYES: The revenue in this line item is for travel advances and the petty cashes throughout the department.

MR. K. PARSONS: Okay.

MS. HAYES: When we realize that would be when someone pays it back – either they turn in their petty cash or their travel imprest have come back. So that's what the \$3,900 reflects, those that were actually received.

MR. K. PARSONS: Okay, thank you very much.

Again, on section 1.2.03, the Salaries line, this year is budgeted more than what it was revised, yet it was budgeted for. Is there a vacancy there also?

MR. CHIPPETT: In the projected revised, it was a vacancy in the associated recruitment period to recruit somebody. In the following year, again this was a part of our attrition management plan. So we lowered our salary complement through attrition or reducing vacant positions.

MR. K. PARSONS: Okay.

Last year, in this line here also under Supplies – it could be just a photocopier, I guess, or anything like that, but it was \$11,500 and then only \$1,700 and this year \$5,000. Is that just

basically a reduction in supplies or copying services or something like that?

MR. CHIPPETT: It's really a result of the line item, line-by-line review and an exercise to look at the expenditures across multiple fiscal years. Obviously, we didn't need a lot in supplies that particular year, but the average over a number of years brought us in at around the \$5,000 figure. So that's the amount in this year's budget.

MR. K. PARSONS: Okay.

We'll look at section 1.2.04. Why was last year's money not spent?

MR. CHIPPETT: Sorry, I didn't hear the question, actually.

MR. K. PARSONS: Okay. I'm just looking at the budget for 1.2.04. The money wasn't spent last year. There was no money spent there last year – \$8,700 there?

MR. CHIPPETT: This is the only section in our budget that allows for capital expenditures and you'd look at, in particular in the Lands Branch, vehicles, whether it be ATVs or snowmobiles, trucks or what have you. So we did not replace a vehicle. Obviously, you're not going to replace a vehicle for \$8,700. So usually we do a specific budget request or we transfer in funds to purchase a vehicle. So this just reflects the fact that we did not buy or replace a vehicle last year.

MR. K. PARSONS: Okay, all right.

That's it for that section, I do believe.

CHAIR: Ms. Michael?

Okay, so we'll now call for a vote for section 1.1.01.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

The motion is carried.

On motion, subhead 1.1.01 carried.

CLERK: 1.2.01 through 1.2.04 inclusive.

CHAIR: Now we're calling for a vote for 1.2.01 to 1.2.04 inclusive.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

The motion is carried.

On motion, subheads 1.2.01 through 1.2.04 carried.

CHAIR: We'll now move to subheading, Services to Municipalities.

CLERK: 2.1.01.

MS. MICHAEL: Thank you very much.

Again, I have line items here, 2.1.02 under Salaries. Last year it was revised upward. I guess that's where I would want the explanation is the revision upward last year.

MR. CHIPPETT: 2.1.02?

MS. MICHAEL: Yes.

MR. CHIPPETT: Okay.

Last year under our attrition management plan, as government had put in place at the time, the funding was taken out of one area of the budget, not spread throughout the department where the actual attrition would occur. Funding had to be transferred back in to meet payroll in that area of the department.

MS. MICHAEL: So there wasn't a new position or anything?

MR. CHIPPETT: No.

MS. MICHAEL: Okay.

That maintains this year then?

MR. CHIPPETT: Right. So there's a full staff complement in that division now.

MS. MICHAEL: Okay, thank you.

2.1.03; again, it's the Salaries line 01. This is the Local Governance. There was a significant revision downward. So I'm assuming there must be some position loss here. It was \$523,600 and it revised down to \$392,400.

MR. CHIPPETT: So the \$392,400 is the regular staff complement for that division. For the fiscal year '15-'16, we had two additional contractual positions to roll out the Community Sustainability Partnership. That was a part of *Budget 2015*. So those contractual positions came to an end at the end of the fiscal year.

MS. MICHAEL: Okay, thank you.

I do have a question under the community sustainability, but I'll wait until I get to it – just some update information.

Still under 01, there was nothing budgeted for Professional Services but \$53,300 was spent; if you could explain that, please.

MR. CHIPPETT: There were two items there that weren't originally budgeted for. One was for a commissioner to review the appeals under the Little Bay Islands relocation process. People appealed whether or not their designation by the department was correct as being permanent residents or not.

MS. MICHAEL: Yes.

MR. CHIPPETT: And, secondly, there were some professional services costs associated with consultations and materials for the Community Sustainability Partnership, so it kind of links into the \$523,000 Salaries and the activity under that initiative.

MS. MICHAEL: Great, thank you.

Just backing up for a minute, Transportation and Communications has seen an increase. In terms of this small item line, it actually is a large increase of about \$20,000. So what is happening there, please?

MR. CHIPPETT: That also reflects some of the ongoing work on the Community Sustainability Partnership. You'll see a bit later

on, we transferred in from municipal Engineering and Infrastructure some funding because there are some consultations that remain to be done under the Community Sustainability Partnership, like the regional governance consultations in particular. So that's how we're allowing for that activity.

MS. MICHAEL: Okay, thank you.

I think we'll probably see that when we get over to that section.

I think I had one more question here; under the Grants and Subsidies, just a drop of \$1,500. Was that caused by the line-by-line analysis, because it seems to be a very small amount of money? It's heading 10, Grants and Subsidies. It was \$119,500 and it's down to \$118,500.

MR. CHIPPETT: That Grants and Subsidies line is usually used for feasibility studies for communities that might consider amalgamation or regional co-operation initiatives. So in some respects it's demand driven. We just didn't have the municipalities coming forward to take up that money.

MS. MICHAEL: Are you aware of any this year, because you are still allowing for \$118,500?

MR. CHIPPETT: We do know of two or three that I think towards the end of the fiscal year were considering, and the other thing is we do have allowance in our budget here to hire a manager of community co-operation. So we think that we will see more activity in this area. We really thought we wouldn't be well served if the activity picks up to take funding out of that area.

MR. JOYCE: This is part of MNL and community co-operation and regionalization. So we just wanted to prepare in case –

MS. MICHAEL: Minister, could you speak up a bit, please?

MR. JOYCE: This is just if some towns want to come forward. So we want to ensure MNL is supporting us in this community co-operation and partnership.

MS. MICHAEL: So sort of be a liaison between the department and –

MR. JOYCE: Yes, there would be someone just to help to facilitate.

MS. MICHAEL: Right. Okay, thank you.

2.3.01; again, the Salaries line 01, \$519,000 was budgeted last year and then \$664,800 was spent. Now this may relate back to an explanation you gave earlier but it may not. This year it's back down to \$550,600, so maybe if you could just explain that line.

MR. CHIPPETT: The \$664,000, or almost \$665,000, reflects severance, annual leave, overtime payout to a senior director in the department who retired. So that's why that is up. And for the salary budget for '16-'17, it basically reflects a full staff complement, salary step increases and so on for that division.

MS. MICHAEL: Okay. Thank you.

Now down to Professional Services, and maybe this is what you were referring to earlier. You had the \$450,800, and I'm assuming that's for the Community Sustainability Partnership. Is it that money under Professional Services? Only \$59,700 was spent and now there's no money this year in that line.

MR. CHIPPETT: This is probably the most confusing answer –

MS. MICHAEL: Okay, great.

MR. CHIPPETT: – so I'll prepare you for it. There were two initiatives. The best way to start, I think, is the original budget for 2015-16. You're right; they were under the Community Sustainability Partnership. One was a boil-water advisory consultant that the minister referred to earlier, actually. He was trying to pinpoint specific boil-water advisories that communities may be able to come off of. The second piece was under the Community Sustainability Partnership regional water and waste water operators. So it's kind of piloting regional service delivery.

That was put in the budget, but it ended up that the model we used for the operators was to pay

out grants to regional service boards. If you look down to the \$157,900, that's the grant and the \$232,000 for a full fiscal year. That's the grant paying the regional service boards to hire and provide operational support for three regional operators.

The amount that looks like it's missing was actually transferred to Environment and Conservation in this year's budget. So anybody who's doing the Environment Estimates will see that show up in their Professional Services in Environment. That explains why we're down to nothing in Professional Services in 2016-17.

MS. MICHAEL: Are those positions specifically with regard to the boil orders?

MR. CHIPPETT: The funding that moved to Environment was professional services for a consultant to focus on boil-water advisories. The funding that remained in our budget and was transferred to Grants and Subsidies, it's more about the capacity within smaller municipalities and hoping that a paid employee to service three separate groups of communities would operate their facilities more in line with regulatory guidelines and support from government. I think you would see some boil-water advisories reduced from that initiative as well.

MR. JOYCE: Just to note that this is a pilot project in three years. I know the previous government came in with it. It's a great project. We're hoping that it's going to help reduce the boil-order advisories. They are doing great work with the smaller towns, helping them show how to keep their system up and running, water testing. They're expanding not just one; they're expanding as many as they can around. It is part of that and it's a great initiative. We're hoping to get good results from it. Then, we can probably further expand on it later because of these boil-order advisories.

MS. MICHAEL: And then, does the Estimate for this year, the \$232,500, is that covering three positions?

OFFICIAL: Yeah.

MS. MICHAEL: Okay.

Thank you very much.

I'll be happy to pass it over.

Thank you.

CHAIR: Thank you, Ms. Michael.

MS. MICHAEL: (Inaudible) if I don't watch the time.

CHAIR: No, I was letting you finish up there. We haven't got to be too stringent in this time.

MR. JOYCE: No, jeepers, we're all (inaudible).

CHAIR: So now we'll go back to Mr. Parsons.

MR. K. PARSONS: Okay.

Again, the former Member asked a few questions so I'll just try to pick through what I have here. Under Supplies there's a \$2,000 difference, but – okay, you know where I'm to on that, 2.1.01.

MR. JOYCE: 2.1.01, yes.

MR. K. PARSONS: Okay. I just wanted to look at Supplies. I know it's up. Most lines we've seen so far tonight have been decreased but this one has increased. Is there any reason for that when it comes to Supplies?

MR. CHIPPETT: Basically, the same line-by-line process that the minister referenced earlier, but the historical data showed that we spent more here. So we actually moved it from another area of the department to here to match what we usually spend in that area.

MR. K. PARSONS: Okay, perfect. That's good.

Also, on the Revenue line, can you explain the Revenue line to me again?

MR. CHIPPETT: We have a memorandum of understanding with the Nunatsiavut Government. We supply project management and engineering services to them. They pay us for those services.

The \$169,000 is an anomaly really in the budget. The MOU actually talks about \$160,000, so

really we've just corrected that to line up with the MOU.

MR. K. PARSONS: Okay.

On the next line, Salaries have gone up on section 2.1.02. Salaries have gone up to \$434,000, yet the benefits are only \$100 and showing \$300 revised from the year before. How come the benefits are so low?

MR. CHIPPETT: This is when the attrition management plan came in place, I think it was 2015. All the required salary reductions in the department were taken from the same place. So we had to transfer in funds to meet payroll.

There was no actual increase in positions in that particular line. But when the money had been taken out of the original budget, we wouldn't have been able to pay the amount for all the employees in that division. So we transferred in funds and that's why it's higher than the original \$386,000.

MR. K. PARSONS: Okay.

We can go to section 2.1.03 and just a couple of questions. I know Ms. Michael already asked most of the questions here that I did have, but I want to go to the Grants and Subsidies again. These Grants and Subsidies, why was it \$1,500 versus \$118,500 that it is this year?

I know that in a lot of municipalities they have people come down and do their town plans and stuff like this and services like that. Don't most towns have a certain period of time that you have to renew? Is this where you see this to when you have a commissioner come down and do –

MR. CHIPPETT: No.

MR. K. PARSONS: So this is not on this line at all?

MR. JOYCE: No, this is more if the town comes in and asks to do feasibility for the town –

MR. K. PARSONS: Okay, a feasibility study.

MR. JOYCE: Yeah, for the towns itself.

MR. K. PARSONS: Okay. Also, you mentioned about community co-operation and MNL's co-operation. I know that most municipalities are doing a lot of co-operation now, especially in areas with the fire protection, garbage collection and everything else.

What are we doing to get communities to do more? It's a great save on a lot of communities. An example is you have three communities in there that have dog catchers. You know if you just got them to get together and do the one, it's such a save on communities. That's just a very small item, I know.

Minister, what's your opinion on that? And where do you think we should be going? Should we be forcing – I don't mean you come down and force them, but we're putting a lot of money into these programs. Is there some way that we can force municipalities to co-operate?

MR. JOYCE: I don't think you can force them, but I think you give incentives.

MR. K. PARSONS: Yeah.

MR. JOYCE: There's a way to give incentives. Just as an example, we had meetings today with two towns who we're thinking about trying to help out. The only thing separating them is a sign and it's just not happening right now.

There are a lot of municipalities in the province that do co-operate. A lot have amalgamated, a lot have regional services, but there's a lot who won't. There's no way to force them unless you want to force amalgamation which is not on the agenda. But the way to do it is try to entice regionalization, entice sharing your services.

Some of the approaches we're looking at is any funding will help out with regionalization or sharing of services. So it's not a hammer but it's definitely a carrot to help with –

MR. K. PARSONS: Yes, I believe it should be something that should be priority for the department, that when municipalities are showing regionalization and co-operation the priority should go up the priority list, just to show that –

MR. JOYCE: I agree with you. We're definitely looking at projects and other incentives for municipalities that are co-operating and are looking into regionalization. I agree with you. That's a great way – we are looking at that.

MR. K. PARSONS: Thank you.

I just want to go to section 2.2.01 and look at the Operating Accounts. Last year, the budget was \$36,000 and there was only \$5,800 spent. This year is budgeted for \$12,500. Why the decrease in the amount?

MR. CHIPPETT: If you look at the line items above that add up to the \$12,500, really they were looked at again through the line-by-line exercise and historical spending. So really that's the general reason that we're down.

In particular, I think we looked at reducing travel under Transportation and Communications. That's really the biggest contributor to the number going from \$20,000 down to \$10,000 in 2016-17.

MR. K. PARSONS: Thank you.

I want to go to section 2.3.02. I wonder if you can give me an explanation on the Salaries there. Has there been a salary removed from this department?

MR. CHIPPETT: We had one employee which was a water utilities superintendent who retired. So we chose to make this a part of our attrition management plan.

Just to give you some context. These relate to industrial water services. So at one point in time the province had – I can't remember the numbers – 54 or 56 of industrial water systems that the department was responsible for running. We are now down to six. We hope, and have signed an agreement, with four of the six communities involved that we would upgrade those systems to a certain standard and then we would pass the systems over to the communities.

So because we have such a small number of systems left and we actually have an engineer in Cluney's branch, the Engineering branch, who looks after water and waste water, we're able to

look after those six systems until we hopefully pass them on to the people who use them on the ground. We can handle the workload through that position.

MR. JOYCE: There is only one who may not be here and that is Ramea. We may not be able to put it past Ramea because Ramea uses salt water. The cost to maintain that system is very high and Ramea wouldn't be able to sustain the cost for that water system. The other five we can pass back to the municipalities and, in one case, it may be a business, but I don't think any government would be able to get rid of Ramea because the cost is so high because it is salt water.

MR. K. PARSONS: Okay, that's good. Thank you.

On the Professional Services line, last year it was \$94,800; what wasn't spent there last year? What services are provided here?

MR. CHIPPETT: We actually pay plant operators on the ground to operate a lot of these systems. So it would just be based on how much we had to pay out in a given year. But we've budgeted for the full amount for next year. I don't know the specifics of why that number was down, but it would be basically we didn't pay out as much as we expected to.

MR. K. PARSONS: Then the next line, Purchased Services, is that just what you're paying out for people to do the work? We have the Professional Services and then the Purchased Services, the two lines there.

MR. CHIPPETT: In the Purchased Services – we will deal with the projected revised first – the \$510,000 basically reflects emergency repairs that had to be done in addition to the routine maintenance that we would envision doing. So it was up for that particular year and we would have transferred money in. Then for the \$502,000 we actually transferred in some funds to better reflect the amount that we expect to spend.

MR. K. PARSONS: It's a huge cost to maintain.

On the provincial revenue line there it's \$390,000, budgeted \$733,000 and now \$365,000. Can you explain what happened there in that one?

MR. CHIPPETT: The big increase in revenue in '15-'16 was due to some accounts receivable that came in from people who utilize these systems. People paid, as I understand it, after the fiscal year was over. So there were some owing amounts. Then the revenue in '16-'17, the decrease actually reflects the hope that we will be able to pass on some of those systems to the people who actually use them in 2017.

MR. JOYCE: Then once they take them, there will be no money coming in, no revenue to the province; they would own them. So that's the decrease in the revenue.

MR. K. PARSONS: Just a general question now on water systems and stuff in the province. We understand communities have large costs in maintaining the ones they have and sometimes the boil orders, like you said earlier, because of the cost of having an operator to operate the system, towns can't afford it. Is there anything we're doing to help towns to be able to get the proper training and have the people in place to take care of these systems?

MR. JOYCE: Well, actually, one of the programs your government put in place for those pilot projects was to go out and help with the smaller municipalities for training and education and help with water testing and water quality. In a lot of places, in many cases that we got, people just don't like the taste of chlorine and some find it too expensive. So it's a bigger issue.

There are a lot of reasons why this boil-order advisory is on. Some just won't turn it on; some won't do the maintenance on the water treatment plant because it's just too expensive. Some even said it's better to let it run down than have to put the money in and go 90-10 again. So there are number of reasons.

Through the environment, we are looking at different ways we can help every municipality who wants, and even encourage some, to have a system in place that will give proper, safe, chlorinated drinking water. So there are a few initiatives involved.

There is a deputy minister's group that is looking at all possibilities and got all the reasons why the boil-order advisories and try to just pick out a few (inaudible).

CHAIR: Okay, before we call for a vote on Services to Municipalities, did Ms. Michael have any more questions under that subheading?

MS. MICHAEL: Yes, just one question related to that.

In the budget it was noted government is going to increase rates for the industrial water systems to \$2.75 per 1,000 gallons in 2017 and then up to \$4 per 1,000 gallons in 2018. Do you have a concern about being able to collect that? What is going to be the implication on clients of this?

MR. CHIPPETT: We've spoken to all of the municipalities involved and none expressed an issue with the rate increase, in fact, expected that there might be some increase. I don't think generally, in terms of the municipal systems in particular, that there's usually an issue with collection. Cluney could speak to that better than I could.

MS. MICHAEL: Okay, thank you.

Nobody else has anything else to say on that.

MR. MERCER: If you're okay with that, then I don't –

MS. MICHAEL: No, you can go ahead.

MR. MERCER: Yeah, so there's never been an issue with collection. I think Jamie had referenced the fact that three of those systems we expect to divest to municipalities come January 1, 2017. So there won't be an issue of collecting revenue then, it's their system. They'll operate it themselves. If they're providing water to a business sector, it will be up to them to negotiate some kind of water rate with that business sector or tax and local agreement, that sort of thing.

MS. MICHAEL: Okay. Thank you very much.

CHAIR: Okay, if there are no further questions we'll call for a vote on that subheading.

Shall 2.1.01 inclusive up to 2.3.02 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subheads 2.1.01 through 2.3.02 carried.

CHAIR: We'll move to the subheading Lands.

CLERK: 3.1.01.

MR. K. PARSONS: I have a general question first to ask the minister because I know how vocal he was about Crown lands and with cabin owners and everything else. You had major issues in your area and I have them in mine.

Right now, there's an application process for Crown lands. When people call and apply, the amount of time they have to wait is huge. Are we doing anything to address this? Like I said in the past, I've heard you talk about this issue too.

MR. JOYCE: Yes.

MR. K. PARSONS: I'm wondering what – now that you're the minister you should be getting on the ball.

MR. JOYCE: Well, I can assure you I understand. The staff do what they can to help people out, I can assure you of that. I know I've been dealing with (inaudible) in the Opposition. His staff is doing whatever they can to help people out.

A lot of times the process, sometimes, when you have to send out referrals, it takes so much time to get back and to hear from other different departments about their referrals. Part of this *Lands Act* review is a way to speed up the process when you send referrals out to town councils and to other entities in government.

There's another process that we're trying to get online for applications. What would happen is that you can go online, look at a piece of land, then look and see if it's reserved or who owns

the land. Then you could actually look at the piece of land. A lot of times applications come in, and by the time they go through the whole system and take up the paperwork, then you realize, okay, this is on reserve and you can't – so then send it back and say, no, we can't because it's on reserve.

One of the initiatives we're planning on with the *Lands Act* review and bringing in that new legislation is that you can go online, you could actually look at the piece of land to see if you can apply for it, see the location, get the GPS on a location and actually fill out the application online so you can send it in online. In a lot of cases the land itself is taken and it's just moved. Then once it goes through the system, it goes through the whole referral – backlog because they did the system. The *Lands Act* review on that was completed and there were a lot of positive things in that, also, that would speed it up.

Another thing that we discussed – and that's all part of it in the fall – is giving a bit more authority back to the regional offices. What happens now, everything now has to come into St. John's, has to go into the director, has to go up to Peter, has to go up. We're looking at it to see if we could give, in some cases, more regional power authority to the regional office.

Another thing, a lot of applications take up a lot of time, it take months and months – is a normal referral. For example, they want a reserve. For some types of reserves it has to get Cabinet approval. So something that would be very simple to do, that the ADM, the deputy minister or even the minister could sign it off right now, as they go through that process, then it has to go to the Cabinet process and go up to the Cabinet to be approved, which is routine and it should be done in the department. That's part of the *Lands Act* review also.

All of these, hopefully – and I'm sure there are going to be great improvements to Crown lands. We're hoping to have most of these in, up and running by the fall.

MR. K. PARSONS: Okay.

MR. JOYCE: So I agree with you. It's not because of the staff; it's just the length of the process.

MR. K. PARSONS: The process itself.

MR. JOYCE: Yes, so that's all being reviewed.

MR. K. PARSONS: No doubt about it.

Have we got anything budgeted to help with this? There are a lot of recommendations in the *Lands Act Review* and some costs related to it. Is there anything in our budget?

MR. JOYCE: I think there's only one with the OCIO, is it? I think there's only one: \$150,000. I think that's the cost, is it?

MR. CHIPPETT: Yes.

A lot of those recommendations are process oriented so we didn't feel they required a budget submission of our own. The minister refers to putting the Land Use Atlas online which would also facilitate the public applying online.

We think the price tag for that, as the minister said, is about \$150,000. OCIO, I think, was budgeting for that in their system because it was a software solution, basically.

MR. K. PARSONS: Okay.

Another question is: Municipalities for years and years have been looking for access to Crown lands for themselves. Just explain. I know there is a policy in place now for municipalities so how's that going to work for municipalities?

MR. JOYCE: What was established in the red book, and for us to help create economic development and help with municipalities, is if there's a block of land in a municipality that they can see for development – it could be private development, houses, it could be for industrial development – what they would do is they can actually freeze that land for municipalities now up to five years. Then once they start developing the land, then they can start paying for the Crown land. The way it was before is if you went out and bought Crown land you'd have to pay it upfront. A lot of municipalities, of course, couldn't afford it.

MR. K. PARSONS: Couldn't afford it.

MR. JOYCE: The process now that we have in place is that you can freeze the land and start your economic plan. If you had someone who wanted to come in and do a housing development, then that land would be sold at market value and negotiated with the department. Then, as you move along, you can pay for the land itself.

The same if you had some industry coming in. Then you can freeze the land, some industry would come in. You could entice the industry to come in. Once the land is there, once it started being used, then you could start paying back the land instead of paying everything upfront. Each one is negotiated with the department.

Some municipalities have come in already and frozen a lot of land for industrial use, for economic development and for subdivisions in their area that they couldn't afford upfront, to come in and buy the land upfront.

MR. K. PARSONS: So we do have municipalities that are availing of this?

MR. JOYCE: Oh, yes.

MR. K. PARSONS: Good. It's a good idea. It gives a chance for the towns to get a bit of revenue for communities that really do need revenue.

Okay, I'm going to go to section 3.1.01. First, it's going to be the Salaries line. There's a decrease. Is this a vacancy or is it the eliminating of a position?

MR. CHIPPETT: The initial budget in '15-'16 of just over \$4 million accounted for 77 positions in the Lands Branch, or in the Crown Lands portion of the Lands Branch, and the revised Estimate was due to vacancies.

In terms of the reduction for 2016-2017, that is an elimination of three vacant positions, and budgeting for four positions that we expect to become vacant through attrition in the next while. So it's going to be a reduction of seven positions, eventually.

MR. K. PARSONS: So these positions, what are these positions?

MR. CHIPPETT: The three vacancies related to – so these are the positions that have been abolished already – are a manager of Crown Lands corporations and two legal secretary positions.

MR. K. PARSONS: Okay.

On the Supplies line again, we budgeted for a lot of money there, \$114,000, and this year it is \$55,000. I guess that's just – your answer is going to be the line-by-line analysis of what supplies are, and that's okay.

I want to go to the Revenue line now, if I can, and just explain to me – last year the revenue was \$50,000, this year's Estimates again now is \$150,000. So what happened there with that?

MR. CHIPPETT: That particular Revenue line relates to the sale of maps, air photos, and related lands products. So we really just didn't have the demand on those services that we did in the past. I think there's been a trend of decreasing revenue in that area, as people use more online products in particular. So that's the explanation for that.

MR. K. PARSONS: Okay. Just on that there alone, I know in my previous life I used to spend a lot of time over there with aerial shots, aerial photos. Are people still coming in and looking to see what land was worked in the '50s and '60s and '70s and stuff like that?

MR. HOWE: Yes, we usually get a lot of people still coming to the Air Photo and Map Library looking at the aerial photography over the years, either for business reasons or purely for personal reasons, general interest or even for academic reasons.

MR. K. PARSONS: The years they go back to, that goes back to '57, is it, or in the early '50s?

MR. CHIPPETT: It depends on the area in which the – various areas have various years of coverage. Some are in the '50s, '60s, you might even get some areas even into the late '40s that have coverage.

MR. K. PARSONS: Okay.

A lot of times, I guess, when people are looking to see whether their land is worked or whatever because, as you know, different grants and stuff like that. They can still go and be able to look and see what was done on that land back in the '60's and '70s. Is that the idea?

MR. CHIPPETT: Yeah, anybody can come into our Air Photo and Map Library and ask to see what years photography existed in the area and have a look and see what occupation has taken on the land.

MR. K. PARSONS: Okay.

Go ahead, Lorraine.

MS. MICHAEL: We can come back.

MR. K. PARSONS: No, we can come back.

MS. MICHAEL: (Inaudible) thank you.

Mine are mainly line items for this section. So looking at 3.1.02, under Professional Services, \$115,000 was budgeted last year. Only \$28,600 was spent and \$110,000 this year. So what are the professional services you get in this area?

MR. CHIPPETT: This section of the Lands Branch, one of their primary pieces of work relates to cottage lot developments. You'll see public draws from time to time. So the Professional Services and Purchased Services lines are for septic design for those pieces of land. Purchased Services relate to roadwork to put in proper roads to access those developments.

As you can see, the road expenditures are down to \$168,000. The septic designs come after the roads. So the answer here is probably the miserable July we had last summer, is probably part of the explanation.

MS. MICHAEL: So it's not normal for it to be as low as it was last year. You're right; I think you're probably correct in your analysis. Let's hope it doesn't happen again soon.

Under Revenue in the same heading, the provincial revenue, first of all, what is that

revenue? What was the big jump about last year? It looks like you're expecting a fair amount this year too.

MR. CHIPPETT: The big jump last year or the big number in there was a large commercial purchase of land on Kenmount Road. So that drove up our number.

In terms of what's in that line, it's generally recreational, residential and commercial lands throughout the province. So in some respects you don't know what applications are going to be finished and come in. If you look back through the Estimates, over three or four years I've been involved in some way with Lands, usually this division brings in more revenue than has been forecast.

To answer your question in terms of the \$8.5 million for this year, one, we've brought that revenue up again in line with historical revenue over the three years. Secondly, we've gone back and done an analysis of some of the public draws that occurred in the past. Not all lots have been taken up in those processes. So we're trying to offer some options to the public on those things.

We would have developed, put in roads and so on but particular lots may not have been developed or selected and bought. So there may be some opportunities for members of the public to buy some of those, and that would increase our revenue as well.

MS. MICHAEL: Are all of these lots, when they're put out there, are they evaluated according to market value?

MR. CHIPPETT: Fair market value is our policy with respect to any land that we sell, yes.

MS. MICHAEL: Right, thank you.

3.1.03; first of all Salaries, a budget last year of \$692,600, revised down to \$494,000, and this year it will be \$420,000. If we could just have a breakdown of what happened there.

MR. CHIPPETT: The difference within the 2015-16 budget year was due to vacancies, and there were some long-term vacancies in that division. Then the difference for 2016-17 relates

to the position numbers I used earlier. There were four vacant positions I talked about that were abolished in the Lands Branch. Some of them would have been in here. So that's the lower salary vote you're talking about.

MS. MICHAEL: Just a general question on positions in Municipal Affairs. I'm sure you must have the figure, maybe it's in the Estimates briefing notes there, the full figure of job loss either by attrition or just abolishing of positions.

MR. CHIPPETT: If you check our salary details online, there are 224 positions. That would be down by – I'm trying to get the number right here now. There will be eight more in time through attrition. So before that – I'm trying to count the numbers up now – there would be, I think there are 15 reductions in Municipal Affairs. They were all vacancies with the exception of one position that had an incumbent, and the incumbent has actually accepted a different position in the department. So there's no personnel impact in the department.

MS. MICHAEL: So that's between last year's budget and this year's budget.

MR. CHIPPETT: Yes.

MS. MICHAEL: Thank you.

Under Purchased Services – actually, we'll do Professional Services first. You budgeted \$50,000 last year, none of it was used, and this year down to \$49,000. I'm presuming the drop by \$1,000 was just because of the line by line.

OFFICIAL: (Inaudible.)

MS. MICHAEL: Okay.

If anybody watching from the outer atmosphere doesn't understand what I mean by line by line, they haven't been watching Newfoundland politics over the last few weeks.

Under the Purchased Services, a jump of \$100,000 there.

MR. CHIPPETT: When we turned to the next activity there used to be a lot of cost-shared agreements with the federal government when

some of the initial base mapping for the province was done, flyovers to get the imagery and so on to allow the mapping to be done. As a lot of that stuff has been done, that activity has moved away from being a cost-shared activity with the federal government to more of an internal to our department, or maybe in partnership with another government department, like Natural Resources, rather than the cost-sharing with the federal government. So we basically merged the activity that you'll see if you flip the page, the Geomatics Agreements, into this particular activity.

MS. MICHAEL: Okay. So I don't have to ask about Geomatics then because you've given me the explanation; very good. I think that the Geomatics was my last question in this area.

No, we come over to 3.1.05. Again, the Salaries, but I take it this is going to be a similar answer that you've given and when we get the briefing book we'll see the exact numbers, I guess, of the positions that may have been lost through attrition or through being abolished.

MR. CHIPPETT: Yes, that's correct. In '15-'16 there were vacancies in the department, or in this section. There will be two positions through attrition that will be lost here.

MS. MICHAEL: Right, thank you.

I think I'm satisfied with that. We can go back to you, Kevin, if you have more questions.

MR. K. PARSONS: Yes, I just have a couple of small ones here to finish this line.

I want to go back to section 3.1.03. I want to go to the Revenue line, \$70,000 budgeted, \$70,000 estimated this year, but there's only \$500 under revised. Give us an explanation of that, please.

MR. CHIPPETT: This is very similar to the answer from before on mapping products and so on. This would be the sale of maps, survey data and air photo reproductions, because you can come in and you can ask for a photograph to be reproduced. So it's really just less activity in those areas.

MR. K. PARSONS: Most of this is done over in the Howley Building, I would imagine, over

on the (inaudible). The boys over there weren't very busy last year, is that what you're saying? That's what it looks like. Anyway, that's about it on that.

Minister, as an MHA, and I know just talking to one of the MHAs behind me, all districts and all MHAs do have a lot of questions when it comes to Crown Lands. It seems like we get a lot of calls and I think most of the constituents are frustrated, to say the least, when you deal with them because of the length of time and stuff like that.

I had great dealings with Mr. (inaudible) and the department over there. I know they're doing their best over there, but we got to find some kind of process that can speed it up a little bit so people don't be waiting. I had a call just last week of an application that went in for a cabin on Salmonier Line. Right off the bat they were told this is going to take over a year. So I don't know what we can do to make sure that we speed it up.

MR. JOYCE: I agree with you 100 per cent. Peter and his staff, Jamie, and all of us are involved with a process to try to speed it up and make it more efficient as possible. I agree with you that, yes, we need to do something. It will take time but it will be done. Hopefully, when we bring in the *Lands Act* review and the act for that is going to help, and the other initiatives that we mentioned today will definitely help. So I agree there is a need for it and we will find a way to get through it, definitely.

MR. K. PARSONS: Okay. Thank you.

That's good.

CHAIR: (Inaudible.)

CLERK: 3.1.01 to 3.1.05.

CHAIR: All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subheads 3.1.01 through 3.1.05 carried.

CLERK: 4.1.01.

CHAIR: I'm not sure who's to go next.

Ms. Michael?

MR. K. PARSONS: Yes.

MS. MICHAEL: Municipal Debt Servicing 4.1.01, the Grants and Subsidies has gone down a fair bit from the revision last year. If we could have an explanation, please.

MR. CHIPPETT: This reflects the debt balances that the department has in terms of municipal loans. This one is primarily for infrastructure projects. This heading actually just deals with interest. So as these are paid off, they become less. It's not that we're not funding anything here with this reduction, there's just less interest to deal with in this fiscal year, and it will continue until we basically pay off all of those loans.

MS. MICHAEL: Great.

MR. CHIPPETT: So the next activity is the same issue, and I think – Heather, 2026 or 2027?

MS. TIZZARD: It is 2027.

MR. CHIPPETT: We'll have all of them paid off.

MS. MICHAEL: Okay. Then 4.1.02 would be connected with that, because one is the principal and one is the interest, right?

Okay, they were my two major questions for there.

I turn it back to you, Kevin.

MR. K. PARSONS: Minister, Municipal Operating Grants haven't changed, and I'm very, very glad to see that. I thought with the problems we have with our budget that's one area we didn't need to go. Again, municipalities right across the province are very pleased with the Municipal Operating Grants they're getting. We increased it a couple of years ago, and it's

huge for towns because that's where they get most of their money, especially small municipalities.

I just want to go to the Grants and Subsidies under Special Assistance here.

MS. MICHAEL: Can I just ask a question –

MR. K. PARSONS: Go ahead, yes.

MS. MICHAEL: (Inaudible) come back to it.

Is the plan, Minister, to continue the \$22 million again next year? Because I think it was a three-year plan.

MR. JOYCE: It is a three-year plan, but I don't want to prejudge what's going to happen in next year's budget. But I know this year that it is, and then we have to look at next year's budget. I have all intents to put my case forward for the municipalities of Newfoundland and Labrador.

I can't prejudge Cabinet's decision, but it is going ahead next year. I will be putting forth the need for it, but I can't prejudge what the Cabinet decision is going to be.

MS. MICHAEL: Thank you.

MR. K. PARSONS: Minister, one of my first questions I asked starting off the night was about special assistance and how important it is to municipalities when a special need comes. Most of them are things that come on municipalities, whether it be a waterline break or a need in the communities, stuff like that.

Last year, it was \$4.3 million. This year it's reduced to \$3.43 million. We even spent more money last year it looks like than what was actually budgeted. There's a huge reduction there, almost \$1 million. Is that going to be less money to the municipalities?

MR. CHIPPETT: The increase for last year's, to deal with that one first, was we transferred in funds for two things. One would be the relocation in Round Harbour. So as the minister said earlier, you find the funds when the process has concluded. The Round Harbour process concluded in the last fiscal year and that payout was done through special assistance.

The other piece was the government had committed to assist Labrador City with municipal infrastructure connecting to the new college and the new hospital in Lab West. That funding was paid out through special assistance as well.

In terms of '16-'17, the biggest decrease you see there is the funding that the province was providing to Wabush. So it was elevated because of Wabush.

MR. K. PARSONS: Okay.

MR. CHIPPETT: There was also a base funding reduction taken, I think, in *Budget 2015* of about \$238,000, along with the Wabush decline. So that's why it looks like –

MR. K. PARSONS: Okay.

Minister, the recent fire out in Bay de Verde, I know you were out with the Premier and the Member and the minister in the area; is this where some of the allocation of funding will go to help any community that's in need, like they are?

MR. JOYCE: In actual fact, there hasn't been any request come in yet but if there is any, it would go through the CEEP. There may be some additional funding. For example, I know some fire departments lost fire hoses and nozzles in that area. If the request comes in and it's too large, it would go under that emergency funding.

I know there are a few other smaller requests because of the fire. In consultations with the Fire and Emergency Services, they were told to check with the insurance first because they were fighting the fires right on the wharf and the buildings came over and if there is no funding there from insurance, then they can apply under emergency funding, or they can also apply to Fire and Emergency Services under the normal grants for fire departments.

MR. K. PARSONS: I know that there are homeowners and people in the area that didn't have insurance. I spoke to one this weekend actually and his concern was there's a lot of soot around his property and what could be done to clean up the mess that's there, basically. He wasn't sure what would be available, who he'd

check with and where it would come from. With no insurance on his property, it's a real dilemma.

MR. JOYCE: In that case now – I'm no lawyer, I don't profess to be – a lot of times if there's a fire through the fish plant that caused damage to others, the fish plant's insurance may cover it.

MR. K. PARSONS: That's what I figured.

MR. JOYCE: So my suggestion is to check with the company themselves. For example, I'm sure there's insurance there if there was someone's vehicle on the property, that would be covered. I'm just saying that's where I would go to try to get that done.

MR. K. PARSONS: That's what I told him.

MR. JOYCE: Okay.

MR. K. PARSONS: Anyway, I want to go to line 4.1.05, Community Enhancement. Again, there's a huge difference in the Salaries, what was budgeted, what was revised and what is there this year. Again, is this to do with vacancies? It's a huge amount.

MR. CHIPPETT: There have been some, again, long-standing vacancies in that division. So the staffing here has gone from 10 to five; three of those were positions that were actually unfunded, just extra positions on the books. We converted a clerk position to a seasonal position. CEEP varies during times of the year in terms of the busy times, so we converted one position to a seasonal position. We abolished a vacant position that was funded and we will also be restructuring this division to fall under a different director in the department.

As I said earlier, there was one incumbent here who was affected but he has accepted another position in the department.

MR. K. PARSONS: Okay, thank you.

The Grants and Subsidies line, I'm just looking at this, there's a decrease – can you explain why the decrease of \$1 million in what was budgeted and what's revised?

MR. JOYCE: In the initial one, it was the budget one for 2015-2016, and the revised was

\$5,500 and it was last year that there was actually a reduction made into it. So we're just following through with the reduction that was made from the last fiscal year.

MR. K. PARSONS: Okay.

Let's go to the Provincial Gas Tax Revenue Sharing. I'm glad to see the government's committed – this is for our Community Sustainability Partnership, I guess. I have to say again that I'm pleased to see this is in place in that the Grants and Subsidies have been increased. I guess that's the reason why the increase because of the sustainability plan that was put in place last year, on the Grants and Subsidies line?

MR. CHIPPETT: That's correct. You might recall that it was a three-year – the percentage of the revenue that would be shared would go actually from 0.5 to 0.75 to 1 per cent. So this year we're getting into the 0.75 per cent year. So that's why that has gone up in the Grants and Subsidies line.

MR. K. PARSONS: Okay.

Just a question on that – municipalities, so this is a three-year program, right? It's three years, this program. So when the gas tax money comes out – towns use it for different needs in the communities, whether it's to pave a road with dust on it or whatever. So they can avail of the full three years in the first year, or do they have to wait the three years before they can avail of the total funding?

MS. TIZZARD: This is allocated on an annual basis, twice per year, very similar to Municipal Operating Grants. So it's allocated that way and municipalities can use the money however they wish.

MR. K. PARSONS: Okay.

Just another question – now with the increase in gas tax, it's gone up by 16.5 cents again, what effect does this have on the monies there? Our taxes are going up on the gas, 16.5 cents; will this have any effect on the money that's going to be available from the gas tax?

MS. TIZZARD: This shouldn't have an impact, because it's done on cents per litre, so it's half a cent per litre and 0.75 cents per litre.

MR. K. PARSONS: Okay.

MS. TIZZARD: So unless there's a change in volumes, a change in volumes would affect it. But the change in the tax won't.

MR. K. PARSONS: Okay, thank you very much.

Let's go to section 4.2 – no, I am gone to 4.2 now and that is different. Is that the last one in this one?

CHAIR: It's under the same subheading, yes.

MR. K. PARSONS: Okay, we are good – infrastructure.

The Salaries, I guess again it's the same. I won't even ask that because it is the same question there. Basically it's a vacancy, I would imagine. But I will go to the line of Transportation and Communications. Last year there was \$135,000 spent, but we're budgeting again \$243,000. Why the difference in this line here?

MR. MERCER: Basically, that reflects – that line item is for engineering staff within the department to travel out to municipalities to meet with municipalities and consultants regarding infrastructure projects. So the reduction there was just a decreased amount of travel that we did last year. They'll fluctuate from year to year, depending on how many projects are on the go at any one time.

MR. K. PARSONS: Yes. Just a question related to that. Has there been any reduction in the staff in engineering, people who do go out and do the assessments? I know there are a couple of new people that I've seen new names with but I didn't know if there is any reduction in staff in that division.

MR. MERCER: No. No reduction in staff. Of course, with engineering staff you get a significant turnover. So recruitment and retention is still a significant issue in that field.

MR. K. PARSONS: Okay. I just see a few different names here, so there is a discussion for that.

Under Professional Services, last year we budgeted \$275,000, we only used \$9,900, and this year – what’s the discrepancy on this line?

MR. MERCER: From year to year professional services would change, depending on whether – we typically use professional services for auditors for federal and provincial programs or for various initiatives that we might be doing.

Last year we didn’t have a big need for professional services, so we underspent in that particular area. Next year we’re looking at continuing work on our Master Specification document that we’ll continue to incur with professional services. We go outside and hire a consultant to help us do that.

MR. K. PARSONS: Okay.

Just an explanation on the next line also with Purchased Services; I see we only budgeted \$40,000, yet we used \$1.08 million really, and this year we’re budgeting \$139,000. There’s a huge discrepancy there.

MR. MERCER: The huge increase there from \$40,000 to \$1,080,000 was the result of – we have funding budgeted for our Waste Management Strategy that is typically paid out to regional service boards as grants.

One particular project in the Western Region involved construction of a left-hand turning lane on the Trans-Canada Highway for the new transfer station that’s being built in the Bay St. George’s area. So what we did there, to achieve economy to scale, is that we actually tendered that project in conjunction with some Trans-Canada upgrading work that the Department of Transportation and Works were doing. They pay contractors directly. When you pay a contractor directly, it gets paid as a purchased service, as opposed to getting paid as a grant if you pay it through a regional service board. So we transferred some money in there from Grants to Purchased Services to cover that cost.

MR. K. PARSONS: Okay.

I will go to line 10, Grants and Subsidies. Again, I’ll just ask for an explanation.

MR. MERCER: Grants and Subsidies is the provincial portion of funding that we pay out to municipalities under our various cost-share ratios. We’ve had this discussion many times at Estimates in terms of we have a lot of projects that are occurring in any given fiscal year. While we provide our share to municipalities as they incur costs, we’re not really in control of how quickly they spend the money.

Last year, we budgeted about \$105 million. It was the first time in seven years we’ve actually gone over our budget. So we actually had to transfer some savings into this account from our gas tax program, the money that didn’t go out the door. We actually spent \$125 million this year on infrastructure projects. We have more projects completed this year than we had anticipated.

MR. K. PARSONS: Okay.

Would that mean there are not as many projects on the go this year? Is that what you’re saying?

MR. MERCER: We still have a significant number of projects. Going into fiscal year ’15-’16, we had in excess of 700 active projects. Just cluing up year-end spending now, we have about 380 that will carry over into next year. Notwithstanding any new projects that will get approved this year.

MR. K. PARSONS: Okay.

Just in section 4.2.02. Minister, I guess this is the Building Canada Fund we’re going to be talking about here. I’m looking at the Grants and Subsidies. It looks like there are huge plans for some infrastructure when it comes to Municipal Affairs.

What’s the increase here? It’s up to \$42 million. Are there major projects on the go or something we’d see here out of this one?

MR. LANE: It’s all going to Mount Pearl, b’y.

MR. K. PARSONS: It’s all going to Mount Pearl.

MR. CHIPPETT: It's basically the acceleration of the Small Communities Fund agreement. That takes us to the \$42.3 million in '16-'17.

MR. K. PARSONS: Okay.

I just want to ask a question while we're talking about infrastructure and programs in Municipal Affairs. Minister, you can just – the Northeast regional plan that's on the go with all the municipalities and stuff like that are on the go, where are they? I know previously we tried to get them all together and get a regional plan in place. Is there any progress on that there now? NEAR Plan it's called.

MR. JOYCE: Good question, Paul.

MR. K. PARSONS: I just had to ask him the name of it.

MR. LANE: He just asked me what it was called.

MR. JOYCE: What we have done, we had several meetings on it in the department. We have just written the proponents to see who's involved with it. What we did, we have just written them and said who wants to be involved and when can we start up this process.

Graham Letto, the parliamentary assistant, and the Member for Lab West has agreed to oversee the project with the department, be a liaison with the department. We're in the idea that if the municipalities get back to us and say yes, let's start this again. We want to get it done. Graham has agreed to oversee it from the department's point of view, with his experience with MNL and experience with all the other municipalities on the Northeast Avalon. Once we hear back, if it's a positive – which I assume there will be – we will start the process again.

You're right on that, because I know in discussions – and someone can cut me off here pretty quick if – I'm just going on memory, is that there were meetings but you couldn't even get a quorum. There were many times they couldn't get a quorum.

MR. K. PARSONS: I know.

MR. JOYCE: My statement to that was if the municipalities aren't interested, why are we continuing on with it?

Everybody has been written. We're hoping to hear back soon from all stakeholders. We're hoping to try to get this initiative up and running and moving.

MR. K. PARSONS: So you're going to push for the amalgamation of St. John's and Mount Pearl, right?

SOME HON. MEMBERS: Oh, oh!

CHAIR: Looking at the clock, does Ms. Michael have any more questions on the subheading Assistance and Infrastructure?

MS. MICHAEL: 4.2.03, the Grants and Subsidies. Last year the budget was \$45,015,000, revised downward significantly to \$22,851,500, and now this year back up even higher to \$59,971,500.

You must have an idea of some of the proposals that are going to come in in order to put it up that high. Could we get some detail on that?

MR. CHIPPETT: This is the federal gas tax agreement.

MS. MICHAEL: Yes.

MR. CHIPPETT: The allocation formula is set until 2019. So what you're seeing in those numbers you referenced, first of all, the \$22.8 million in the revised for '15-'16, two things going on there. Part of this funding is used for waste management, so the expenditures were less in waste management than we expected. So it's actually moved forward to the following year.

MS. MICHAEL: Okay, great.

MR. CHIPPETT: The second piece is under the Community Sustainability Partnership, there were new accountability requirements added for municipalities, certain things they needed to do, and I think there were actually other requirements that existed anyway in this program. So if municipalities are not compliant in a given year, then that funding is carried

forward to the next year; we don't pay out as much if they're not compliant. So that's really the two major things going on with that particular Grants and Subsidies line.

MS. MICHAEL: Okay, thank you very much.

That's all that I have.

CHAIR: Okay, we've got a few minutes left. Did you have anything else under –

MR. JOYCE: Lots of time, no rush.

MR. K. PARSONS: No rush, he's not yawning over there. He is the best kind; he's wide awake. Maybe we'll keep him going. I have a couple of points –

MR. JOYCE: I know the officials, we all agreed earlier that if you want to go past 9 o'clock, we're fine with that –

MR. K. PARSONS: No, the officials and yourself have been very co-operative tonight so far, and I just have a few questions left to ask, general questions when it comes to the department.

MR. JOYCE: Yes, sure.

MR. K. PARSONS: I want to go back a little bit to the water and water systems because it's important to a lot of – and again, the cost. I want to go back to how towns can apply for them. I know I've had meetings with Mr. Mercer before, and the cost is huge to municipalities. Myself and you spoke about it just a little while ago, and I just want to know where we're going to with the federal government to pay for a lot of these costs.

MR. JOYCE: Well, of course there's funding from the federal government on this, and there is a cost-shared ratio also with the federal government, provincial and municipalities. Each ratio, depending on the municipality, is different, as you know.

The idea of the cost is to (a) build the infrastructure in a place that a municipality can sustain it after. I said it for years it's no good to give someone a Cadillac system if they can't afford to run the Cadillac. So the idea is to put a

system in place that the municipality can afford, which is going to be efficient for the municipality. I guess that is the work of the department and the engineers to ensure that the system is put in place that suits the municipality, not only for the service-wise, quality-wise but also financial-wise later when the system is up and running.

MR. K. PARSONS: Okay.

Just for an example of a system that cost a couple of million dollars, would the cost-shared ratio with the federal government be 50-50 – I'm just wondering because I'm looking at some of the systems that are in place. Would it be 50-50 and then we cost share the 50-50, 90-10, 80-20, 70-30? Is that how it works?

MR. JOYCE: Well, there are different cost-shared ratios with different municipalities. For example, the City of Corner Brook and St. John's is different, say, from Lark Harbour in the Bay of Islands because they're smaller municipalities. So it's hard to say what the cost-shared ratio is unless you know which municipality you're referring to.

A lot of the municipal funding comes down and they pay for it. They don't pay for any cost overruns under the federal partnership, which we're trying to change. So it's hard to say what the cost ratio is because some municipalities have 50-50, some 70-30, 80-20, 90-10.

MR. K. PARSONS: The City of St. John's just recently did a water study. It's very important for the whole Northeast. There are a lot of municipalities looking for water and whatnot. Is there anything the department is going to do to help municipalities that are in desperate need of water in the area to help them with – the City of St. John's, I don't believe, has the water capacity to help but there is some infrastructure that can be put in place to help this. Has your department looked into the water study and what it can do to help other municipalities in the area?

MR. MERCER: Yeah, we've taken a look at the water study. It has some long-term recommendations there in terms of building a new regional water supply. If there's anything in the short term that individual communities would need, certainly they're able to submit us

an application for consideration under one of our infrastructure funding programs, be it multi-year, municipal capital works or any of the federal-provincial programs that are available. It's really up to a municipality to decide what they want to do in the short term.

MR. K. PARSONS: Just to ask a question about the Town of Torbay. As you know, there's some contamination at the airport with the water supply that they wanted in Southern Pond. When they looked at different options they had, the only option they really had that made it viable was the water from St. John's.

Is there anything the department can do? I believe right from the start, the federal government should be responsible for this, but still I don't think they're going to step in and do anything. Meanwhile, is there anything we can do to assist in something like this? Ask St. John's to supply water?

MR. MERCER: I guess that's probably the only thing, try to encourage some dialogue between the two municipalities. That's certainly the approach.

The Town of Torbay has looked at developing some of the smaller ponds that are nearby. Whether that's an option in the interim or whether a larger investment into a regional water supply is the right way to go, but having a dialogue between the two communities and us trying to promote and help facilitate that, I guess, is probably about the most we can do at this point in time.

MR. K. PARSONS: Okay, thank you.

As a conclusion, I'd just like to –

OFFICIAL: Are you rushed?

MR. K. PARSONS: No, I'm not rushed at all.

Anyway, I'd like to thank you all for the opportunity tonight to be able to ask you questions. I thank you for your answers. I have a great rapport with the department. I think you're doing a great job.

Municipalities in Newfoundland are the – at that level of government – heart and soul of our

communities. They deal with the smaller issues, we would say, but municipalities, I just think they're the best volunteers because most of them are volunteers that do the work and what they do and they have to deal with your neighbour.

I'll always remember the first time that I was the Mayor of Flatrock. One of my buddies I was moose hunting with for 20 years didn't agree with a decision I made and we fell out over it. Since then, we've been friends, but it puts a lot of hardships on municipalities.

I think the department is doing a good job too. I am very pleased with the budget, to see there are no huge cuts because I know there were fears from municipal leaders with the budget coming that there would be a lot of stuff downloaded to the municipalities. I think this is good that there wasn't.

Anyway, I wanted to thank you.

MS. MICHAEL: I thank you all too. Thank you so much.

MR. JOYCE: (Inaudible) question book. As usual, we're always open and accountable and ready to please. I'll even offer the ministerial Estimates book.

I just want to thank everybody for their questions. I know I was in that role many times on the opposite; the questions that you ask sometimes are hopefully provocative so you get some change and help out. I know the questions were the same thing tonight and in good spirit and in light co-operation that we can supply the services to the people of Newfoundland and Labrador. Thanks for your openness.

I just want to thank all of the staff who are here tonight putting up with us and listening to us. I thank them for all the support. In my short time, four months in Municipal Affairs and Crown Lands, they do it a lot and a lot of hard work. A lot of times they get a bit of criticism which they don't deserve because the system that we, as politicians, created puts them in a bad place. Hopefully, we all can find a system out that we can make it easier for everybody and support the people in Newfoundland and Labrador in a better way.

Thank you.

CHAIR: Okay, there are two or three things we have to do yet before we finish.

First of all, we'll call for a vote on 4.1.01 inclusive to 4.2.03.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Against?

Carried.

On motion, subheads 4.1.01 through 4.2.03 carried.

CLERK: The total.

CHAIR: I need to call for a vote on the total.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

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

CHAIR: Shall I report the Estimates of 2016 Municipal Affairs carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

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

CHAIR: Okay, a couple of things. Mr. Parsons is not a permanent Member of the Committee and he was nominated tonight as Vice-Chair. Mr. Davis and Ms. Perry, who is not present, can be nominated as Vice-Chair because they are permanent Members. So we'll open the floor once again to call for a nomination for Vice-Chair.

MR. K. PARSONS: I nominate Ms. Perry.

CHAIR: Okay. Any further nominations?

Okay, Ms. Perry will be the Vice-Chair.

Now I'll ask for a motion to adjourn.

MR. LANE: Moved.

CHAIR: This House now stands adjourned on Estimates until 9 a.m. on Wednesday, when we will debate the Estimates of Seniors, Wellness and Social Development, and the Newfoundland and Labrador Housing Corporation.

On motion, the Committee adjourned.