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

May 2, 2017 - Issue 4

Department of Municipal Affairs and Environment

SOCIAL SERVICES COMMITTEE

Department of Municipal Affairs and Environment

Chair: Lisa Dempster, MHA

Vice-Chair: Gerry Rogers, MHA

Members: Paul Davis, MHA
Carol Anne Haley, MHA
Betty Parsley, MHA
Scott Reid, MHA
Brian Warr, MHA

Clerk of the Committee: Lorna Proudfoot

Appearing:

Department of Municipal Affairs and Environment

Hon. Eddie Joyce, Minister

Jamie Chippett, Deputy Minister

Sherrie-Lynn Dogurga, Executive Assistant

Robyn Hayes, Departmental Controller

Graham Letto, Parliamentary Secretary

Erin Shea, Director of Communications

Dana Spurrell, Assistant Deputy Minister, Corporate Services and Policy

Heather Tizzard, Assistant Deputy Minister, Municipal Support

Also Present

John Finn, MHA

Lorraine Michael, MHA

Kevin Parsons, MHA

Barry Petten, MHA

Laurie Bonia, Researcher, Official Opposition Office

Ivan Morgan, Researcher, Third Party Office

Pursuant to Standing Order 68, Kevin Parsons, MHA for Cape St. Francis, substitutes for Tracey Perry, MHA for Fortune Bay – Cape La Hune.

Pursuant to Standing Order 68, Barry Petten, MHA for Conception Bay South, substitutes for Paul Davis, MHA for Topsail – Paradise.

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, John Finn, MHA for Stephenville – Port au Port, substitutes for Betty Parsley, MHA for Harbour Main.

The Committee met at approximately 6:10 p.m. in the Assembly Chamber.

CHAIR (Dempster): Okay, if everybody is ready, we'll begin.

Welcome to the Estimates of Municipal Affairs and Environment. Before we get started, I want to make note that we have some substitutions this evening. Mr. Parsons is sitting in for Ms. Perry; Mr. Petten is sitting in for Mr. Davis; Ms. Michael is sitting in for Ms. Rogers; and Mr. Finn is sitting in for Ms. Parsley.

We do have minutes from this morning, the Department of Health and Community Services, under the Social Services Committee, May 2. I need a motion to adopt those minutes.

So moved by Ms. Haley.

On motion, minutes adopted as circulated.

CHAIR: I will start by letting the minister introduce his team and offer a few opening remarks.

MR. JOYCE: Eddie Joyce, Minister.

MR. CHIPPETT: Jamie Chippett, Deputy Minister.

MS. SPURRELL: Dana Spurrell, Assistant Deputy Minister.

MS. TIZZARD: Heather Tizzard, Assistant Deputy Minister.

MR. LETTO: Graham Letto, Parliamentary Secretary.

MS. HAYES: Robyn Hayes, Departmental Controller.

MS. DOGURGA: Sherrie-Lynn Dogurga, Minister's EA.

MS. SHEA: Erin Shea, Communications Director.

CHAIR: Okay.

Mr. Parsons, the first responder, gets 15 minutes and then we will go back and forth 10 and 10.

Mr. Parsons.

CLERK (Proudfoot): Subhead 1.1.01.

MR. JOYCE: Can I have a few opening remarks?

CHAIR: My apologies, Minister. I'm really getting ahead of myself here. Go right ahead.

MR. JOYCE: That's all right, Madam Chair, I know I'm pretty quiet and people don't notice me.

First of all, if it's okay with the Third Party, we're going to do Environment first. One of the Members has a commitment that he wanted to try to get to by 7 o'clock in his district, so we agreed to that.

I'm just going to read a small prepared statement that we have just for a few minutes. When we start Environment, just to let you know, it's on 4.1.01 of the binder that I just passed out. That's where Environment starts when you want to start asking questions.

On February 22, 2017, the Department of Municipal Affairs and Environment was formed to advance the economic, social and environmental sustainability of municipalities, communities and regions through the delivery of effective programs, services and supports. This new department encompasses parts of the former

Department of Municipal Affairs, Department of Environment and Climate Change and Fire and Emergency Services.

It is structured as Municipal Infrastructure and Support Branch, which includes the Municipal Finance Division, infrastructure and Engineering Division and Municipal Support Division; second, Environmental Management and Control branch, which includes the Pollution Prevention Division, Environmental Assessment Division and Water Resources Management Division; and the Fire, Emergency and Corporate Services Branch which includes Fire Protection Services Division, emergency management service division, Local Governance and Planning Division, Policy and Strategic Planning Division and Strategic Financial Management Division.

I'll just read out the priorities. The priorities for the department for the fiscal year 2017-'18 include: amendments to the *Assessment Act, 2006* based on the results of the review process carried out during the last year; conducting a comprehensive review of the municipal legislative framework; moving forward with regional governments consultations; beginning implementation of a new three-year multi-infrastructure program which will provide better access to water and waste water systems and advance regional collaboration through sharing of infrastructure and services; development of a new drinking quality action plan; review of the environmental assessment process to make it more responsive and efficient; and continuation of remediation of contaminated sites.

These priorities were included in the department's zero-based budgeting submission as well as the requirements for the effective and efficient operation of the department. Through this exercise, the Department of Municipal Affairs and Environment was able to achieve savings of over \$762,000. This exercise allowed us to build our budget from the ground up. It was not about cutting budgets and programs, but gaining an understanding of where the funding is required and finding greater efficiencies across the table.

The department's 2017-'18 budget reflects a net decrease of almost \$8.7 million in 2016-2017. This is due in large part to leveraging federal

funding, where possible, but especially towards the municipal infrastructure program. Budget 2017-'18 commits \$142.2 million under municipal the infrastructure program, with almost 50 per cent being federally funded.

While *The Way Forward* consolidated engineering services within one department, the Department of Municipal Affairs and Environment retained its engineers. The Department of Municipal Affairs and Environment has 229 employees of which two are political support staff, six are executive, 51 are management and 170 are bargaining units. The total salary budget for 2017-'18 is \$16.69 million. We are located throughout the province with 10 office locations.

Madam Chair, that will be my opening remarks and I'm assuming we're going to go with the Member for CBS and Environment first.

MS. MICHAEL: Can I suggest that we introduce ourselves?

CHAIR: You certainly can.

Go right ahead, Ms. Michael.

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

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

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

MS. BONIA: Laurie Bonia, Researcher, Official Opposition.

MR. PETTEN: Barry Petten, MHA for CBS.

MR. REID: Scott Reid, MHA for St. George's – Humber.

MR. FINN: John Finn, Stephenville – Port au Port.

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

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

CLERK: Subhead 4.1.01.

CHAIR: Shall 4.1.01 carry?

Mr. Petten.

MR. PETTEN: Thank you very much.

Thanks, Minister. I got just a few questions to ask before we get to the – if you're okay with that.

MR. JOYCE: It is all according to what they are.

MR. PETTEN: They are not too bad.

Minister, the chemical water testing that was announced there about a month ago – I'm not sure, I got it there somewhere – for the towns that water testing wasn't done in those towns, it was going to be done over a 10-day period and the results would be released. Has that been done? Have results been ...?

MR. JOYCE: Most of the towns' results have been back. Part of the policy of the department is to wait for them all to come in and they'll all be sent out at the same time. So that should be done later this week or early next week.

MR. PETTEN: Okay.

MR. JOYCE: But the preliminary results are saying there's no increase.

Just for your information, there are two types of testing. There's one being done every month. The part that wasn't being done was more for like iron and other things in the water. So there was testing done every month, but the part that wasn't done was done on a quarterly basis, and that's more for any chemicals in the water: iron. And if there's any change in that, that usually goes over a number of years.

But the part that was done was – for example, is if a moose falls in the water, there'd be a spike in the water itself. In that case, that is being done every month – hasn't changed, that part. The other part is quarterly. The results that we have back are that there has been no change in any of the water systems. So they will be posted either later this week or early next week.

MR. PETTEN: So there was no risk of any harm to anyone drinking it?

MR. JOYCE: No, absolutely not.

And just on that case, when we verified it on a Tuesday night, Wednesday the staff contacted every town. The LSD tracked them down and said here's what's going on. We had conference calls the next day. I think five towns were on one day. I think there may have been four or five on the next day saying here's what we're doing. We've been in constant contact with them. When we get all the results, which we should have later this week or early next week, it will be posted online, sent out en masse to every town, and that's the way we do it anyway.

MR. PETTEN: Okay.

MR. JOYCE: So they will be online.

MR. PETTEN: The composting facility in the Argentia Access Road, the EA, when is the expected completion or release date or decision date on ...?

MR. JOYCE: The information on that, I think, the final submissions are May 20 and the decision is May 25.

MR. PETTEN: Okay.

MR. JOYCE: Yeah.

MR. PETTEN: Minister, recently in the news, CFIB also made a motion about the fee for the iceberg water, the harvesting fee. Two quick questions; two basic questions on that: What's the anticipated revenue from this? It's a \$5,000 fee, right?

MR. JOYCE: I think it's \$45,000. I think the revenue is \$45,000. I have been in contact with one of the operators. There is a second one who called me. I haven't called him back yet, but I will. We are speaking to them and I'm not sure what's going to happen to it, but I think the revenue was \$45,000 for it.

Part of that is that there is a fee for the water plus a licensing fee.

MR. PETTEN: Yeah.

MR. JOYCE: It all came together at the same time. That's why you have the massive increase. We are speaking (inaudible).

MR. PETTEN: So you have gotten complaints, I guess, or there were concerns raised about it?

MR. JOYCE: Oh yes, we got complaints; we spoke to people. We got it from the small business – Vaughn Hammond, I think; got a letter from him, also.

MR. PETTEN: That is right, yes.

MR. JOYCE: We have received concerns about that, and I have spoken to one of them down in – which one was it, down in ...?

OFFICIAL: Twillingate.

MR. JOYCE: Down in Twillingate I spoke to him, and there was another person who called that I haven't called back yet, but I will call back.

MR. PETTEN: Okay.

One more question before I get to the lines. MMSB, you're responsible for it now, so I have two questions on that, basically. What role is the department playing with the MMSB now? We don't hear a lot about the Multi-Materials Stewardship Board. And who is the present chair of it?

MR. JOYCE: It's moving right now – the MMSB is still under the Department of Environment. You don't hear much about it because they're doing a good job of it, and they're raising money for the other volunteer organizations in – I'm not sure who's the chair.

MR. CHIPPETT: I am.

MR. JOYCE: I know, I'm joking – Jamie.

MR. PETTEN: Question answered.

MR. JOYCE: So there has been a lot of activity. I met with the executive director over there, as you know, on numerous occasions, who is the deputy for it. So there has been a lot of work done with the MMSB. There are some new proposals that they're bringing up. They're

moving forward with a lot of good initiatives and, as you know, a lot of the money they receive goes back to volunteer groups. If you don't hear it, it means they're doing well.

MR. PETTEN: Section 4.1.01 on Pollution Prevention under Environmental Management and Control, Environmental Management, Salaries are down by almost \$185,000. What's the reason for this?

MR. CHIPPETT: So that was a part of our management structure review. In that process we created a new position to encompass the duties of two former positions. So there's a reduction in one management person. In addition to that, there's an MOU that we signed with Health Canada that supports pesticide inspection. At the time of the budget being done that hadn't been signed, but that would be another reduction you would see there in Salaries. When we sign that MOU again, we would recoup that revenue and we would provide those services on behalf of Health Canada.

MR. PETTEN: So what position in particular was eliminated? What was the ...?

MR. CHIPPETT: So there were two previous managers. The two managers were a manager for waste management and a manager for environmental science. Those two positions and the responsibilities are now in a single management position for environmental science and waste management.

MR. PETTEN: Okay.

Under Transportation and Communications, the decrease last year and increase now, it is not a lot, but what is the reason for that?

MR. CHIPPETT: I think just generally in terms of travel costs being down the year before that's why we didn't spend the full \$71,000.

MR. PETTEN: Right.

MR. CHIPPETT: The \$60,000 reflects our zero-based budgeting submission, more in line than what we would expect to travel, for people to travel. Part of that includes – I'm sure you're going to ask about the Purchased Services as well. So given the less travel to Hopedale for

work in the upcoming year, we'll be gearing up for the following year. That explains why our travel budget is down, transportation budget is down.

MR. PETTEN: Okay.

So when you say you're zero-based on transportation, do you take that figure just based on – how historical do you go with that amount?

MR. CHIPPETT: You want an idea of what makes up that figure. Freight and courier costs are a part of it, cellular phones are fairly standard in that line item, then the divisional travel to build up to that relates to, in particular, federal-provincial committees the department would be a part of. There's a big list of them. As an example, the Canadian Council of Ministers for the Environment, travel to that would be funded under this line item and travel site visits as well. So if we're working on a contaminated site somewhere, all of that would build into that \$60,000.

MR. PETTEN: I guess I didn't make it clear. So you come up with \$60,000 for this year's budget. Last year it was \$71,000 and there was \$56,000 spent, so you budgeted \$60,000.

MR. CHIPPETT: Yes.

MR. PETTEN: So is that a fair estimate based on how many years back over the budgets, or is that just a figure based on last year's spending?

MR. CHIPPETT: Right. This is a buildup of what we anticipate doing this year –

MR. PETTEN: Okay.

MR. CHIPPETT: So building from the ground up, not a focus on historical spending. As I said, going through the number of federal-provincial meetings we would expect to do, the number of cellphones that we have to fund out of that activity, what we anticipate as freight and courier freight, delivery costs, and that would make up your \$60,000.

MR. PETTEN: Under Professional Services, I guess both of them together, Professional and Purchased Services, a big drop. Well, it is an increase over what was revised, but there was a

big drop over what was budgeted last year: \$275,000 down from \$518,000.

MR. CHIPPETT: So there are two pieces going on there. The main item – I'll speak to first what the Professional Services budget for '17-'18 is. That's the \$250,000 that was announced in the budget for environmental site assessments of military radar sites in Labrador.

Last year, the \$518,000 would have been budgeted based on the professional services associated with the Hopedale remediation. There was funding in there for Shoal Point and some of the work that was done there and work for, generally, the department's work on impacted sites.

As you can see, when I jump to Purchased Services, this year the focus with respect to Hopedale is negotiating a federal-provincial agreement with the federal government to gear up for the following fiscal year which will be the final contract for land-based remediation in Hopedale.

MR. PETTEN: Okay.

The two revenue items there, federal and provincial – I know federal is down to nothing but your provincial revenue – what do both of those entail, I guess? The provincial revenue is really a big drop, almost a million dollars.

MR. CHIPPETT: The provincial revenue relates to funding or revenue from the Multi-Material Stewardship Board that had been used to assist with the environmental cleanup in Hopedale. So again that lines up with the reduction in the Purchased Services that we talked about.

MR. PETTEN: Yes.

MR. CHIPPETT: So that's why we're down to the \$164,600. The federal government revenue is the MOU with Health Canada that we talked about previously with respect to pesticides. So that just wasn't renewed at the time of the budget being done.

MR. PETTEN: Okay.

4.2.01 –

CHAIR: Mr. Petten, we haven't called that yet.

MR. PETTEN: Oh, I am sorry.

CHAIR: If it's okay with you, even though you have three minutes on the clock, I'll just move to Ms. Michael and let her ask her questions on 4.1.01.

MR. PETTEN: Yes.

MS. MICHAEL: Actually, any question I was going to ask has been asked by Mr. Petten.

CHAIR: Pardon me?

MS. MICHAEL: My questions have been asked by Mr. Petten, so I won't repeat.

CHAIR: Okay, so you're okay for me to call that?

MS. MICHAEL: I'm okay to vote, yes.

CHAIR: Shall 4.1.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subhead 4.1.01 carried.

CLERK: 4.2.01 to 4.2.02 inclusive.

CHAIR: Shall 4.2.01 to 4.2.02 carry?

Mr. Petten, would you like to finish your remaining ...?

MR. PETTEN: Thanks again.

I'll get the right page here. There's a slight increase in the Salaries of \$1,800 compared to Estimates last year. Was there any reason for this? I'll explain myself better than that.

Based on the Estimates last year, the 2016-2017 Estimates, it showed a budgeted amount of \$1.909 million – well \$1,909,700. Now this year it is \$1,911,500, but the numbers don't add up to

the starting amount transferred over to this year's Estimates. Do you know what I'm trying to say?

So we're starting off with \$1,911,500. Last year the figure was \$1,909,700, but it seems like the starting figure doesn't add up to last year's figure.

MR. CHIPPETT: As I understand it, any differences with respect to what was in the *Estimates* book and what's reported this year would be – well, the budget, the revised number could be different based on what was actually spent. I'm not sure I can answer your question based on the budget.

MR. PETTEN: Last year, the budgeted amount for 2016-2017 in the Estimates documents was \$1,909,700. This year, under the 2016-'17, under the budgeted amount, which was basically a carry forward, is \$1,800 more.

MR. CHIPPETT: Okay.

MR. PETTEN: The starting figure doesn't add up to the Estimates from last year.

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

MS. HAYES: There was an adjustment made during the year for Labrador benefits. That's why there's a slight difference of \$1,800.

MR. PETTEN: So it happened during the year?

MS. HAYES: During the year, yes.

MR. PETTEN: Okay. Perfect.

Under Salaries, the reduction of \$259,000 in Salaries from what was budgeted last year, what's the reason for that?

MR. CHIPPETT: The main difference in Salaries in this item, again, relates to two things; one is a similar process here as to what we described in the previous item with respect to two management positions being combined into a single item, into a single position. And then there was also a salary forecast reduction, which was basically a decision in the previous budget of \$100,000. But that was offset by \$60,000 for

Job Evaluation System and salary step increases. So you've got all those things going on, but the overall decrease is the \$259,000.

MR. PETTEN: How many positions were eliminated in that did you say?

MR. CHIPPETT: This year there was one position eliminated.

MR. PETTEN: A manager?

MR. CHIPPETT: Which was two managers becoming one manager.

MR. PETTEN: Okay.

Transportation and Communications is the drop of – it seemed like a bit from estimates to revised, spent less; it's at \$201,000 this year down from \$271,000, but it only revised at \$186,000. What would be the reason for that?

MR. CHIPPETT: In terms of the \$271,000 to the \$186,000 the big difference there was helicopter time. We didn't require as much helicopter time under that particular item. Then in terms of the Transportation and Communications for '17-'18 it was a result, again, of the zero-based budgeting process. So again building from the ground up – \$201,700 was the tally for what we knew would have to be expended under that item.

MR. PETTEN: Okay.

Professional Services has a drop of \$200,000 or thereabouts – \$180,000 from last year to this year.

MR. CHIPPETT: That's the same basic rationale in terms of the decrease is the zero-based budgeting exercise. Just to give you an idea of what's in Professional Services here, we're talking about consultants in particular, for example, weather forecasting. So we do weather forecasting, as you know, for Badger for ice and potential flooding. We do satellite imagery for Badger for the same purpose. We do hurricane alerts. So when you see Environment Canada do their forecast and so on, that data is fed into our consultant who develops models to inform certain communities that in this particular event

you may be subject to flooding because of a hurricane alert.

We have consulting services in there for the next phase of our dam safety inventory. So it's basically a buildup of the contracts we know that we will enter into for Professional Services. Some of those carry over from other years.

You'd be familiar with, for example, the boil-water advisory reduction initiative under Community Sustainability Partnership. That's still ongoing three years after. So that would be one of the things we would be using that funding for.

MR. PETTEN: Under the revenue, two revenue items there, federal and provincial, I guess I'll basically lump them together. What does both of those entail, those revenues? What are they ...?

MR. CHIPPETT: The federal revenue, the \$50,000, is funding that the Department of Environment and Climate Change, at the time, applied for under the National Disaster Mitigation Program. So there's actually about \$100,000 worth of work that needs to be done to update our dam safety inventory in Labrador, but the federal government are contributing \$50,000 towards that expenditure.

On the provincial side, it's basically higher revenue for application fees and so on. For example, the issue you raised earlier with the minister, this is where you would see some of those fee increases show up.

MR. PETTEN: On that point, Jamie, because that was something I was wondering too, there were a number of fees in Water Resources increased last year; it doesn't appear that after there has been a huge increase in revenue. Would I be accurate in that assessment?

MR. CHIPPETT: I think that's accurate based on the numbers, but I guess I'll give you one example. As the minister referred to earlier, the licensing fee, for example for somebody who bottles water it is often a five-year licence. So it would only be as those five years would come up that that licence fee would be charged again.

Whereas, the water-use fees are based on the amount of water that somebody would use, so

those would be annual charges which would be fairly consistent and you'd be able to predict based on whatever the type of industry was and how much water would be reported by that industry as being used. But it's difficult to predict exactly the water-use licence fees because it happens as –

MR. PETTEN: So there used to be peaks and valleys in that fund, I assume, is it?

MR. CHIPPETT: Right.

MR. PETTEN: Okay.

Those are all my questions on that section, Madam Chair.

CHAIR: Okay, thank you.

Ms. Michael.

MS. MICHAEL: Thank you, Madam Chair.

I just have some general questions. I had all those line item ones so they're taken care of. One of the things that you cover is the administration of the hydrometric agreements with the federal government. The last report we can find goes back to 2011, I think it was. Could you give us some sense of what's happening there?

MR. CHIPPETT: We continue to be a part of that agreement. I don't have a detailed answer to your question, but I can certainly get one and send one to you.

MS. MICHAEL: Please.

MR. CHIPPETT: Basically, the hydrometric agreement and the data from that in particular are used around water flows and volumes.

MS. MICHAEL: Yes.

MR. CHIPPETT: So used by a lot of industry, but also the general public for recreational perspectives and so on and people for planning from a municipal perspective in terms of what water flows they may see. In terms of details, we'll certainly get you an answer on that.

MS. MICHAEL: Okay, thank you very much.

I know that the number fluctuates, but there are a lot of numbers that are constant for many years. Do you have the latest figures on the number of boil-water advisories and the number of communities? Or is that in the binder?

MR. CHIPPETT: It's not in the binder. I do have an answer though. Actually, I'll give you the answer based on a specific date.

MS. MICHAEL: Right.

MR. CHIPPETT: As of March 31 of this year, the number of boil-water advisories is 193. It's actually the first time in over the amount of time the department was keeping records, which started in 2001, that we're less than 200 boil-water advisories in the province.

MS. MICHAEL: That's good to hear.

MR. JOYCE: Just a note on that, Madam Chair. What we're working with, with a lot of municipalities, a lot of municipalities have a chlorination system, but they don't like the taste of chlorine so they don't use the system. That's the struggle for us to say you should use it, but a lot just won't.

MS. MICHAEL: Right.

MR. JOYCE: You can't force them to use it, so we're trying to put incentives in place to help people. It is working. It's gradual.

We had one town that was on it for 20 years. They're finally off it and we're working with them. We are picking the ones that we feel want to get help, need help and the ones that are saying: Okay, come, what can we do here? We have people in place that are and we're gradually knocking it down bit by bit. But a lot of is some towns just don't want chlorinated water. There's nothing you can do. You can't force them.

MS. MICHAEL: Is there any area in the province where it's more concentrated than others or is this sort of fairly evenly spread out?

MR. JOYCE: It's broadly based.

MS. MICHAEL: Broadly based, okay. Thank you.

Could you give us an update on our participation and the Atlantic Climate Adaptation Solutions Association that we're members of, and what is happening?

MR. CHIPPETT: We are, and we still participate. I think we're near the end of the funding for that, though. The Climate Change office actually participates on some of the committees under that, so you might wish to direct a question that way.

MS. MICHAEL: To that way, yes, of course.

Could we have an update on the groundwater pollution around the Torbay airport, what's happening there with regard to the remediation by the federal government?

MR. CHIPPETT: I'd have to check and get you – I'm familiar with the issue that you raise, but I'd have to get a recent update on where discussions are. I know there were discussions with the federal government, and of course you're referring to the stuff around the airport and the firefighting substance and so on.

MS. MICHAEL: That's right.

MR. CHIPPETT: We could certainly look into that for you and get you an answer.

MS. MICHAEL: Thank you very much.

Yes, it had to do when they had the federal firefighting training down there.

MR. CHIPPETT: Right.

MS. MICHAEL: Yes, thank you.

That question was asked already. I think that's it for me for 4.2.01.

CHAIR: I'll call the next one, Ms. Michael.

4.2.02 is (inaudible).

MS. MICHAEL: Right.

I just have one question there and it's the provincial revenue. So 4.2.02, the provincial revenue, \$89,300 less used of the total last year

and back up to the \$922,300 this year. Why that \$89,300 difference, or drop last year?

MR. CHIPPETT: That is, as I understand it – so this is the water quality monitoring agreement and –

MS. MICHAEL: Yes.

MR. CHIPPETT: – used to measure quality in ambient water bodies, not drinking water, per se, but any pond or water body in the province that we test. It really reflects the payment of invoices, so there's an industry piece to this as well.

In some cases, industry is billed from the perspective of some of the water quality monitoring stations they have. So there'd be one for Vale, there'd be one for Long Harbour and so on. This was just the timing in when invoices were paid, so the full amount didn't come in, in the past fiscal year.

MS. MICHAEL: Right.

This has not been the question written by my researcher and he might say why is she asking that, but it is just dawning on me – it would be difficult I suppose to do it. Do we have a sense of the percentage of our water in the province that is fairly clean?

MR. CHIPPETT: If you mean generally –

MS. MICHAEL: Yes.

MR. CHIPPETT: – in terms of all the water bodies and so on, we'd be able to get you a printout of results for particular water bodies. Anywhere we test under this agreement –

MS. MICHAEL: Right.

MR. CHIPPETT: – the lens on that is the recreational guidelines from the Canadian Council of Ministers of the Environment.

MS. MICHAEL: Right.

MR. CHIPPETT: So it wouldn't be the same as bacteriologically or chemically what we'd test drinking water for –

MS. MICHAEL: Yes.

MR. CHIPPETT: – but I think generally speaking we have fairly high-quality water. One of the issues which do manifest itself in drinking water systems is high amount of organic material which can lead to some of the chemical by-products when they interact with chlorine. But I think overall, from a recreational perspective, we're in pretty good shape.

MS. MICHAEL: That's my sense; I think of all the places, even just around St. John's, where we swim in the summer. So that's what I'm thinking about. I think it is something we should be proud of actually.

MR. CHIPPETT: Sure.

MS. MICHAEL: So to just get a sense of how much of that is the case. Thank you very much. So that wasn't a bad question.

That's all the questions I have up to there, Madam Chair.

CHAIR: Okay.

Mr. Petten, I don't know if you had more questions up to 4.2.02 and if you don't, your colleague does have one.

MR. PETTEN: Yeah, I have a couple and I was going to say my colleague has a question to ask too. I only have a couple.

Under the provincial revenue under this division, what's included? Where does that revenue come from, I guess?

MR. CHIPPETT: Is this 4.2.02?

MR. PETTEN: Yes.

MR. CHIPPETT: Okay, I just wanted to be sure.

As I said earlier, these relate to real-time water quality stations.

MR. PETTEN: Yes.

MR. CHIPPETT: So I'll give you an example of some other examples. I mentioned Vale,

Voisey's Bay, Long Harbour, IOC, Tech Duck Pond operations, Nalcor-Lower Churchill, Nalcor-Exploits, Wabush Mines, Canada Fluorspar, Deer Lake Power.

We run these water quality monitoring stations on behalf of the companies and they pay us basically for doing that and for collecting that data on their behalf. They're usually set up as a condition coming out of environmental assessment.

MR. PETTEN: On that note, being the Environment critic and also the critic for Climate Change, am I right in saying that Minister Trimper is still with the methylmercury file? That's what we've been told. I just wanted clarity because I know that this part here, that's what you're monitoring basically in those, is the methylmercury with that water.

MR. CHIPPETT: There are two real responsibilities in terms of methylmercury; one, Minister Trimper will be the lead spokesperson for the government, the lead minister with respect to the independent expert appointments advisory commission. But the legislation that relates to water resources or environmental protection is the responsibility of the Minister of Municipal Affairs and Environment. So from a strictly regulatory perspective Minister Joyce is the responsible minister.

MR. PETTEN: Okay.

One other question; it's basically a general question to do with the full environmental management control, so I guess I'm talking about the full environmental piece here. What are the overall reductions in that division, the total number of positions that have been reduced? Do you have a general answer or ...?

MR. CHIPPETT: In these sections?

MR. PETTEN: Yeah, in overall because it's all under your Environmental Management and Control under your ...

MR. CHIPPETT: Right. The only thing that would have been implemented with respect to this budget would have been the two management positions. Robyn, am I correct?

MS. HAYES: Two management.

MR. CHIPPETT: Two management positions where we combined duties of two managers together. Otherwise, obviously there are differences from the whole department perspective because of Climate Change office being part of Executive Council and –

MR. PETTEN: Wildlife and natural areas and stuff.

MR. CHIPPETT: – wildlife and parks and so on. But in terms of reductions based on this budget, there were two management positions: one in Water Resources and one in Pollution Prevention.

MR. PETTEN: Okay.

Before I pass it to my colleague, I'd ask a quick question. Earlier when I started my general question, the minister answered under the water testing. It was a follow-up. Why was there a lapse in the testing?

MR. JOYCE: First of all, there was testing done with the bacteriological testing which is done on a monthly basis. That was done. That's, for example, if a moose falls in and it would cause an immediate spike in the water if there's a problem with the water.

The other part is the chemical wasn't done. There was an issue out in the area. We're going to find out exactly why it happened, but just to let you know, the testing has been done. The next quarter starts in May. There is a plan in place to have it done late May, to start again, to get on the same cycle as before.

We will find out exactly what slipped up there from that and we'll make it public – we may make it public; it's all according to what the reason is. But I can assure you there were no unsafe hazards to the water because it is over the long term. There may be chemicals in the water, the sediments from the rock that's there from the last 1,000 years, that's part of it.

But we can assure you and the public that it has been done, it will be done in the future, and we will find out and put safeguards in that it doesn't happen again.

MR. PETTEN: I'll pass it off to my colleague to ask a question.

MR. K. PARSONS: Jamie, a question on the Torbay airport and the water in the Torbay airport issue because –

CHAIR: Mr. Parsons.

MR. K. PARSONS: Sorry.

I just have a little follow-up from Ms. Michael's question on that. I know there are eight wells that are dug there around the airport area: four are deep and four are shallow wells to test. It is in my district, by the way. There are also two rivers they're testing. One's called Kelly's river and the other one is called south brook river. I know the town had some concerns over that about the reporting that comes from – I think it comes from Transport Canada as part of Environment Canada.

So if you could do anything on that to probably find out what they were. I know last year the department went down and had a public meeting at the Jack Byrne Arena and gave the results, but it was a while before that the Town of Torbay – in that area right now there's a development problem. They're only allowed to develop so many homes in the area. There's also a thing with the Jack Byrne Arena that they're looking to do an expansion and that's going to be called in question to. So if you could give us an update on that, I'd really appreciate it and give it to the town.

MR. JOYCE: Just to let the Member know, we did meet with the town council on that. We did go through it and we agreed to help the town.

MR. K. PARSONS: Yeah.

MR. JOYCE: But we'll do what we can to (inaudible).

MR. K. PARSONS: We sat in the House of Assembly the night that you did it and I couldn't get down.

CHAIR: Okay. So everybody's good with that section?

CLERK: Shall subhead 4.2.01 –

CHAIR: I'll just get a motion to pass that first.

CLERK: Okay.

CHAIR: Shall 4.2.01 to 4.2.02 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 4.2.01 through 4.2.02 carried.

CLERK: 4.3.01.

CHAIR: Shall 4.3.01 carry?

Mr. Petten.

MR. PETTEN: Thank you, Madam Chair.

Salaries have increased by \$86,000. What's the reason for this?

MR. CHIPPETT: The increase in the salary vote pertains to new funding that is offset by provincial revenue for environmental monitors in the Bay du Nord Wilderness area. So it would have been publicly advertised, and WERAC would have done consultations on the transmission line that's being constructed from Bay d'Espoir to Soldier's Pond.

Given that was basically in the bottom sliver, if I can use that word, of the Bay du Nord Wilderness area, while the construction is happening we will have monitors on the ground. In fact, that arrangement started last year. So you'll see some of the revenue in the preceding year, and that's why the revised number for salaries last year was up as well, it reflects funding we received.

Also, there was some funding in the Fisheries and Land Resources Department, Wildlife Division, to monitor that construction and ensure it happens in an environmentally acceptable manner.

MR. PETTEN: So why, under Transportation and Communications, it's a jump from \$20,000 to \$77,000?

MR. CHIPPETT: The same reason; basically, operational funding to support the monitors in that area.

MR. PETTEN: Okay.

Does your Purchased Services – I know it's not a big amount now. It went from \$10,000 down to \$6,000 and back up. It's budgeted at \$9,500. What's included, I guess is my question, under Purchased Services? It's only a small amount.

MR. CHIPPETT: Some of it reflects the new budget funding, but there was also a – so it's an offset between the new budget funding and then our zero-based budgeting process.

I'll just give you an idea of what's funded out of that line in this division. If you look at Purchased Services, you've got vehicle maintenance and repair. Xerox and printing/copier costs are a common item. There would also be some purchased services around advertising. For example, if we are doing public meetings we have a commitment to review the environmental assessment legislation. We do public consultation or meetings around that, or newspaper ads for some particular reason, then that would be a part of that line item.

Again, building from the bottom up; that's the Bay du Nord money, the advertising funding, Xerox and printing/copier costs, and vehicle repair and maintenance.

MR. PETTEN: Professional Services, why was it just a one-time, \$19,800 expense for the last year under the revised?

MR. CHIPPETT: That was the funding for the methylmercury workshop that the government convened. There was no budget for Professional Services but there was a facilitator to be a part of that workshop.

MR. PETTEN: Under your Revenue and Provincial, \$298,000, is that as a result of the increase to environmental assessment fees from last year? Is that where the revenue is being reflected there?

MR. CHIPPETT: The biggest difference I think is the monitor position. I think we left the budget, in terms of the environmental assessment fees, the same as in the past. Is that right?

OFFICIAL: (Inaudible.)

MR. CHIPPETT: So a \$4,200 increase was the only difference in the environmental assessment fee part of it.

As you know, it's very difficult to predict because you don't know how many projects are going to be registered and you don't necessarily know the level to which they will be investigated. If it's an EPR there's a certain fee, if it's an Environmental Impact Statement it's a certain fee. So it's difficult to be specific about the revenue projection in terms of environmental assessment fees.

MR. PETTEN: Okay.

One other question, I guess it's more in the general term but I guess it's to do – earlier with environment where there was a lot of divisions were moved about within other departments. We probably got it, but some kind of breakdown of where everything went and where it's responsible. I know it's not as easy to follow when you're on our side trying to find it.

MR. CHIPPETT: Right.

MR. PETTEN: Even the methylmercury file, we discovered is with Mr. Trimper, for more clarity because from my end of it, I'm critic for both of them – pretty well everything out of environment, but I'm trying to find it. I found most of it but it would be nice to have it clearer and provide some kind of breakdown to show us more – because I know the methylmercury file is a prime example. Monitoring carbon emissions, is that done by –

MR. CHIPPETT: From a monitoring perspective, anything that would be a legislative responsibility. That would be one; that would be in our budget.

Even from a methylmercury perspective, the budget for the work rests in the Water Resources division, but Minister Trimper has been

designated by the government as the lead government spokesperson on that particular file.

MR. PETTEN: So when we say carbon emissions, they're being monitored by the department.

MR. CHIPPETT: From a modelling perspective, if it's projecting what the emissions would be and so on, the Climate Change office would be responsible for that.

MR. PETTEN: Right.

MR. CHIPPETT: But as the climate change regulations or legislation is brought into force, then it would be monitored through our Pollution Prevention Division.

MR. PETTEN: Pollution Prevention, right on.

I think that's it for me on that section.

CHAIR: Okay.

Ms. Michael.

MS. MICHAEL: Thank you, Madam Chair.

I'd just like to get clarification on the Provincial Revenue; I didn't quite get your answer to Mr. Petten. It's \$152,200 more budgeted from last year's estimate, and add another \$50,000 on to that if you look at the revision. I didn't quite get a full clear answer as to why it's so much more this year.

MR. CHIPPETT: The biggest increase is with respect to the revenue for the Bay du Nord environmental monitor.

MS. MICHAEL: Right.

MR. CHIPPETT: So the increase of \$152,200 reflects the revenue from Nalcor, from Hydro, the proponent for that transmission line.

MS. MICHAEL: Okay.

MR. CHIPPETT: So as a part of that going on they provide the funding but then we hire the environmental monitor and actually do the purchase of equipment or vehicle or what have you for the environmental monitor.

MS. MICHAEL: Right.

MR. CHIPPETT: So that's the biggest part of the increase in revenue.

MS. MICHAEL: Right.

MR. CHIPPETT: The other piece is the \$4,200?

MS. MICHAEL: Yes.

MR. CHIPPETT: The \$4,200 would relate to increased projected fees from environmental assessment particulars ...

MS. MICHAEL: Yes, I got that part but I didn't have a full explanation of the first part. So that's helpful.

Where does that expenditure then show up when that money goes out for the monitoring, for example?

MR. CHIPPETT: In salaries in particular for the positions.

MS. MICHAEL: Okay.

MR. CHIPPETT: So \$83,000 is for the Bay du Nord project under Salaries, Transportation and Communications and Supplies, in particular, have increases as well for the Bay du Nord position.

MS. MICHAEL: Okay. Thank you very much.

That's all I have.

MR. JOYCE: Madam Chair, for a second?

CHAIR: Minister.

MR. JOYCE: In the spirit of co-operation, which we're always into, if the Member for CBS wants a flow chart, we can send you a flow chart of the department so we know where each department, division is in. We could do that up and forward that to you in the next day or two, no problem whatsoever.

MR. PETTEN: I'd appreciate that.

Thanks.

CHAIR: If there are no further questions, we'll call that, from either party.

Shall 4.3.01 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subhead 4.3.01 carried.

CHAIR: I guess now we will flip back to the beginning.

CLERK: 1.1.01.

CHAIR: Shall 1.1.01 carry?

Mr. Parsons.

MR. K. PARSONS: Thank you very much.

Under the spirit of co-operation, like the minister just said, my very first thing is I'd like to get a review and an overview of the restructuring of your department, and have an organizational chart with all the branches, divisions and responsibilities for your department given to us.

MR. JOYCE: Just to let you know, Madam Chair, as you always know, I'm very co-operative with the Member for Cape St. Francis. We were going to offer that anyway. There's no need to ask for that.

MR. K. PARSONS: Okay.

No, but the reason being is that when went through our Estimates this year – and you'll see in my questions there are a couple of general questions that I do have to ask – it was kind of hard to follow with all the changes in your department. We looked at what was there last year versus what was there this year, so it would be nice to get a breakdown of everything. Like I said, I'd like to know the branches and the divisions also within that department. It's good to know the responsibilities of each one of these branches as being a critic for it, too.

MR. JOYCE: That will be done, Sir.

MR. K. PARSONS: Okay. Thank you kindly. I appreciate that.

The other thing is I know the department has changed, but I'd also like to know – and you gave it to us in your preamble today – a breakdown of how many people are in the department right now. I know you did that when you did your speech there. There were 229, I wrote down, in the department.

MR. JOYCE: Yeah.

MR. K. PARSONS: Can you give us something, how that – versus what it was in 2016? I know there are going to be huge changes in the department but, again, it was difficult to follow a lot of the categories in the department. So if you could give us that, it would be great.

MR. CHIPPETT: We can actually answer that now if you'd like.

MR. K. PARSONS: Okay. Yeah, sure, perfect.

MR. CHIPPETT: So 229 as the minister said.

MR. K. PARSONS: Yeah.

MR. CHIPPETT: The breakdown for that is 134 in Municipal Affairs, 23 in Fire and Emergency Services and 72 in the Environmental Management and Control Branch.

MR. K. PARSONS: Okay.

MR. CHIPPETT: In 2016-'17 we had 365 employees over the same entities. That would include 230 in Municipal Affairs. That number included Crown Lands. So you're right on the massive number of changes.

MR. K. PARSONS: Yeah.

MR. CHIPPETT: The 230 is basically the reduction of Crown Lands. There were 25 in Fire and Emergency Services and 110 in the Environmental Management and Control Branch.

MR. K. PARSONS: Okay.

When I get into those departments there are a couple there that we'll ask. I just want to know the positions and the titles of the positions.

Contractual positions: What's the total number there?

MR. CHIPPETT: It's very low, but I'll ask Robyn if she knows that answer.

MS. HAYES: There are four within the Canada-Newfoundland gas tax program and I believe there's one other under the Executive Support.

MR. K. PARSONS: Okay.

Going back to the positions that you named in each department – because, again, I deal with the Department of Municipal Affairs a lot and there have been a lot of changes over the last little while, over the last five or six years actually. I always like to know the person and the position because sometimes when you have to make a phone call, it's great to know that person.

If we could have, while we're doing it, the positions; because if it's something to do with a community that calls me or whatever, I'd like to be able to direct them to the proper persons rather than they call me back and say that fellow was no good or this one was no good.

MR. CHIPPETT: We'll include –

MR. K. PARSONS: Something like that. It's important that we get that.

MR. JOYCE: That will be done.

MR. CHIPPETT: We've just done a similar exercise actually for MNL for the weekend for their symposium. So we'll share the same thing with you folks.

MR. K. PARSONS: Okay, great.

CHAIR: I just want to remind Members again: State your name before you speak for the purpose of the Broadcast Centre downstairs.

MR. K. PARSONS: Okay.

CHAIR: Thank you.

MR. JOYCE: Madam Chair.

CHAIR: Minister.

MR. JOYCE: We'll also supply it to the Third Party also whatever we supply.

MR. K. PARSONS: Yeah and vice versa, too.

MR. JOYCE: Yeah.

MR. K. PARSONS: I know in 2015 the attrition plan came into place. I was just wondering if the department still follows it. How many positions are gone? How many layoffs were actually in the department that wasn't included in that?

MR. CHIPPETT: I've got an update on that. I'll do it by the entities rather than – and it is Jamie Chippett, Deputy Minister.

MR. K. PARSONS: Okay.

MR. CHIPPETT: I think that's the first time I've actually said that.

For the Department of Municipal Affairs, the Attrition Management Plan was concluded. That included a budget reduction of \$967,000 and the removal of 15 positions, but that was through attrition. That was not layoffs or whatever; it was the Attrition Management Plan.

The Attrition Management Plan for Fire and Emergency Services, we have the position reduction number completed and we still have salary savings of \$74,800 to find but it will be concluded by 2019-2020.

Last but not least – I can only give it to you for Environment and Conservation, not just the Environment Branch – there were 15 positions and \$982,400 required of that department under the five-year attrition management plan, and all of those targets have been met by the former department. There remains, I think, one position per year for '18-'19 and '19-'20 that need to come out, but they're already projected to come out.

MR. K. PARSONS: I have a question also for vacancies that have not been filled. Are these positions eliminated? I know when they did the

restructuring there a little while ago they eliminated a lot of – they said that's where they were getting a lot of their numbers from. Have these positions been eliminated?

MR. CHIPPETT: The positions have been abolished as per the direction of the original Attrition Management Plan. Any that were vacant, I think we've gone through – or any that were a part of the plan and as people left, or if we were able because somebody retired in a different position to target that position, we've abolished positions as they become vacant and we'd use them as a part of the plan, but Robyn could confirm that for me.

MR. K. PARSONS: So all the vacancies that were there – people were either eliminated or there is somebody in those positions now, is that what you're saying there? Okay.

Doing Estimates we've noticed – doing some Estimates already – that departments have some errors in the book, so sometimes you can find them, sometimes you can't. Are there any known errors in Estimates that you know of? The last one that I did there was some errors that they acknowledged that were there before.

MR. CHIPPETT: There was only one division where there was a salary reduction that was applied twice –

MR. K. PARSONS: Okay.

MR. CHIPPETT: – and that funding will be restored in the budget. No position impact or person impact, but there was a salary reduction applied twice inadvertently.

MR. K. PARSONS: Where was that?

MR. CHIPPETT: That was in the Water Resources section, in the Environment side.

MR. K. PARSONS: Okay. Sometimes it's hard to pass anything if there's some errors in it.

MR. CHIPPETT: Right.

MR. K. PARSONS: I want to right into the estimates lines. I'm looking at Executive and Support Services. Again, I understand that there are a lot of changes in your department and

things added, things coming out and everything else, but last year the budget was for \$2,680,800.

CHAIR: Excuse me, Mr. Parsons; we haven't called that one yet.

MR. K. PARSONS: That is the first one, wasn't it?

CHAIR: 1.1.01 is all that we've called.

MR. K. PARSONS: That's going to be part of it because it's before it –

CHAIR: Where were you?

CLERK: You just said Executive Support.

MR. K. PARSONS: Executive Support is right here, right?

CLERK: That's the next one down.

CHAIR: That's the next one I'll call.

MR. K. PARSONS: Oh, I'm still under the Funding Summary for the start of it.

CLERK: We are just at the very top half of the page.

MR. JOYCE: I think we are in the Minister's Office.

CHAIR: We're in the Minister's Office and I haven't gone to Ms. Michael yet, have I?

Did you want – your time is pretty much run out on the clock –

MR. K. PARSONS: Okay, we can go to the minister –

CHAIR: Now if you're not finished in the Minister's Office, we can come back to you.

MR. K. PARSONS: But we haven't gone to the Minister's Office yet, see. What I've been doing, right now I'm in the Program Funding Summary which is the start in the Estimates. There is no subheading; it's just expenditures.

CHAIR: Okay.

You haven't even begun yet on what I have called.

MR. K. PARSONS: I haven't even started.

CHAIR: Well, your time is out, so we'll move to Ms. Michael. You can't go past 1.1.01 until we call.

MR. K. PARSONS: Okay, I'll go back to some questions.

CHAIR: Thank you.

Ms. Michael.

MS. MICHAEL: I have no more questions with regard to 1.1.01.

CHAIR: Okay. I don't know if Mr. Parsons did. Did you?

MR. K. PARSONS: Yes, I do.

CHAIR: Yes. Are you okay to let him continue on into – I don't want to –

MS. MICHAEL: I'm slightly confused as to what's happening.

CHAIR: Well, we called 1.1.01 –

MS. MICHAEL: Yes, right.

CHAIR: He hasn't got there; he's stuck in the preamble part asking some general questions. So I apologize for the confusion.

MS. MICHAEL: I don't have the preamble sheet, so that's a good thing I would say. Then let me come back because I think the questions that were being asked around Salaries weren't specific then to 1.1.01.

MR. JOYCE: No, it is not and we are going to ask him to start now.

MS. MICHAEL: He will start now? Okay, go ahead; let him start.

MR. K. PARSONS: Okay, so I can go again? Perfect, thanks.

CHAIR: Mr. Parsons.

MR. K. PARSONS: What I'm going to ask – and you'll see that the changes, in some cases, the description of the Minister's Office is the same, yet the amounts change. I'll give you some examples of that.

Last year's budget appeared – which is different when it comes to Salaries. We're looking at Salaries for last year. If you could explain to me what the difference is in the Salaries there.

MR. CHIPPETT: The biggest thing there is the fact that we had a departmental secretary position and executive assistant position that were transferred into the department from Environment and Climate Change. In the previous budget, the minister was the minister for both SNL and for Municipal Affairs.

MR. K. PARSONS: Okay.

MR. CHIPPETT: But the salaries for those other positions were always held in Service NL. So when the new department was created, those positions had to be brought in from Environment and Conservation. Then, in addition, there was a minister's secretary position that was transferred to SNL.

MR. K. PARSONS: Okay, because last year's Estimates were like \$62,000. That accounts for the minister's, but then it went to a revised of \$252,000 and this year it's down to \$196,000. Why the difference between the revised and what it came to at the beginning and then go back to \$196,000?

MR. CHIPPETT: The revised figure reflected the salary reductions that ministers experienced last year. There was \$10,700 less in the salary vote. But what you've got there happening in the budget line is – or from '16-'17 to '17-'18 is basically the net difference between positions being transferred to SNL and positions being transferred into Municipal Affairs and Environment from Environment. So you basically went from two ministers' offices and a partial minister's office, we'll say, in Municipal Affairs, to two ministers' offices.

MR. K. PARSONS: Yeah, okay.

MR. CHIPPETT: SNL now has the full complement of the minister, ministerial

secretary and executive assistant, and the same thing exists now in Municipal Affairs and Environment.

MR. K. PARSONS: Okay, so the positions that are in this department now are down to ministerial secretary and executive assistant and minister. Anything else – is that what covers the \$196,000?

MR. CHIPPETT: That's correct.

MR. K. PARSONS: That's correct, okay.

The ones that were removed are now over in Service NL?

MR. JOYCE: They weren't removed; they were just transferred.

MR. K. PARSONS: No, they were transferred because you were minister of both at the time. Okay, I got that.

Under Employee Benefits, what's included there?

MR. CHIPPETT: Generally, employee benefits are things like conferences or registrations and so on. So from a zero-based budgeting perspective, the \$100 is for potential conference or registration fees for the minister and executive assistant. But that's generally what's included in those line items.

MR. K. PARSONS: Okay.

I'm trying to understand your zero-based budgeting, so I went and we got a copy of what the Minister of Finance put out and it showed us some savings, but it doesn't show any savings at all on this on Employee Benefits. It shows savings on Transportation, Supplies and Purchased Services, but it doesn't show anything on – because I'm still trying to understand zero-based budgeting, to tell you the truth.

MR. JOYCE: Madam Chair?

CHAIR: Minister.

MR. JOYCE: I'll just explain. Zero-based budgeting, before, with departments you would

say, okay, historically, here's what we would spend.

MR. K. PARSONS: Yes.

MR. JOYCE: What we said, all the history, throw it out the window. Tell us what you would need this year to operate your department. Like what trips, ministerial conferences would you have to attend; not we're going to put in for five trips, we may only take two, but the money is in the budget just in case you want to take five. So zero-based budgeting is what is it you need to operate your department.

MR. K. PARSONS: Okay. So on this one here it was \$900 budgeted last year and this year it's down to \$100. So there must be something that you did last year that you're not going to do this year.

MR. CHIPPETT: Essentially, the \$900 figure is what would have been budgeted across all the entities that made up Municipal Affairs and Environment. So this would include the piece we haven't talked about specifically is in October, Fire and Emergency Services became a part of the department as well. So in terms of Fire and Emergency Services, Municipal Affairs and the Environment Branch, there would have been \$900 budgeted across those three entities in ministers' offices, but because there has been a decrease in the number of ministers' offices, we're down to \$100 in the entire department, in the Minister's Office.

MR. K. PARSONS: Okay, but you would believe that that would have been either consistent or going up when you added Fire and Emergency Services, although it's in the minister's department.

MR. CHIPPETT: It's basically for one minister rather than multiple ministers.

MR. K. PARSONS: Okay.

Under Transportation and Communications, can you explain the variance there, the \$52,000 budgeted last year?

MR. CHIPPETT: Right. The \$52,400, again, would relate to what the budget was from a combination of the travel, Transportation and

Communications budget from multiple departments.

MR. K. PARSONS: Okay.

MR. CHIPPETT: Now, of course, we have one minister for a larger entity and one standalone minister for Service Newfoundland and Labrador. So this would be the travel that we would have anticipated. Transportation and Communications travel and phone lines and so on that we would anticipate for one minister based on the FPT tables and so on that he would have to travel to, to participate in.

MR. K. PARSONS: On the next line we look at Supplies, again, there's a drop from last year and it showed the revised was \$600. Now it's gone up to \$1,100 but it's still a drop from what was budgeted last year. Can you explain the variance there?

MR. CHIPPETT: It's the same; I don't know, Robyn, if you wanted to explain it better than I could. It's basically, again, the \$6,000 would have been for what the minister for FES, Environment and Municipal Affairs would have had budgeted but, obviously, if you only got one budget and one minister's office you don't need multiple –

MR. K. PARSONS: While there was one minister doing all that, he only spent, if you look at it, \$600 there on supplies and now this year you budgeted for \$6,000.

MR. JOYCE: No, you budgeted for \$1,100.

MR. CHIPPETT: Budgeted for \$1,100.

MR. K. PARSONS: Under Purchased Services, there's a significant drop right there. Can you give us a reason why this is down again?

MR. CHIPPETT: It's really the same basic explanation. Purchased Services, of course, would be things like meeting expenses, printing and these type things, and you wouldn't require – just as an example, an environment ministerial suite, we would have had expenses for a photocopier. We had one in the Municipal Affairs suite as well. So we had the photocopier removed from the Environment ministerial suite because there's no longer a requirement for it

because we have one minister's office instead of two.

Really, that's what's driving a lot of the numbers in terms of the Minister's Office and Executive Support. With a less number of executive, less number of ministers or minister's offices, then there's a lower requirement for funding for these items that we're talking about.

MR. K. PARSONS: The total amount last year when you did your Estimates and did a budget was \$300,000 for the Minister's Office in total – it was \$329,000. Then, in last year's Estimates, it was \$105,000. What you're telling me is that's the combination of three of those departments into one. There must be three different sets of Estimates that would add it up to the \$329,000.

CHAIR: Mr. Parsons, once Mr. Chippett answers, I'll go to Ms. Michael because your time is out on the clock.

MR. CHIPPETT: That's correct, that's the way the number for last year's budget is built. In our Estimates, it's based on the budget that would have been available in any of the entities that make up the new Municipal Affairs and Environment Department. So you're correct.

MR. K. PARSONS: You can see how difficult it was to follow it.

Okay.

CHAIR: Okay, Ms. Michael.

MS. MICHAEL: I don't have any questions for this.

CHAIR: That's right, you don't.

MS. MICHAEL: Yeah, they're all asked.

CHAIR: Mr. Parsons, are you through that first section? Okay.

Shall 1.1.01 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subhead 1.1.01 carried.

CLERK: 1.2.01 to 1.2.04 inclusive.

CHAIR: Shall 1.2.01 to 1.2.04 inclusive carry?

If it's okay with Mr. Parsons, I'll start with Ms. Michael.

MS. MICHAEL: I'm sorry, thank you very much.

1.2.01, I do have questions. The first one of course is the Salaries. Obviously there's been a big change in the salaries. Is that because of the restructuring? Could you just explain the details for that line, please?

MR. CHIPPETT: Just to speak at the entity level first, obviously, as we said, there was a minister's office; there was a set of executive from Municipal Affairs. There were executives associated with Environment and Climate Change and there were executives associated with Fire and Emergency Services. In the initial restructuring, bringing Fire and Emergency Services into the department, and the second one that came about as a result of this budget, there would have been three deputy minister salaries which would have been Municipal Affairs, Environment and Climate Change, and the CEO for Fire and Emergency Services.

We would have gone from three deputy salaries to one. We would have had two ADM reductions, where those positions were removed, and we would have also had two ADM positions that moved elsewhere. The ADM responsible for climate change is now part of Executive Council. The ADM responsible for Natural Heritage would now be a part of Fisheries and Land Resources.

MS. MICHAEL: Right.

MR. CHIPPETT: Then, obviously, you would have the associated changes to both communications and administrative support positions associated with the reduced number of executive. That's in a nutshell, or as close to a nutshell as I think I can ...

MS. MICHAEL: Okay.

Thank you very much.

Then in Transportation and Communications, last year a difference of \$32,600 between the budget and the estimate, and then this year it's \$24,300 less than what was budgeted last year. You're probably going to have a similar answer to – up above to that one, but go ahead.

MR. CHIPPETT: I did neglect to say there was a third ADM who moved elsewhere. The ADM responsible for Crown Lands also moved to Fisheries and Land Resources; but, yes, the answer is basically the same. It is part zero-based budgeting and it's a part reflecting the fact that we have, overall, two less executive in that overall group of entities.

MS. MICHAEL: Right.

Now with regard to the – so there are five ADMs altogether but three have been transferred. Two positions are gone completely, are they?

MR. CHIPPETT: The ADM for infrastructure and engineering position became merged with the Municipal Support Division. Heather is our ADM for Municipal Infrastructure and Support.

MS. MICHAEL: Right.

MR. CHIPPETT: Basically, any element of financial support, whether it's for infrastructure, Municipal Operating Grants or anything like that, would now be under Heather's purview.

We also combined the Fire and Emergency Services mandate with the former Corporate Services mandate. Dana Spurrell is our ADM responsible for Fire and Emergency and Corporate Services. We have a vacancy because our ADM for Environment retired, but we're in the process of hopefully filling that soon.

Overall, we have three as a department. Previously we had four, but the movement of the Crown Lands ADM would have brought us down to three. So we have three ADM positions in our department now.

MS. MICHAEL: Okay. Thank you very much.

Under the provincial revenue, what is the source of that?

MR. CHIPPETT: That's actually the salary for the CEO of the MMSB.

MS. MICHAEL: Okay.

MR. CHIPPETT: The way that works from a financial perspective is we get the revenue come in from MMSB and then we pay out through the Salaries line to Mr. Samson.

MS. MICHAEL: Nice salary. Okay.

Of course that includes everything, salary and benefits, I would assume.

MR. CHIPPETT: Yeah.

MS. MICHAEL: Yeah, okay.

It's not major but under the Purchased Services we do have a difference of around \$9,000.

MR. CHIPPETT: Again, the primary piece there would be our zero-based budgeting process, so building from the ground up for that particular piece, as well as the fact that we have all those entities' budgets coming together. Given we would have one Executive Support office with less executive in it, we would require less from a Purchased Services perspective.

MS. MICHAEL: Okay.

Under Supplies, is that the usual type of supplies, just the office type of supplies?

MR. CHIPPETT: Yeah, office supplies. There would be a small amount in there as well for meeting coffee supplies and so on for the executive offices.

MS. MICHAEL: Okay.

They're all the questions I have for 1.2.01.

CHAIR: Okay. Thank you.

Mr. Parsons.

MR. K. PARSONS: It's the end of the section now?

CHAIR: Yes, we're in –

MR. K. PARSONS: It was hard to – a lot of positions moved and –

CHAIR: You can go anywhere, Mr. Parsons, from 1.2.01 to –

MR. K. PARSONS: Yes, I'll just stay in this section here, one, and then I'll go on to the next –

CHAIR: – up to 1.2.04.

MR. K. PARSONS: – because I only have one question in this section here.

I listened to the Salaries explanation, but I have a simple question for you: How many positions were in the department, and how many are not there right now? I know you said there are three ADMs, right?

MR. CHIPPETT: In this particular item, right?

MR. K. PARSONS: Yeah.

MR. CHIPPETT: Do you want to help me with that one, Robyn, please?

MS. HAYES: So there would have been, at one point, a total of 24 positions among those three entities, and it's now gone down to 11.

MR. K. PARSONS: Would you have a list of the positions – and if you don't have it to give to me now, you can send it to us – that have been eliminated in that?

MR. CHIPPETT: No problem.

MR. K. PARSONS: Right, so it'll be under the same thing, but it'd be nice to follow it in the chart too that we're going to get also, so we'll know which one's (inaudible).

Madam Chair, if we could move on to section 1.2.02?

CHAIR: It's called. Go ahead.

MR. K. PARSONS: Okay.

Again, and I understand and I might be a bit of a pain tonight, but there are a lot of changes from the Estimates that were last year and just explanation. I know there's a lot of movement here. We go to Salaries, there's a significant difference there in the Salaries versus last year, and I know it's Administrative Support, not the office of the minister, so can you explain why there's such a difference in that.

MR. CHIPPETT: So there are two pieces to that particular salary line. There's only one permanent public service position in there. That's the administrative assistant on the front desk at Fire and Emergency Services. As you know, they're based on Hallett Crescent, so that's part of that.

The remainder of that is actually our student budget. So there are two things going on with the students. Our summer students are funded out of that pot of funding. As well, if we do co-op students – and we try to avail of those whenever we can – that are not associated with engineering, because you'll see some of that funding in the engineering activities we'll get to later, that's what's generally in that number.

So again, the \$191,400 reflects what would have been in all of those entities before for students and now they're combined in one spot. The reason there's a difference from the budgeted number last year to this year reflects the fact that some of that student funding would have ended up with other departments. For example, Wildlife Division or Climate Change, we would have split up a part of that number based on the changes in structure.

MR. K. PARSONS: So there's quite a bit of money there for summer students in that. Minister, I guess I'll be giving you a call.

Again, the positions then have been added, okay.

Employee Benefits, again if you looked at it, there's a big increase from last year's Estimates. We had \$3,000 that was estimated there last year and now what does that include? Where was it to and what does it add up to this year to make it go to \$76,000?

MR. CHIPPETT: In Employee Benefits, again, the line item in Administrative Support activities

generally are usually for workers' compensation invoices for injury-on-duty claims. What that reflects is the fact that you've got the combination of those injury-on-duty claims from the multiple entities we talked about before. So that's why there's \$76,000.

MR. K. PARSONS: In the next one, on Transportation and Communications, there's an increase over last year. Again, I'm going back to the Estimates that, as you know, were right before but there's an increase over last year's Estimates and just give us the variance here also.

MR. CHIPPETT: So again, the \$134,200 would have been the Transportation and Communications budget from those entities combined from last year. If you look at zero-based budgeting and as we talked about earlier, frequently in this item you're speaking about cellphones, land lines and so on, we also have our postage costs for the entire department as an example, we've got our freight costs, all of our phone lines for Municipal Affairs, Fire and Emergency Services, and the Environment Branch to make up that \$120,400. Again, it was building what our known costs were in Transportation and Communications into that item; also, of course, it's for travel for executive.

MR. K. PARSONS: Under Supplies, there's a steady decline there. Can you explain that?

MR. CHIPPETT: It's much the same as the answer for the Minister's Office. Those supply budgets would have been for the complement of executive that Robyn referenced earlier in terms of the 24 positions or 25 positions I believe she referenced. Again, we have 11, so we would require less funding from the perspective of Supplies for that number of executive and what we would expect to build in our zero-based budgeting.

MR. K. PARSONS: Okay.

Last year you budgeted \$433,000 for Purchased Services and there's a large revised. What wasn't spent? Did you have something purchased or you wanted to use there that you didn't?

MR. CHIPPETT: That related to lease costs for – that's the big expenditure. The big expenditure

in there is rent for Hallett Crescent and Mews Place for Fire and Emergency Services. In terms of the variance, so the \$433,000 to \$395,000, lower equipment costs. We also have less cost for – generally, we're going through an exercise of trying to reduce our storage costs by being better with records management. There was a reduced cost for equipment rentals from Xerox, storage costs for the Registry and actually some electricity costs were down as well.

MR. K. PARSONS: Under Grants and Subsidies, I'm always interested in those, what's included here?

MR. CHIPPETT: This is based on our population and our support to the Canadian Council of Ministers of the Environment. As for a lot of federal-provincial tables there are fees per jurisdiction. This is what we pay for our membership in support of that organization.

MR. K. PARSONS: Why has it decreased?

MR. CHIPPETT: I suspect it's based – so we would just be paying out what we're invoiced, so probably based on the latest population data. That actual figure is what we would be invoiced for by the secretariat for the Canadian Council of Ministers of the Environment.

MR. K. PARSONS: Okay.

I also wondered about the revenue line. The revised was \$26,000. It was budgeted \$5,000 and this year it's showing \$5,000 again. What's the difference here?

MR. CHIPPETT: The increased revenue there is actually rebates from Newfoundland Power for some of the environment accounts.

MR. K. PARSONS: Okay.

That's the questions I have on that section, Madam Chair.

CHAIR: Okay.

I'll go back to Ms. Michael.

MS. MICHAEL: I do not have any more questions for 1.2.02.

CHAIR: We have called up to 1.2.04.

MS. MICHAEL: Okay, I wasn't sure.

Well, for 1.2.03, basically my main question does have to do with the salary line. If we could just have a breakdown of what happened there, please.

MR. CHIPPETT: This division is actually Robyn's division. We're basically a strategic financial management division for other departments in government. At the management level we had a manager of finance budgeting and general operations for every department or group of departments that we supported. With the reductions generally, and the combinations of some of the entities that we talked about, we eliminated two of our five managers of finance budgeting and general operations.

MS. MICHAEL: Okay.

Naturally, because we have fewer departments now than we had.

MR. CHIPPETT: Yes.

MS. MICHAEL: Got it.

Thank you.

For 1.2.04, just checking, is this the vehicle replacement budget in 1.2.04?

MR. CHIPPETT: Yes, it is.

MS. MICHAEL: Okay.

That's all the questions I have.

CHAIR: Mr. Parsons, did you have any more up to 1.2.04?

MR. K. PARSONS: Oh, yeah.

CHAIR: You do. So are you okay with me going back to -? Okay.

Mr. Parsons.

MR. K. PARSONS: Okay. We can come back to the one Ms. Michael was just in that time. Again, I want to go to Employee Benefits. The

revised was down but this year it's budgeted for more than we revised last year. Can you just explain the variance there?

MR. CHIPPETT: Sure. Again, in this particular line item we're often talking about registrations for conferences or certifications and so on.

MR. K. PARSONS: Yes.

MR. CHIPPETT: We had budgeted at \$5,000 based on more of a historical approach in the previous budget. There was actually \$800 spent, but in terms of - to give you the breakdown for Employee Benefits for 2017-18, again, we spoke about Strategic Financial Management division. So the allocation of \$1,800 is for course registration for staff professional development, which included the Financial Management Institute, CPA and other conferences. It's basically to keep certifications current for some of the people in that unit.

MR. K. PARSONS: The next line, Transportation and Communications, can you explain the variance there also?

MR. CHIPPETT: In terms of the final number and the zero-based budgeting approach, in particular we put a strong focus on making sure we're only paying for phone lines that we needed, so actually budgeting and removing any extra lines and so on. There would be \$5,000 in that \$7,000 for departmental office phone lines. There were some cellphone charges.

Not a lot of travel in this division but there may be a trip to support departments, for example, who had headquarters or units outside of St. John's. That's basically what's in your \$7,000. In terms of the \$8,000 in the revised figure, it was a result of higher than budgeted communication costs.

MR. K. PARSONS: Okay.

Under Purchased Services, what's included here?

MR. CHIPPETT: Purchased Services: in particular, equipment rental. So the reduction in that case is particularly driven - or actually the

increase, sorry, was actually driven by the actual rightsizing of equipment rental costs for Xerox.

MR. K. PARSONS: Okay. That's it for me in that section, but I can go on to the next one before we –

CHAIR: No, so you're done up until 1.2.04?

MR. K. PARSONS: No, I'm done to 1.2.03. I just have a couple of questions in 1.2.04.

CHAIR: Yes, you can go because we called that.

MR. K. PARSONS: Okay.

Here I'm going to just ask a question on the Property, Furnishings and Equipment; a change from last year's Estimates. It was like \$5,000 and this year now it is \$32,000. Can you just give us why the change there?

MR. CHIPPETT: You're in 1.2.03?

MR. K. PARSONS: No, I'm in 1.2.04.

CHAIR: Page 17.5.

MR. CHIPPETT: This is our capital budget. The only capital that the department has is funding for replacement vehicles.

MR. K. PARSONS: Okay.

MR. CHIPPETT: The increase in the revised relates to a particular vehicle that was required for Fire and Emergency Services, so that's why it was up to \$44,600.

MR. K. PARSONS: Yes, when we read that, we kind of figured that.

Okay, I guess that's it then on those lines.

CHAIR: Okay, so we'll call that.

Shall 1.2.01 to 1.2.04 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 1.2.01 through 1.2.04 carried.

CHAIR: Before we move, if it's okay with everybody, we'll take a 10-minute break. We'll resume at 7:55?

MR. JOYCE: I have no problem. Whatever my colleagues want; I'm easy to get along with, Madam Chair.

CHAIR: Staff may want a washroom break.

MR. JOYCE: Whatever they want; I'm easy to get along with – whatever you want.

CHAIR: Okay.

Recess

CLERK: 2.1.01.

CHAIR: Shall 2.1.01 carry?

Mr. Parsons.

MR. K. PARSONS: Minister, on this one here, I'm going to have a few general questions because it's pretty interesting to me. There's a lot there, especially when it comes to planning and just some general questions here.

The Planning Division under Municipal Affairs here, have there been any reductions in that area as it pertains to – I know a lot of towns in my district have to do their town plans. This is where they do that. As we all know, it takes a bit of time and you get quite a few emails from me wondering where it is and whatnot. I'm just wondering: Are there reductions and is there anyone gone out of that department that we usually deal with?

MR. CHIPPETT: We did have a reduction in this area. As you know, the Land Use Planning Section was a part of the Crown Lands branch.

MR. K. PARSONS: Crown Lands, yeah.

MR. CHIPPETT: But when Crown Lands was moved to the other department, to Fisheries and Land Resources, we felt it was important to keep

the land-use planning function within Municipal Affairs because you're absolutely right, the main clients are municipalities.

We did have a reduction in terms of the manager for planning operations, but the director position in this division now – and you'll see there's a new name for this activity as well, that's being recruited now actually, we're hiring for that position – will include planning as a part of their job description.

MR. K. PARSONS: Okay.

What was it before?

MR. CHIPPETT: Before it was just the Local Governance division.

MR. K. PARSONS: Okay and the Planning section was just part of the ...?

MR. CHIPPETT: Was a section on its own. It was a separate Land Use Planning Section reporting to the ADM of Crown Lands. But, I guess, just to give a brief explanation of why Local Governance and Planning.

MR. K. PARSONS: Yeah.

MR. CHIPPETT: Local Governance in particular, or two of their functions, relate to amalgamation requests, boundary changes for municipalities and so on. There's a natural linkage with planning and the *Urban and Rural Planning Act*, so now the Local Governance division would be responsible for amalgamation, boundary changes and also the development of town plans with towns and consultants and so on.

MR. K. PARSONS: Okay.

Under the town plans right now, as you know, there's a commissioner and they go through the commission stages and they go through the general consultation stages; but I know in my own personal experience dealing with this it always seems like it takes – so is this going to speed up that process any?

MR. CHIPPETT: I'm not sure this particular change would speed it up; it won't slow it down. We are planning this year to do a review similar

to what we did with the *Crown Lands Act* on the *Urban and Rural Planning Act* to look at it from a lean methodology. So to see if there are steps that can be improved upon, to see if we can use technology more than we do, to see if all the steps, for example, are needed. We plan to commence that review of that process this year.

MR. K. PARSONS: Okay.

Are there any amalgamation requests in the department?

MR. CHIPPETT: We have, I think, two that come to mind immediately that are new. So there may be ones that have been requests for a period of time. This year, of course, we have Wabush and Labrador City. We have Botwood, and Northern Arm is a new one. I know there have been ones that have been talked about for a while; for example, Glovertown and Traytown would have been another one, but I think that may have been ...

MR. K. PARSONS: I know that the department has mentioned a lot about regionalization when it comes to different fire services, recreation services and everything. Is there anywhere in this department, in this section, I would imagine, that you would see where that's encouraged?

MR. JOYCE: The way we were trying to encourage that is through the cost-shared ratios that we had in place, anything that's regional – for example, firefighting equipment right now is 80-20 but if any two towns, two departments or more join, it would be 90-10 for roads and buildings. The cost-shared ratios can move up if any project is regional, so we're trying to encourage it through regionalization, through incentives.

MR. K. PARSONS: What incentives are they, fire and emergency –

MR. JOYCE: Fire and emergency services, roads –

MR. K. PARSONS: Roads?

MR. JOYCE: – buildings, they can all move up the percentage. For example if it's 60-40, if it's regional, it can go 70-30; if it's large enough, it could go 80-20. We're definitely not going to

force any amalgamation, but we're definitely trying to encourage regionalization and shared services.

MR. K. PARSONS: Okay. Good question; regionalization, how would roads work in – I mean, a road would either be in one section or the other, how would it be ...?

MR. JOYCE: Well, you may have, say, towns in a certain area that if, for example, the towns come together as one and apply for it as one, the roads may, if it's regional – the regional governance part of it.

MR. K. PARSONS: Okay.

Under the same general conversation, how about requests are for relocation? How many of those are out there now?

MR. JOYCE: Well, under the old policy right now, Williams Harbour, as we know, is in the process. I know, Madam Chair, the Member for Cartwright – L'Anse au Clair, was very strong, vocal and been adamant that would be done, and that is being done as the Member knows (inaudible).

MR. K. PARSONS: Have they had their vote yet?

MR. JOYCE: Yes. Also in Snooks Arm, under the old policy. Right now, the only request that we have is Little Bay Islands. There are some expressions of interest, but Little Bay Islands has –

MR. K. PARSONS: That's the one we had the vote on two years' ago?

MR. JOYCE: Yes. They had the vote, but under the new policy. Snooks Arm and Williams Harbour is under the old policy. Little Bay Islands now is under the new policy and the new regime in how to vote.

MR. K. PARSONS: What's the policy and percentage now; has it changed?

MR. JOYCE: That's still 90.

MR. K. PARSONS: It's still 90 per cent?

MR. JOYCE: Yes.

MR. K. PARSONS: What policy changes would make it interesting for them to change?

MR. JOYCE: Those were the changes we made there last year: the amount of time for residency, the vote has changed, and then we sped up for a commissioner to hold hearings and things like that. So we ensured that the residency part was more streamlined to actually who was living in the area at the time, living there year-round, full-time residents; also the timelines for the actual applications and then to have a commissioner involved and for the appeals, that all has been streamlined to speed up the process.

There were public consultations that were done on that. When that came back, I know you were at the press conference (inaudible).

MR. K. PARSONS: I know that the 90 per cent issue – I remember when you were on this side of the fence, that was an issue with you with the 90 per cent. I still believe it is. It's an issue with me also, to tell you the truth. Is there any chance of that being looked at or ...?

MR. JOYCE: When I was on that side, 90 per cent was a number that I believed in and 90 per cent is still the number that we, as a government, said no matter what you put it at, there will be some people who'll say it should be 70 per cent, it should be 80 per cent. So 90 per cent is reasonable. Plus, with that there has to be a cost-benefit analysis done and we changed that.

MR. K. PARSONS: Yeah.

MR. JOYCE: Instead of a 10 year – a 20 year, which was always 20 year, now it's a 10 year and that's because of the demographics and the age. Is there a 10-year benefit over a 20-year benefit? Before it was just 20 year so that's another thing that we changed.

MR. K. PARSONS: Nippers Harbour was one there a few years ago also. I believe the vote in Nippers Harbour was over 90 per cent. At the time, I think it was looked at the cost was too high or whatever. Have they looked at it again?

MR. CHIPPETT: There was close enough to – we do an expression of interest vote initially.

MR. K. PARSONS: Yeah.

MR. CHIPPETT: It was deemed to be close enough to 90 per cent to start the process. But what happened in the case of Nippers Harbour was when the cost-benefit analysis was done, they didn't pass the cost-benefit analysis at the current financial compensation levels that are listed in the policy.

There's a stipulation in the policy that says government, with the agreement of the town at the request of the town, can lower the financial compensation so that they'll break even. We did that, and we put that back to the community of Nippers Harbour. They did request for us to do that, to work out the numbers so they would break even. The vote then did not pass the 90 per cent.

MR. K. PARSONS: Okay.

CHAIR: Okay?

Ms. Michael.

MS. MICHAEL: Thank you.

I'll continue asking some questions in that same vein. Minister, is the notion or the goal, or whatever word you want to use, of regional governance still there as a goal, or is it more putting the emphasis into shared services on a regional level?

MR. JOYCE: In actual fact, we're going to have consultations in conjunction with MNL on regional governance, just to travel around the province and Labrador to actually see what people want for regional governance and the structure of it.

Regional governance in some circles is the way to go, and others. There was no one going to be forced into amalgamation. Regional governance is something MNL has supported and is in full consultations with these hearings we are going to have and report back to government. Part of that also is an incentive for people to share services more than regional governance.

What we have in place is to try to encourage two fire departments, which is five kilometres away, that there should be one fire department. We

hope to be a financial incentive to help out with that.

MS. MICHAEL: Right. I would imagine with regional governance it is not something you can do it here but you don't do it there. I think it has to be one model or the other.

MR. JOYCE: Yes and there will be public consultations on that to get the feedback. It will be all across Newfoundland and Labrador to see what we can do, what people are expressing, what people feel. I'm very proud that MNL are big supporters of this and are pushing for this also.

MS. MICHAEL: Yeah, like you, I've been following this discussion with MNL. So it's good to see it getting to the point where it is actually.

MR. JOYCE: Yeah, and the committee has been struck.

MS. MICHAEL: Pardon?

MR. JOYCE: There has been a committee struck for it –

MS. MICHAEL: Right.

MR. JOYCE: – with different parties involved, from different entities on it.

MS. MICHAEL: Right.

MR. JOYCE: They will be soon having the consultations throughout the Province of Newfoundland and Labrador.

MS. MICHAEL: Is that the Regional Governance Advisory Committee?

MR. JOYCE: Yeah, yeah.

MS. MICHAEL: That's what I thought, okay.

This is a simpler question. With regard to civic addressing, how is that going?

MR. JOYCE: In actual fact, we're looking at civil addressing more through Fire and Emergency Services, the 911.

MS. MICHAEL: Yes.

MR. JOYCE: That is something that I know MNL has been pushing for the towns themselves. For the next generation with the 911, that's when you need civic addressing. I know at MNL conferences they're always pushing to get towns – some are doing it, some aren't.

MS. MICHAEL: Yes.

MR. JOYCE: There will be a need to get it done for Fire and Emergency and for life. So we are continuously advocating that, MNL is continuously advocating that. I know Fire and Emergency Services are saying it's going to be a necessity for us.

MS. MICHAEL: That's right; we really have to have it.

MR. JOYCE: Yeah.

MS. MICHAEL: If it's going to work, yeah.

I think all the general questions I had have been covered. I'll go back to the line by line now.

MR. JOYCE: Sure.

MS. MICHAEL: Am I correct, 2.1.01? Yes.

Once again, could we have a breakdown of what happened with regard to the salary line there? It's not a big difference. It's only \$68,000, \$69,000.

MR. CHIPPETT: It's a combination. Again, it's the net of a reduction of the manager that we mentioned in the answer to MHA Parsons, and then there were lower salary steps. Some of the newer staff we hired, their salaries were at lower steps. There was some savings there, as well as lower budgeted savings for a vacant position in that area.

MS. MICHAEL: Right.

MR. CHIPPETT: The combination is the \$68,700 difference that you see.

MS. MICHAEL: Right.

Thank you.

Under Transportation and Communications, last year it was underspent by quite a bit. This year it's going up from the budget last year by about, what, \$7,000, just under.

MR. CHIPPETT: This leads well from the statements the minister made about the regional governance consultations. In particular, speaking to the increase, we would expect the regional governance consultations to be concluded in the fall of this year.

In addition, we've had a number of requests. So in addition to municipal plans, the government is responsible for the zoning along protected roads. We've had numerous requests that we know will require hearings and commissioners and so on in the upcoming fiscal year.

Really, that's the reason for the increase. Last year, we would not have had as many amendments to do. The other helpful note I've just been passed is the \$61,600; of course, everybody is aware at the end of September there are municipal elections.

MS. MICHAEL: Oh, right.

MR. CHIPPETT: This division would be front and centre in providing training to new councils, mayors and so on after those elections.

MS. MICHAEL: Okay. Thank you very much.

Under Supplies, last year \$9,000 underspent and this year going \$800 above the \$10,000 that was budgeted last year.

MR. CHIPPETT: The general response is the same as for the previous item; so, again, building from the ground up. As per the zero-based budgeting exercise, we would need meeting supplies for the regional governance consultations and the appeal boards.

MS. MICHAEL: Okay. Thank you.

Under the Professional Services, what are the professional services that would be covered here? Just explain the variance in that line, please.

MR. CHIPPETT: Professional Services in this activity generally relate to consultants, whether that be for hearings. In 2016-17, the revised figure which is \$12,400 higher, we had legal fees. People would know the William's Harbour relocation was open to judicial review. So this is where our legal fees would have been covered for that.

The LSD of George's Brook – Milton is interested in becoming a municipality. So the cost for the consultant for a feasibility study would be in that amount.

MS. MICHAEL: Right.

MR. CHIPPETT: And we required less by way of planning consultants last year, again, for hearings and so on.

MS. MICHAEL: Right.

MR. CHIPPETT: The decrease in Professional Services for 2017-18 relates to building from the ground up. There would be appeal board fees and planning consultants that we would need, as well as the impact of the departmental restructuring. Again, the budget for land use planning and local governance would have been brought together.

MS. MICHAEL: Right.

MR. CHIPPETT: So we wouldn't need the same amount for one division as we would for two.

MS. MICHAEL: Right.

Before I go on to the next line, you mentioned the LSDs. I have heard recently of some LSDs who are looking at amalgamation. Is there more of a move happening in that direction or is it just sporadic?

MR. JOYCE: Of course, when you speak to MNL, LSDs should become towns or should become bigger parts.

MS. MICHAEL: Right. Yes.

MR. JOYCE: There are some towns expressing to become LSDs but there's no major, across the province, asking to become LSDs.

MS. MICHAEL: And move into becoming towns.

MR. JOYCE: Yes. Some want to become towns, but I know from MNL and part of the regionalization is, right or wrong, and sometimes when you get an LSD one end of the road gets everything plowed, everything done, not paying any taxes, but up at the beginning of the town you have the town, the town boundaries – I know the Member for Cape St. Francis, who is a municipal leader, heard this on many occasions. So there's a bit of an issue there with it.

Jamie just mentioned the LSDs on the corporate areas in the consultations also. They're going to be involved with the consultations.

MS. MICHAEL: They will be?

MR. JOYCE: Oh, yes, they were invited to be part of the consultations to see what we can do to make –

MS. MICHAEL: Great.

MR. JOYCE: LSDs are like a lot of towns, too, sometimes a necessity. You have to become larger to help share with the services and that in the areas. That's a big part with towns where regionalization is more to help with the expenses, two towns.

I have a good example out my way and I don't mind saying it, I've said it: Lark Harbour and York Harbour, the same church, the same fire department, the same school, the same firettes, two of them going right to – we did the study on the amalgamation, that night both of them voted not to do it after everything was in place.

MS. MICHAEL: Right.

MR. JOYCE: There's no reason in my opinion, and I told them, there's no reason why they should not be together.

MS. MICHAEL: You can't force them.

MR. JOYCE: A necessity eventually, it will happen.

MS. MICHAEL: That's right, exactly.

My time is up. Could I just ask my last line question, if that's okay with Kevin.

CHAIR: The Member gives you leave.

Go ahead, Ms. Michael.

MS. MICHAEL: Just the Purchased Services, what's included in that? This may be related to what you've been talking about earlier in terms of the consultations, et cetera, but it's going up by about \$8,000 or so.

MR. CHIPPETT: It is indeed related to the regional governance consultations, as well as the advertising for road-zoning changes and so on.

MS. MICHAEL: Right.

Thank you, I'll pass it over.

CHAIR: Okay.

Mr. Parsons, did you have any more questions on 2.1.01?

MR. K. PARSONS: Yeah, I have a couple on this section.

CHAIR: Yes, okay.

Mr. Parsons.

MR. K. PARSONS: Again, the last question you just answered there that time, that's for what, did you say again? Ms. Michael just asked a question. What's the increase again?

MR. CHIPPETT: It's related to meeting and equipment rentals and advertising, so both in terms of the regional governance consultations.

MR. K. PARSONS: Okay, regional governance.

MR. CHIPPETT: As well as advertising for the protective road-zoning amendments.

MR. K. PARSONS: Okay.

Grants and Subsidies, can you let me know what's included there?

MR. CHIPPETT: Generally, we either pay the Grants and Subsidies line directly to a municipality if they want to pursue a feasibility study, for example, on amalgamation, if they want to pursue it themselves. In other instances we'll pay through Professional Services to the consultant.

As an example, in Grants and Subsidies here for example, the department's contribution to Wabush and Lab City doing a feasibility study would be in the Grants and Subsidies line because we paid it directly to the municipalities.

MR. K. PARSONS: Say, for example, if a municipality is interested in this, one is interested and the other says, well, you know – does it go? How does it work when you have two municipalities? You'll see some municipalities that have water and sewer and they have everything in place and the other one says it's going to cost too much money to do it. How do you delegate this kind of stuff, especially when it comes to amalgamation?

MR. CHIPPETT: I think, Minister, it's safe to say the policy in government is that there will be no forced amalgamation.

MR. K. PARSONS: No, not forced.

MR. CHIPPETT: Usually we would expect both towns to be at the table and agreeing in order to proceed with a feasibility study.

MR. K. PARSONS: I listened to one last night on the radio. Now it's not towns, not a municipality; it was two local service districts. One was talking about the services they had in theirs. Then they also said the government was after – the one I just spoke to you about that time – giving \$1.6 million to improve the water in the other.

It seemed like the conversation was that one wanted it and one wasn't really sure whether they wanted it or not. If government is funding that and there's no force, so as long as one says we're not that interested, then there's no money goes towards it. Is that the policy?

MR. JOYCE: Yes, if both of them come to an agreement. Like I just mentioned, York Harbour and Lark Harbour, if they don't come to an

agreement and one says no, at the end of the process there's no way.

MR. K. PARSONS: Okay.

MR. JOYCE: We're not going to force them in that.

I know the one you're talking about that is next to Clarendville. We tried very hard last year to get them together with the water supply from Clarendville. I know the money was put aside to ensure clean, safe drinking water.

We encourage it, but there will be no forcing of it. I hope towns can realize. As I said, eventually it's going to become a necessity, but right now some towns feel they can do it on their own.

MR. K. PARSONS: What's the percentage of the vote that's required for it to become amalgamation?

MR. JOYCE: Well, no vote. Two town councils have to vote on it.

MR. K. PARSONS: The town councils separate, there's no vote put in the community?

MR. JOYCE: No.

MR. K. PARSONS: Okay.

In that case it would be a little bit different, though, because they were local service districts, I think. They have to have a vote outside I would imagine.

Okay, I want to go to the Revenue line. What's included here?

MR. CHIPPETT: That reflects the revenue from appeal board hearings. The fees and revenue from appeal boards.

MR. K. PARSONS: Okay.

Now that we're into appeal boards, I have a couple of questions, general questions. Like I told you, Minister, I'd be asking some questions generally. Can you give us an update on the regional appeal boards? I know there are a lot of appeals waiting to be done. Where are we with the appeal process?

MR. CHIPPETT: There are five members now. Eastern, in particular, I think is the area you may be speaking about.

MR. K. PARSONS: Yeah.

MR. CHIPPETT: There were three new members appointed recently who went through the Independent Appointments Commission, and there are two other members. Of course, the full complement for those boards is five.

There are two other members who've agreed to continue to serve until we find appointees for those two other positions. Appeals are actually scheduled I think for, or will be scheduled after we do an orientation with the new members.

MR. K. PARSONS: So two members from the previous board remained and we have three new ones. Okay.

When do you expect that to start, the appeals to start? I know that –

MR. CHIPPETT: Within a couple of weeks from the orientation.

MR. K. PARSONS: Do you know how many appeals right now are needed, are out there to be heard?

MS. SPURRELL: I have to get the exact number for you, but I think it's in the range of 50 in the Eastern appeal board.

MR. K. PARSONS: Fifty in Eastern. Eastern is the part where there's no – is that the area where you have problems with members on the board?

MS. SPURRELL: The Eastern region is the one where there are some appeals that haven't been held for a while because of the members, but now that we've got the members in place we're going to do the orientation and try to catch up on that backlog.

MR. K. PARSONS: Okay.

That's it on that section.

CHAIR: Okay.

Ms. Michael, you were finished with that section as well. Okay.

Shall 2.1.01 carry?

All those in favour, ‘aye.’

SOME HON. MEMBERS: Aye.

CHAIR: All those against, ‘nay.’

Carried.

On motion, subhead 2.1.01 carried.

CLERK: Clause 2.2.01.

CHAIR: Shall 2.2.01 carry?

Mr. Parsons.

MR. K. PARSONS: I have a general question right at the start of this one. Under the description there: “... the Minister and Deputy Minister on corporate-wide initiatives.” What are they?

MR. CHIPPETT: In terms of corporate-wide initiatives –

MR. K. PARSONS: Yes.

MR. CHIPPETT: – you’d be talking about things like access to information, training and privacy, requests from the public and so on. For example, our ATTIP coordinator would be funded under here, planning from the perspective of strategic planning and annual reports; basically, things that would be required from all government departments and agencies.

That would be, our occupational health and safety is handled through the Policy and Strategic Planning branch – legislation, as an example. Anything that would be corporate review, central review of Cabinet submissions and briefing notes and so on, that would all occur through this division.

MR. K. PARSONS: Okay. All right; I was just curious to understand what you meant by that. Okay.

Under Salaries, how many positions are included in this here?

MS. HAYES: There are 17 positions here.

MR. K. PARSONS: Obviously, there are some that were positions removed. What are they?

MR. CHIPPETT: There are a couple of offsetting things happening here again. We had three directors of Policy and Planning in the three entities that came together. There was a director in Fire and Emergency Services, there was a director for Environment and Conservation and a director for Municipal Affairs.

We did remove a director of Policy and Planning position and a management analyst position. We also created – that’s one of the things I think, Minister, we’re most pleased about in our budget, a dedicated position to complete a review of municipalities’ legislation. In addition, there was one retirement. So that’s how we go to the \$1.2 million in salaries.

MR. K. PARSONS: Okay. So there were 17 positions this year, and three are gone? Is it three or four?

MR. CHIPPETT: Three positions are gone. One was a retirement; two would have been reduced through the management structure review. That was offset by the creation of a director of legislative renewal.

MR. K. PARSONS: Okay.

Transportation and Communications, last year it was budgeted pretty high. Just explain the variance on that and why it’s reduced so much.

MR. CHIPPETT: Transportation and Communications; again, that would have been the combination of all those entities coming together. There’s not usually a lot of travel associated with Policy and Strategy Planning. So we would have done a zero-based budgeting approach to our Transportation and Communications.

I’ll give you an idea of what’s in here. Of that \$9,600, again, building from the bottom up, we have \$3,600 in office phone lines, \$1,200 in

cellphone charges and our travel would be limited to travel to conduct our consultations on the environment assessment legislative review, and then miscellaneous divisional travel costs. So that's basically what's in Transportation and Communications.

MR. K. PARSONS: Okay.

I'd like to go to Grants and Subsidies. If you could explain what the Grants and Subsidies are.

MR. CHIPPETT: Sure.

There are three grants under this division. The first one is a grant that is provided every – well, they're all provided every year. The biggest amount is \$147,000 that goes to the Conservation Corps, so no change to that. The other two are memberships in federal-provincial-territorial tables that we sit at.

There's a group on local governance called PTOC. Our membership fee in that is \$9,700, which is paid out to that group as a grant. Similarly, we're a member of the Eastern Canadian Premiers Secretariat, primarily involving environmental initiatives, and our membership for that is \$12,200.

MR. K. PARSONS: Okay.

Those are the questions I have on that section.

CHAIR: Okay.

Shall 2.1.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subhead 2.1.01 carried.

CLERK: Clause 2.3.01.

CHAIR: No.

AN HON. MEMBER: (Inaudible.)

CHAIR: 2.2.01?

AN HON. MEMBER: You called 2.1.01 twice.

CHAIR: Okay. It's been a long day.

Shall 2.2.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subhead 2.2.01 carried.

CHAIR: Thank you.

CLERK: 2.3.01 to 2.3.03.

CHAIR: Shall 2.3.01 to 2.3.03 carry?

Mr. Parsons.

MR. K. PARSONS: Okay.

CHAIR: Oh, I'm sorry.

MR. K. PARSONS: Yeah, let Ms. Michael go. She hasn't –

CHAIR: And he was going to take it, too, Ms. Michael.

Ms. Michael.

MS. MICHAEL: I didn't speak to the other one but he asked all the questions, so that was fine.

Just to make a comment; it looks like here in the Salaries it's pretty stable. So does that mean the positions are stable as well?

MR. CHIPPETT: They are, and the increase is we rightsized our budget. This item has traditionally not included overtime, stand by and travel costs for staff.

MS. MICHAEL: Right.

MR. CHIPPETT: So we included that in our zero-based budgeting exercise and that's why you see the \$653,900.

MS. MICHAEL: Right.

MR. CHIPPETT: But, yes, no change in position complement in that division.

MS. MICHAEL: Right. Thank you.

Transportation and Communications; obviously, knowing what we're dealing with, Fire Services, we see what a lot of that line would be. I guess your answer is going to be the reason for the lower estimate for this year is because of the zero-based budgeting.

MR. CHIPPETT: It is, and actually you'll see an increase in the next line. So we did re-profile some funds within this activity.

MS. MICHAEL: Right.

MR. CHIPPETT: The Supplies budget, in particular, looks after training supplies for the firefighter training school and for firefighter training.

MS. MICHAEL: Right.

MR. CHIPPETT: Building from the ground up, again, we required more funds in that particular line item.

MS. MICHAEL: Right.

Purchased Services is pretty stable also. What are the services that are purchased here?

MR. CHIPPETT: You're talking about things like vehicle repairs and maintenance. There's a volunteer firefighter accidental death insurance policy.

MS. MICHAEL: Right.

MR. CHIPPETT: There are long-service awards and shredding costs. The biggest item in here is the cost of running the training school which is held annually in May and runs seven days.

MS. MICHAEL: Right. Thank you.

Coming down to Allowances and Assistance, this is constant. I probably know this from last year but I can't remember what this line covers.

MR. CHIPPETT: This is the workers' compensation premiums for volunteer firefighters.

MS. MICHAEL: Okay, and no change in those premiums, obviously.

What about the Grants and Subsidies, what does that cover?

MR. CHIPPETT: Again, these are consistent grants every year. There's been no change, and there's an operating grant for the Association of Fire Services. There's a grant to the Association of Fire Services for the Learn Not to Burn campaign.

MS. MICHAEL: Right.

MR. CHIPPETT: And the remainder is actually grants to municipalities for hazardous materials response, hazmat training.

MS. MICHAEL: Yes.

MR. CHIPPETT: Also, if a municipality responds or a fire department responds to an emergency outside a municipal boundary, there's a subsidy provided through Fire and Emergency Services.

MS. MICHAEL: Okay.

Of course, that's in the briefing book as well I think, isn't it? Yeah. Thank you.

Moving on then, I have no questions on 2.3.02, but looking at 2.3.03, Disaster Assistance. I'm assuming that –

MR. JOYCE: 2.2.03?

MS. MICHAEL: Pardon?

CHAIR: Yeah, it's been called.

Go ahead, Ms. Michael.

MS. MICHAEL: Yeah, it was called up to 2.3.03.

CHAIR: Correct.

MS. MICHAEL: Yeah.

Under Disaster Assistance, there's a lot of variance here in places where there wasn't budgeting happening. I'm going to ask you in a general way, I'm assuming the major rainstorm event must have been a big part of that. Maybe you could talk about that.

MR. CHIPPETT: You're absolutely right. Generally, with the three biggest areas, from a salary perspective we have one manager for Disaster Financial Assistance Arrangements Program which, of course, is run by the federal government. The increase in the Salaries, both in revised and in '17-'18, are temporary staff brought on to handle claims.

MS. MICHAEL: Right.

MR. CHIPPETT: The expenditures under Professional Services and Purchased Services relate to, for example, the insurance industry; we partnered with them to do the assessment of properties. That would have been a professional service.

In terms of Purchased Services, we pay out directly to contractors sometimes, for example, on municipal claims. Then in terms of Allowances and Assistance, that's the payments for private claims.

MS. MICHAEL: Right.

MR. CHIPPETT: Really, all the expenditures there are related to that. Based on the level of damages that occurred, the Disaster Financial Assistance Arrangements Program federally will compensate us for 90 per cent of those expenditures.

MS. MICHAEL: Right.

I guess a lot of that is in the briefing book, the breakdown that you've gone through.

MR. JOYCE: Madam Chair, just one note on that.

CHAIR: Minister.

MR. JOYCE: When this Thanksgiving rainstorm hit and the people at Fire and Emergency Services and Municipal Affairs got involved, there were assessments done, claims sent out, claims received, adjusters in place before other provinces even got the applications out.

MS. MICHAEL: Really.

MR. JOYCE: That's the work that the Fire and Emergency Services and Municipal Affairs did in that job. I just want to recognize the staff that did that. When we were going around – Nova Scotia, some of the people didn't realize how quick we had it done. They were amazed how quickly the professional staff at Fire and Emergency Services and Municipal Affairs helped out municipalities, individuals, towns, businesses in the province. I just want to recognize that.

MS. MICHAEL: So I take it from that, Minister, everything has been taken care of.

MR. JOYCE: Everything is in the process and being paid out. Some work – most of the bills are even submitted.

MS. MICHAEL: That's good news to hear.

MR. JOYCE: Some money is getting ready to be paid, been paid already.

MS. MICHAEL: Right. Thank you.

Under Allowances and Assistance, though – I understand the Professional Services and the Purchased Services, but under Allowances and Assistance there was nothing budgeted last year. I'm assuming the revision was because of the Thanksgiving event. Why do we have \$1,300,000 in it this year when there was nothing budgeted last year?

MR. CHIPPETT: From last year, there was nothing budgeted because at the beginning of the fiscal year obviously we didn't know the event would occur.

In terms of the revised, the things that happened most quickly related to private claims that could be settled quickly. There were 244, actually, private claims; 226 of those have been closed.

The \$1.9 million was money that we transferred in from another activity to pay for those private claims.

MS. MICHAEL: Right.

MS. CHIPPETT: And the \$1.3 million is what remains to be paid out, or was remaining to be paid out when the budget was done.

MS. MICHAEL: Okay.

Would that be the same thing for the Grants and Subsidies as well?

MR. CHIPPETT: The Grants and Subsidies would be payment to municipalities.

MS. MICHAEL: Right.

MR. CHIPPETT: In terms of their infrastructure, we always fund them because they own the infrastructure. So the Grants and Subsidies relate to municipal claims.

MS. MICHAEL: Okay.

Coming down to Revenue – I still have enough time left, I think. Under Federal – Revenue, it looks like that money was budgeted, the \$14.6 million.

MR. CHIPPETT: Again, we wouldn't have had any revenue in last year when the budget was done. So these are actually the final payments from the federal government for Hurricane Igor claims.

MS. MICHAEL: Okay.

You finally got the last of the money on Igor.

MR. CHIPPETT: That is it.

MS. MICHAEL: Okay, very good.

I just have a few seconds left and I know that if I had another question, Kevin is probably going to ask it, so I'll turn it over. They were all my questions.

CHAIR: Okay.

Mr. Parsons.

MR. K. PARSONS: Thank you.

Hurricane Matthew is what we had last year, so the claims you're saying that 244 of them and 226 are paid out already?

MR. CHIPPETT: Yes.

MR. K. PARSONS: Okay.

What was the total cost? Any idea what the total cost of that whole ...?

MR. CHIPPETT: I know we're over \$20 million, but I'll ask Robyn to speak to whether that's the right number.

MS. HAYES: It is around the \$20 million mark, which will be funded by the federal government 90-10.

MR. K. PARSONS: I'm just going to stay in this section first and then I'll clue it up because I only have one question and then I'll go back to the other two questions. On disasters, there's a certain portion before the feds will come in with their money. What's the amount that if something happens, whether it's a flood or anything at all, before the federal government will come in and say okay, this is – and is it in this section that we find the funding for this?

MR. CHIPPETT: It is where the funding for this would be, it would be in this activity but it's only triggered of course if there's an event of a certain magnitude, as you say. The first \$1.6 million, the province is on its own. Then there are differing splits. So the more you spend or the greater the damage is, then you work your way up to the 90-10 category.

MR. K. PARSONS: And that goes high? Does that go to \$20 million, \$15 million, \$10 million?

MR. CHIPPETT: Whatever it is above the –

MR. JOYCE: Over the limit.

MR. CHIPPETT: Yes.

MR. JOYCE: Over the limit, the maximum limit – whatever it goes over, it's 90-10 after that. You have to reach a certain threshold for the 90-10.

MR. K. PARSONS: Just to understand again – like I said, I’m trying to understand my zero-based budget as much as I can. In a department such as yours where these things can happen, and it seems like more things can happen, my understanding through the Department of Finance is that zero-based budgeting is that this is what the department gets, everything line for line for line. What happens in the department when there are incidents of disaster and stuff like that? Where does the funding come from and how will we get it?

MR. JOYCE: There is emergency funding in the department. I know last year and some of the other things that happened in different departments is that contingency fund that we set up, \$30 million contingency fund, can be used for that. Also, in the department itself, there’s some emergency funding that we use for different towns.

Most municipalities apply for it if an emergency happens. The latest one we had, I think, was up in Labrador, Northwest River where they were one week without water. There is a contingency fund there and the department emergency fund, plus there is a \$25 million contingency fund that we can use.

MR. K. PARSONS: That’s in the department’s budget, is it?

MR. JOYCE: No, that’s in the Department of Finance. The contingency fund has to be tabled in the House, if it’s ever used.

MR. CHIPPETT: If I could just add to that. A couple of things: One, there’s always the option to go to the Legislature for a special warrant, but using this as an example, obviously we have a large allocation for infrastructure, so in this case we were able to use some of our infrastructure funding to deal with some of the municipal claims and we were able to transfer some of that funding in infrastructure. You know infrastructure varies from year to year, based on when projects get approved and all those types of things. So we were able to transfer in from within our own infrastructure budget as well.

MR. K. PARSONS: Okay.

On the infrastructure part of it because when I did ask the question in Finance, they basically said it would have to go back to probably Cabinet to get approval for such funding and stuff like that because of the change. If you’re going to use it through your infrastructure funding, then that’s where it would have to be.

MR. JOYCE: That’s the contingency fund; we have to go to Cabinet to get approval. Under that fund, any money out of that fund that’s used has to be tabled in the House of Assembly within three days. So it has to go to Cabinet for approval to use the contingency fund, but it is tabled in the House of Assembly, whatever the use of it is for.

MR. K. PARSONS: I’m just curious, just to know where it would come from and stuff like that.

I want to go back to section 2.3.01. Ms. Michael asked the line questions that I needed to ask; I just wanted to ask one there.

MR. JOYCE: 2.3.01.

MR. K. PARSONS: 2.3.01.

MR. JOYCE: Yes.

MR. K. PARSONS: Fire and Emergency Services, is that still located over on Hallett Crescent?

MR. JOYCE: Yes.

MR. K. PARSONS: Okay.

When we talked earlier about positions, you said there were 25 and it was moved down to 23, I believe. Are those director positions?

MR. CHIPPETT: One was the director of policy and planning that we referred to earlier.

MR. K. PARSONS: Okay.

MR. CHIPPETT: The reason the number is what it is, is a result of some of those temporary positions that were hired as a result of the Thanksgiving rain event, but there was one director position that was eliminated. I don’t know what the second position is offhand.

MR. K. PARSONS: Okay. So there are no plans on relocating the offices? Because in another section it was due for rental that was –

MR. CHIPPETT: The lease for Hallett Crescent is until 2018 or 2019.

MR. K. PARSONS: Okay.

Ms. Michael asked about Salaries. Okay, that's it on that section.

I asked a question about the Appeal Boards. Emergency Services, okay, let's go to section – I don't think Ms. Michael asked any questions on section 2.3.02.

CHAIR: We've called up to 2.3.03.

MR. K. PARSONS: Okay, so I'd like to ask a question on the Salaries, the difference in the Salaries, what the reason is.

MR. CHIPPETT: The increase there is a result of salary step increases.

MR. K. PARSONS: Just salary increases?

MR. CHIPPETT: Yeah, the steps. No change to position complement in Emergency Services.

MR. K. PARSONS: On the Employee Benefits, last year it was \$700 and then we obviously we didn't spend any. This year it's \$500. Can you explain the variance there?

MR. CHIPPETT: In the zero-based budgeting exercise, we budgeted \$500 this year for conferences and registrations.

MR. K. PARSONS: Okay.

Under Purchased Services, last year it was \$12,000. Can you explain the difference in that line also, the variance, decrease and increase?

MR. CHIPPETT: Generally, in Purchased Services in this division we're talking about meeting room and equipment rentals and radio licence fees. We do pay a membership here as well to the federal-provincial group for emergency management offices and there are also repairs to our fleet.

Of course, there are a fair number of vehicles involved in Fire and Emergency Services and there's annual maintenance for the generator associated with the building. So in terms of the \$27,600, that's our actual expenditure under that particular line. Last year we would have spent less on vehicle repairs and general purchased services. That's why we didn't spend the \$35,800.

MR. K. PARSONS: Okay.

I'd like to go to the Revenue line and just an explanation of the revenue. What's the revenue there?

MR. CHIPPETT: We talked about the FPT forum, the Canadian council of ministers of emergency organizations. This is actually funding that we had for a year or so because we were the co-chair of that organization with the federal government. As a result, we were provided funding that we could use from a salary and operating perspective to support that group.

MR. K. PARSONS: Okay.

I don't know if Ms. Michael asked about Salaries or not. I'm not sure if she did. You did? Okay, because I didn't have it marked up.

Other than that, I think that's all I have in that area.

CHAIR: Ms. Michael, did you have more questions in that section?

MS. MICHAEL: I have one general question.

CHAIR: Okay.

Go ahead, Ms. Michael.

MS. MICHAEL: It has to do with the work of NL 911 Inc. We've gone to their website. There's not a lot of information there. I'm just wondering if you could give us some information of what's happening. Do they submit an annual general report with budget to the department?

MS. SPURRELL: Yes, they do submit an annual report. We should see that in the coming

weeks as we move into year-end. They do have a budget. I don't have it with me but I can certainly get a copy of it for you.

MS. MICHAEL: That would be great.

MS. SPURRELL: Their priorities right now are on the civic addressing and moving to Next Generation 911. So they're doing some research around that cross jurisdictionally.

MS. MICHAEL: Okay. Thank you.

I'd appreciate that information, the budget.

MS. SPURRELL: Sure.

MS. MICHAEL: Great. Thanks.

Maybe if you could just make a note, maybe the minister would table it anyway, but it would be good to get their next report that you'll get from them, their annual report.

CHAIR: Okay. Are we all good with this section?

Good, Ms. Michael?

Shall 2.3.01 to 2.3.03 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

CHAIR: Carried.

On motion, subheads 2.3.01 through 2.3.03 carried.

CLERK: 3.1.01 and 3.1.02.

CHAIR: 3.1.01 and 3.1.02.

Mr. Parsons.

MR. K. PARSONS: Again, there are changes in the description from last year, but we'll go to the Salaries. There's a good bit of difference there in the Salaries. Can you just explain the variance of what is there?

MR. CHIPPETT: There are two things happening here from a management restructuring perspective. We used to have regional directors in the department. Rather than having individual directors in regions, we now have a director who is responsible for all engineering and infrastructure, and a director that is responsible for all municipal support.

Basically, before our regional offices used to report to two different people, somebody from a regional support perspective and somebody from an engineering perspective, because we have a director of engineering in the department as well. The director of engineering oversees the headquarters group of engineering as well as the engineers in all the regions, and there's a director for municipal support.

So when I say municipal support, you're talking about on the ground, financial support, legislative advice and so on. Those staff will be overseen by a director from municipal support rather than directors in different regions.

MR. K. PARSONS: So if there were two directors, now there's one?

MR. CHIPPETT: Under this particular activity there were two directors and now there's one. We also had a reduction in a regional manager position.

MR. K. PARSONS: What region was that?

MR. CHIPPETT: Labrador.

MR. K. PARSONS: Labrador.

Is that something you're planning on filling?

MR. CHIPPETT: No.

MR. K. PARSONS: No. Okay.

Where is it handled now? It's all coming into the department and one –

MR. CHIPPETT: There's a regional manager in Corner Brook, and if you look at the –

MR. K. PARSONS: Okay.

MR. CHIPPETT: I don't have the exact numbers with me, but if you look at the number of communities we support in the Western region and Labrador, they line up very well with the number of communities that are supported out of our Central regional office and our Eastern regional office.

MR. K. PARSONS: Okay.

Employee Benefits, I'd just like for you to explain that line, why nothing last year and what happened.

MR. CHIPPETT: In our zero-based budgeting submission, or as I say building from the ground up, in our Employee Benefits there's course registration for staff development and we budgeted that at \$400.

MR. K. PARSONS: Purchased Services, what's in this line? What does it include?

MR. CHIPPETT: So you're basically talking about meeting room, equipment rentals, equipment repairs and maintenance, and general purchased services.

In our budget for '17-'18, the \$56,400, we've got shredding services for two of our regional offices. We've got Xerox stations. We've got an office space rental in Gander, and we've got business insurance on some of our vehicles.

MR. K. PARSONS: Okay.

I'd like to go to the revenue line again. Where did the revenue come from?

MR. CHIPPETT: Engineering staff in our Labrador office. We still have people on the ground in Happy Valley-Goose Bay. There's a memorandum of understanding with the Nunatsiavut Government. So we provide engineering services and support to the Inuit communities and Nunatsiavut Government, and that's the revenue that's realized as a result of that relationship.

MR. K. PARSONS: Okay.

That section there, I'm finished, but I can move on to the next section, Madam Chair, if it's okay with you.

CHAIR: Yes, we've called up to 3. –

MR. K. PARSONS: Unless you have any – we only called that one did we? I didn't know if we called it while I –

CHAIR: We've called 3.1.02.

MR. K. PARSONS: Okay.

CHAIR: All right, okay.

So are you okay with us going to –

MR. K. PARSONS: I'll go on to two, and then when my time is finished you can ask any questions. Okay.

CLERK: 3.1.02.

MR. K. PARSONS: Is that the one we go to next?

CHAIR: Well, we've called 3.1.01, and 3.1.02 has been called.

MR. K. PARSONS: Okay, all right.

I'll go to –

CHAIR: And you do have five minutes left on the clock.

MR. K. PARSONS: Okay, perfect.

Now this section here, Minister, is interesting to me because, especially community enhancement grants.

I've got five minutes left on this one, right?

MR. JOYCE: No, no, I was just looking at a time, 9 o'clock. I was going to make a suggestion. I don't know if we're going to continue on or we can come back, because there is a lot to go through and we hate to be rushed.

MR. K. PARSONS: That's up to you.

MR. JOYCE: No, because I don't know what everybody else thinks here, but there are at least another 8-10-12 sections and the rate we're going, it's going to be another couple of hours. I have no problem coming back. I mean there –

CHAIR: There are four subheads, counting the one we're on.

MR. JOYCE: Okay, it's up to you guys. It doesn't bother me, whatever you guys want to do.

MR. K. PARSONS: I guess we're going to have to come back and do it.

CHAIR: The Chair will –

MR. JOYCE: What do you think, Jim?

MS. MICHAEL: I would be open to coming back. I don't know what Mr. Parsons wants.

MR. K. PARSONS: I got no problem with it.

MR. JOYCE: What do you think? Are you all right with that, coming back? We will be here for another hour and a half, at least, if we don't.

CHAIR: I guess because there are still some Estimates ongoing, we will have to find a time that's available.

MR. JOYCE: Or do you want to keep going? We're here as long as you want to do it or come back.

CHAIR: I'm just seeking advice here. The Clerk is not sure there's a lot of time left to do this, to find another window given what we have on the go.

MR. JOYCE: Okay, we will stay. I'm fine.

MR. K. PARSONS: I think we can speed it up if maybe we want to stay for a half hour or 40 minutes or so.

MR. JOYCE: Sure.

MR. K. PARSONS: We might be able to conclude by then.

MR. JOYCE: I just don't want it to be said that myself and the Member for Cape St. Francis is having an argument.

MR. K. PARSONS: No, I understand that. I apologize. I'll talk faster or something.

Okay, so we'll just continue?

CHAIR: You continue, Mr. Parsons.

MR. K. PARSONS: Okay, perfect.

This section here, Minister – and I do know the community enhancement grants came into this section from last year too. Can you just explain what was added, this whole department here, Municipal Operating Grants, Special Assistance grants, what was there last year versus to this year?

MR. CHIPPETT: The only addition to this item, to this activity, is the community enhancement operating funding. So there's a separate section we'll see in a few headings that has the grants separate, but the staff that manage that program are responsible for that program. Their salaries as well as any operating funding required are contained in 3.1.02.

What we did in that instance, and you'll see in the binder that we provided, is the existing manager of Municipal Finance was responsible for Municipal Operating Grants, special assistance grants, review of municipal budgets and financial statements. That individual now has the community enhancement program in that portfolio as well.

MR. K. PARSONS: Okay.

On the reduction in Salaries that was brought over, can you just give us why the variance there?

MR. CHIPPETT: So it was basically similar to a couple of the other examples we had in the Environment subheadings. We created a new manager position that was responsible for all those Municipal Finance activities, as well as community enhancement with the community enhancement position. So there's one manager for all of the financial programs that the department provides to municipalities.

MR. K. PARSONS: All right.

Just a general question here, Minister, on the community enhancement grants. I know that we have a lot of issues in the fishery, rural Newfoundland and stuff like that. Is there any

contingency that you're going to be able to look at to be able to help communities that are really going to need employment in their communities? It's a major concern.

MR. JOYCE: Yes, there is still a fund, the Fisheries Fund in the Fisheries Department for workers affected by any slowdown in the fishery. There's also the community enhancement.

Also, we mentioned earlier that, if need be, there's a contingency that we have. If we feel that we need additional funds to help out people who are affected by the downturns this year, our department can always approach Finance and Treasury Board and ask for an allotment of the reserve that's in the contingency fund. Once again, I'll say once we make that move to the emergency fund contingency fund, we'll have to table in the House what it's for.

There is money available to help out people who are affected by the downturn in the fishery. I know Minister Crocker mentioned that in the House. Yes, there are funds available and, yes, we are anticipating that there may be some people using the fund that's already in to the Department of Fisheries and also the community enhancement. Plus, if need be, we'll go to the contingency reserve fund which we put aside for that.

MR. K. PARSONS: Okay, that's it for me on that section anyway.

CHAIR: Do you have any more questions?

MS. MICHAEL: No, I don't.

CHAIR: Okay. Are you done with that section?

MS. MICHAEL: Oh, wait now, I'm sorry, one general question very, very quickly.

Oh no, I asked it. No, that's it. Sorry.

CHAIR: Okay.

Shall 3.1.01 and 3.1.02 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, subheads 3.1.01 through 3.1.02 carried.

CLERK: 3.2.01 and 3.2.02.

CHAIR: Shall 3.2.01 and 3.2.02 carry?

I'll start with Ms. Michael this time.

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

I really don't have a lot of questions for here. Except with the Grants and Subsidies, can we get a list of the grants and subsidies if they're not already in the briefing book?

MR. CHIPPETT: The Grants and Subsidies, there is actually one grant.

MS. MICHAEL: Oh, is it?

MR. CHIPPETT: I can answer that fairly easily. This is funding for regional operators. You recall under the Community Sustainability Partnership, government provided grants to the regional service boards. In those instances, the regional service boards have hired regional operators to work on water systems with communities, so it's part of the effort to reduce boil-water advisories in different parts of the province.

Those are three grants to three regional service boards for an employee and for the operating expenses associated with an employee.

MS. MICHAEL: Okay.

And where are those three regional boards located? What are the regions?

MR. CHIPPETT: Eastern, Central and Western.

MS. MICHAEL: Okay, very good.

What about Labrador?

MR. CHIPPETT: There isn't a regional service board right now in Labrador.

MS. MICHAEL: Okay. Thank you very much.

Then coming down to the Industrial Water Services, for the Professional Services last year the budget and revision remained the same and this year it's down by \$30,000 – an explanation.

MR. CHIPPETT: This was a Government Renewal Initiative. Government used to have, I think, between 40 and 50 industrial water services that it operated. The department, over the last number of years, has been working of divesting of these water systems to communities and, as of now, actually, we only have two left to divest, or one left to divest in Ramea. I think we've talked about, in Estimates before, a salt water system.

MS. MICHAEL: Yes.

MR. CHIPPETT: So we would never be able to charge Ramea cost recovery based on what it would cost for them to do so. We don't plan to divest and we don't plan to charge cost recovery, but in the other instances we've been gradually divesting of the systems and, therefore, all our expenditures would go down as we got rid of those.

MS. MICHAEL: Thank you.

Under Purchased Services, there's been a radical change there. Could you explain what's happened there?

MR. CHIPPETT: It's basically the same explanation. From a Purchased Services perspective, this is operating expenditures. It might be electricity expenditures. It might be repairs and maintenance for the water systems. So given the fact we're down to two remaining, those expenses would be less, and basically that's why the revenue is less as well. So the entire explanation under this heading is basically, as we divest, we take in less revenue but we also have less expenditure.

MS. MICHAEL: Right. Okay, thank you.

They're really all the questions I have for those two sections.

CHAIR: Okay, thank you.

Mr. Parsons.

MR. K. PARSONS: I just have a question on this section. Minister, I'm not sure if there is the proper section to even ask this question. Your Ministerial Statement today when we talked about the Regional Service Boards and a Citizens' Representative, is this the section because it was also mentioned under Waste Management there also?

Do you want to give us some details on what that's about?

MR. JOYCE: What it is, we received a lot of concerns and complaints about the boards and their mandate itself. I'll give you a good example. There are some people who have a cabin.

MR. K. PARSONS: That's what I was –

MR. JOYCE: They may not have electricity to the cabin. They may be there one month a year. Under the Regional Service Board, they feel they can collect garbage fees from that cabin.

MR. K. PARSONS: Yeah.

MR. JOYCE: We had numerous complaints to the department. We have no authority to stop them from doing that; it's within their mandate. So what we decided as a department was that we would put it under the Citizens' Rep. If someone feels that they're not being treated properly, they can make a complaint to the Citizens' Rep and then they can investigate the complaint under their mandate to see if they're being treated well by the Regional Service Boards.

MR. K. PARSONS: Okay.

As an MHA, and I know yourself, as a minister, and I'm sure most MHAs in the province, especially in Eastern where this is happening, in the Avalon and stuff like this, I know and I represented a good few cabin owners and met with the regional board here, it seems like it's just cut and dry, whether the road is used during the winter months because most cabin owners would be okay with it during the summer months. But it seems like it's just cut and dry,

it's one figure, \$180 and that's the bottom line and there don't seem like there is anything we can do.

What is the Citizens' Representative going to be able to do?

MR. JOYCE: They have the legislative authority to do an investigation. And just for the record, they requested that they have the authority to do this because they're hearing complaints; we're hearing complaints. So as a Citizens' Rep they can do an investigation and make sure their act is being followed and make recommendations itself.

MR. K. PARSONS: Most cabin owners are going to find this out and they're going to all go to the Citizens' Representative and, as you know right now, they're a pretty busy department as it is.

Are there any funds allocated for the added work that will be done and the resources that will be needed to take this on?

MR. JOYCE: From the Citizens' Rep, as you know, we can't anticipate how many calls or how many that they're going to have to investigate. As you know, the Citizens' Rep is under the Management Commission. If they feel they need additional funds that's an avenue that they have to go through, the Management Commission.

That is something that they asked for; they feel they can handle within their resources. If they feel that there's a volume where they can't, the Management Commission is where – and it's like any other part of the House of Assembly, child, youth, family, the Child and Youth Advocate, they can go to the Management Commission to seek additional funds if they feel necessary. That's the avenue they must go through and that's the avenue that (inaudible) for the House of Assembly.

MR. K. PARSONS: Okay.

That's good for that section.

CHAIR: You're good with that section, both of you? Okay.

Shall 3.2.01 and 3.2.02 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subheads 3.2.01 through 3.2.02 carried.

CLERK: 3.3.01 to 3.3.06.

CHAIR: Shall 3.3.01 to 3.3.06 inclusive carry?

Mr. Parsons.

MR. K. PARSONS: Again, the questions here, Minister – and I think I have a good idea of what's happening here, but it's nice to get an explanation. As debt comes down on municipalities, obviously, there's a reduction in the amount of funding here. If you just want to give this a quick say.

MR. JOYCE: You're 100 per cent correct.

MR. K. PARSONS: Okay.

MR. JOYCE: Debt is being paid down, it's being lowered and so is the interest on it.

MR. K. PARSONS: Okay.

Municipalities always come with more grants and everything else and we do funding and stuff like that. Why is it coming down so much? You're still giving out money and they still have to finance.

MR. JOYCE: Yeah, but most of the municipalities now go through the banks, get the loans from the banks.

MR. K. PARSONS: They use the banks more than they did. Okay.

I'm sure that 3.3.02 is the same answer that you just gave.

I'm happy to see that the Municipal Operating Grants are staying the same. Is there any change in the towns, like, for example, the ratios?

MR. JOYCE: The ratios have changed, yes.

MR. K. PARSONS: They have changed. I'm talking about the Operating Grant itself for the towns. So they're still the same no matter what it is?

MR. JOYCE: They're the same. Yeah.

MR. K. PARSONS: That's all based on population, right?

MR. JOYCE: Yes, population is the same.

MR. K. PARSONS: On the larger towns, I know there are 22 larger towns that also have funding under I think it's multi-year. Is that how it works there? Are they all done based on population also?

MR. JOYCE: Usually it is based on population, but what we did last year and what we did this year, it was population plus the amount of money they received under the Wastewater Fund. I'll give you a good example: Gander. Gander received \$38 million this year.

In some cases like Clarendville, for example, Clarendville never applied for any funding under the Clean Water and Wastewater Fund. What happened was, with their three years, we didn't decrease it as much because they had no funds. Most municipalities, and I use Corner Brook, for example, which I'm a part of, this year with the multi-year, plus what they got from the federal-provincial Clean Water and Wastewater Fund already, they will be \$4 million better off.

What they submitted to us was their priorities. That's how we basically share –

MR. K. PARSONS: So it's based on the need for waste water first?

MR. JOYCE: No, it's what the councils apply for. Most of the councils applied for water and waste water as their priority. Most municipalities that received funding from that fund plus with the three-year, multi-year they received this year, most every town would be better off in the

long run because they will see that we took a lot of their money and we leveraged federal money to put with their money to give them the projects that they need.

There are many examples across the province that we took some of our funds and then we leveraged federal funding.

MR. K. PARSONS: Just a question, and you can probably answer this, when I looked at the list I saw that something like CBS got less money than Corner Brook – and it showed the list, so it was based on the need for waste water and the funds that they allocated.

MR. JOYCE: Water and waste water and then, in some cases, what they received last year. That's how we tried to be as fair as we can with it because we did have to take some of the funds to leverage funding. And it did work. A lot of towns are much better off after these three years and there is still the Small Communities Fund that they can apply for. Next year – except St. John's I think is the only one cannot apply for that – there are funds that they can apply for this year and there are funds next year. Plus, next year there is also the second phase of the federal infrastructure fund they can apply for also.

MR. K. PARSONS: All right. That's good.

I want to go to section 3.3.04. We're doing that one too, right? It went to 3.3.06, right?

CHAIR: Yes, we are. Correct.

MR. K. PARSONS: Okay.

Under Special Assistance, just explain the line to me, Purchased Services, please. What is the \$38,500 for?

MR. CHIPPETT: The \$38,500 related to decommissioning costs associated with the relocation process for Williams Harbour.

MR. K. PARSONS: I know what a lot of the grants are for but can you just give us what's included in the Grants and Subsidies line?

MR. JOYCE: Oh, yeah. We just used some of the – the Town of Wabush, as we gave them with the Voisey's Bay, the agreement that your

government struck with them. We gave them a certain amount of money.

Also, there's a lot of special assistance in Ramea for example. When we had that major disaster in Labrador, we used funds for that. I can assure you one thing, that all the funds that are in this program are used for municipalities.

MR. K. PARSONS: Okay.

This fund now has been reduced over the last number of years, has it?

MR. JOYCE: Yeah, and it's reduced again.

MR. K. PARSONS: Okay.

Last year, the revised was \$7.5 million. Why the variance there?

MR. JOYCE: Pardon me?

MR. K. PARSONS: Why was it last year that it went up to \$7.5 million? Just the whole line, if you can explain. It was budgeted for \$3.4 million, then it went to \$7.5 million, and this year \$2.7 million under Grants and Subsidies.

MR. CHIPPETT: The \$7.5 million, we transferred in funding to pay out the relocation costs for the property owners in Williams Harbour. That's where the difference between the \$3.4 million and the \$7.5 million comes from.

Then the other piece, as the minister was speaking to Wabush Mines, their grant in lieu from the province for the idling of Wabush Mines; that decreases over three years. So the reduction or the last payment for Wabush Mines is \$636,000 which will occur next year.

MR. K. PARSONS: Okay.

This is where the small municipalities can apply for grants to do different improvements and stuff like that. That's the money allocated in this section, is it?

MR. JOYCE: Everything (inaudible).

MR. K. PARSONS: Okay.

Under Community Enhancement, I think you already answered my question on that before, but that also is a reduction for the last number of years, too, isn't it? It's after coming down a ways from what it was in the earlier years.

MR. CHIPPETT: The budget is actually up this year for Community Enhancement.

MR. K. PARSONS: Yeah, it's up this year by a couple of hundred thousand, but in 2015, when I look back, it was up to \$5.7 million or \$5.8 million.

MR. CHIPPETT: Yeah, it was higher. The difference this year is the minimum wage increase.

MR. K. PARSONS: Okay.

MR. CHIPPETT: So that's been factored in to the allocations.

If I could correct myself from earlier, the last payment for the Wabush grant in lieu is actually this year not next year.

MR. JOYCE: That is something we started. I remember going back to Stephenville when Stephenville shut down and Grand Falls, it was to help the town readjust with the loss of taxes from that major industry. So we just continued on with the three years that they received it.

MR. K. PARSONS: Okay.

Under Provincial Gas Tax, why is it you spent more this year than last year's revised the year before? Is that because of the increase of 1 per cent?

MR. JOYCE: Yes.

MS. TIZZARD: The increase is due to the forecasted and budgeted increase for the gas tax. So it went from three-quarters of a cent per litre to one cent per litre.

MR. K. PARSONS: Okay.

Has there been any change in the gas tax applications for municipalities? I don't know if they've changed over the last number of years. It went from environmental to – it still doesn't

include recreation. What are the requirements these days?

I remember it used to be just some kind of environmental waste management. Then we ended up getting roadwork done and stuff like that after a while.

MR. JOYCE: That's federal gas tax money; and, yes, you can still use that. It's under the federal gas tax that the towns receive.

MR. K. PARSONS: Yes.

MR. JOYCE: You can do roads. The only stipulation they have in that is if you get any program water, waste water and it's up to 50 per cent, you can't, what they call stack, to get your federal gas tax money to make it over 50 per cent of the federal contribution. It can be used for roads and other things if it doesn't go over 50 per cent. You can't make it to be over 50 per cent from the federal portion of the cost.

MR. K. PARSONS: Okay.

Gas tax is used over what period of time? Is it every third year or something like that that the municipality has their gas tax money to avail of?

MS. TIZZARD: They get an allocation that they can access every year. If they don't use it in a particular year, because they don't have a particular project to fund, then they can carry it over to the following years.

MR. K. PARSONS: Is it two years max?

MS. TIZZARD: No, they can carry it over. This is the federal gas tax; it's not the same as the provincial gas tax.

MR. K. PARSONS: Okay. Yes.

MS. TIZZARD: They can carry it over until they use it, so up to five years, which is the term right now of the fund.

MR. K. PARSONS: Right.

Those are all the questions I have on that section.

CHAIR: Okay.

Ms. Michael.

MS. MICHAEL: Basically, all I want to ask is: Could we have the lists for the Grants and Subsidies from 3.3.03 to 3.3.06? The amount of who got what in all of those categories.

MR. JOYCE: 3.3.06 (inaudible).

MS. MICHAEL: From 3.3.03 to 3.3.06.

MR. CHIPPETT: In the case of Special Assistance and Community Enhancement, we wouldn't know yet what the grants are for.

MS. MICHAEL: Okay.

MR. CHIPPETT: We could give you the breakout of Municipal Operating Grants.

MS. MICHAEL: Yes.

MR. CHIPPETT: In terms of those other ones that are application driven, we wouldn't know until the applications come in, with the exception of Wabush that we talked about in Special Assistance.

MS. MICHAEL: Of course. What about the provincial gas tax revenue sharing?

MS. TIZZARD: That's all online.

MS. MICHAEL: That's all online?

MS. TIZZARD: The provincial gas tax allocations for each municipality are all online.

MS. MICHAEL: Okay, that's great. Thank you very much.

That's all I have.

CHAIR: Okay.

Shall 3.3.01 to 3.3.06 carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: All those against?

Carried.

On motion, subheads 3.3.01 through 3.3.06 carried.

CLERK: 3.4.01 to 3.4.04.

CHAIR: Shall 3.4.01 to 3.4.04 inclusive carry?

Mr. Parsons.

MR. K. PARSONS: Ms. Michael, does she want to go to the section?

CHAIR: Ms. Michael, would you like to start?

MS. MICHAEL: No, he can go ahead.

CHAIR: Okay.

You're still a very co-operative bunch, given the hour of the day.

MR. K. PARSONS: A very nice crowd, I tell you.

MS. MICHAEL: I'm getting tired.

MR. K. PARSONS: No problem.

MR. JOYCE: Madam Chair, just to let you know, I usually bring that out in people. Co-operation is what I'm all about.

MR. K. PARSONS: You have that on the record, do you?

MS. MICHAEL: *Hansard* to (inaudible).

MR. K. PARSONS: Yeah.

I know a lot of the questions I've asked already, so I'm just going to ask some basic questions here also. Municipal Infrastructure; Minister, on the Municipal Infrastructure there's one question I do have that I want to ask.

From last year there were a lot of tenders and everything put out. I wanted to know just where we are with the amount of tenders that were put out and where these projects are. Are we getting – I know as tenders are put out, how many are really going out? I've heard concerns and had some municipalities say to me, like the slowness of –

MR. JOYCE: From my understanding, and I stand to be corrected, there's about 50 per cent now out to tender, and there is a very high percentage we're working on now, with the design in. My understanding there's 50 per cent right now of last year, the \$120 million, out to tender, and there is –

MR. K. PARSONS: So the other 50 per cent that's left to go out, is that a carryover to this year, or how does that work?

MS. TIZZARD: So yes, they'll just continue to carry on. Some will be tendered next week; some will be tendered in a couple of weeks, but most of them are moving along and hope to be tendered within the next month or so.

MR. K. PARSONS: That's just like as normal – is it going faster or slower?

MS. TIZZARD: For the Clean Water and Wastewater Fund, we're trying to really push that one because we have to have the expenditures done by 2018-'19.

MR. K. PARSONS: Yes.

MS. TIZZARD: So we're really trying to push that one along. We try to push them along all the time, but that one in particular because the funding has a time limit to it right now. The federal government has stated that it will start looking at some possible extensions, but communities have to apply for that. So nothing is guaranteed there. So we are trying to push that particular one.

MR. K. PARSONS: Okay.

That's an opportunity for me to say thank you to the department for the announcement we had on Friday down in Pouch Cove. I really appreciate it. That's one I hope that you kind of push through and gets along pretty quick because it's pretty desperately needed. It was a good announcement, but thank you for that.

MR. JOYCE: Madam Chair, just another note on that. With the size of the fund and with the expediency that we need to try to get it done, I just want to recognize the department is working more diligently than usual to ensure that once

they come in, the turnaround is very, very high to try to get the tenders out.

Once again, the department understands and the officials understand that we have to turn this around as quickly as possible. They're doing a great human service to get a lot of this out, because it is a lot of money. The other concern that we had at the very beginning is some consultants may get a lot and may not be able to get the design work done, but we see that most consultants are getting the work in and there are a lot of projects getting out the door.

MR. K. PARSONS: Okay, all right. Like I said, it was a good announcement in my area, so I was pretty pleased with it, too.

Just a scattered question here now, I'm not going to go into too many, but I'd like to have a look at Transportation and Communications and just give us a description there on that line, please.

MR. CHIPPETT: So again, the travel component of this would vary, depending on the number of projects, depending on where the projects are and so on. We have budget requirements laid out there in our zero-based budgeting approach for each of the regional offices. There are cellphone charges and office phone lines, as well as freight and courier and delivery charges. So that's what makes up the \$192,900. Again, the regional staff and engineers are on the ground supporting the projects we just talked about. So the bulk of that item is \$164,500 for travel.

MR. K. PARSONS: Okay.

I'd like to just go to Professional Services too. Last year, we budgeted \$174,000 but we only went – can you tell us what's happened there where it was only \$9,000?

MR. CHIPPETT: You said Professional Services, right?

MR. K. PARSONS: Yes.

MR. CHIPPETT: Professional Services generally relate to engineering and consulting services that we would do through the department for use in terms of waste management or engineering or what have you.

So we didn't use much of that funding last year because there weren't projects to engage in, but in terms of the \$150,000, that's money we have budgeted for – he's not here now but one of the minister's biggest priorities is a review of the Waste Management Strategy. So we would expect in the coming weeks to release two RFPs that would assist with a review of the Waste Management Strategy.

MR. K. PARSONS: Again, I want to go to Grants and Subsidies and just give us an idea of what they are.

MR. CHIPPETT: Effectively the money for provincial-municipal capital works and provincial, multi-year capital works are held in this line item. So there are two reasons for the reduction.

The initial reduction from the '16-'17 budget to revised relates to some re-profiling of funding where the federal government came in and assisted with the funding in terms of some already existing projects. Then the reason for the decrease in '17-'18 is, as the minister said earlier in his opening remarks, about 50 per cent of all our infrastructure spending is being funded from the federal government this year. So when we turn the page to the federal-provincial portion of our infrastructure funding, you'll see those numbers are significantly up. That's what is happening there in Grants and Subsidies, that's the infrastructure grants to municipalities.

MR. K. PARSONS: You just answered the next question that I had because I was going to that section next.

If you look at the revenue, I guess the revenue under the federal-provincial – that's in section 3.4.02 – the revenue that is federal funds that's coming our way on these plans.

MR. CHIPPETT: It's the next section that would have the federal revenue in it.

MR. K. PARSONS: Yes.

MR. CHIPPETT: So there's almost \$70 million in federal revenue that is budgeted for '17-'18.

MR. K. PARSONS: Can we go to 3.4.03 now?

CHAIR: You certainly may, Mr. Parsons.

MR. K. PARSONS: Okay.

On Salaries there – basically, Salaries are basically the same; I won't ask that question. Professional Services, again there's a variance that we spent a lot of money last year. What happened in the revised last year?

MR. CHIPPETT: We transferred some funding to that line item to do a consulting contract procured through an RFP on an asset management framework work plan. So from an asset-management perspective, municipalities in the province have very differing capacities and have very different systems for managing their infrastructure assets.

So one of the things we're using the province's portion of the federal gas tax for is to try to develop a uniform framework across the province that would help us in budgeting and prioritizing what we did from an infrastructure funding perspective, but would, in particular, assist municipalities in building their capacity to maintain, oversee their infrastructure, focus on expenditures over the lifespan of a piece of infrastructure, rather than the traditional approach of focusing on the capital cost when it was built.

MR. K. PARSONS: Okay.

Grants and Subsidies, again I'll ask the same question: What's included here?

MR. CHIPPETT: That's 100 per cent of the federal gas tax allocation that Heather spoke to earlier. The variances are based on – for example, the \$59,900,000 with the \$29,400,000 that was actually in the revised. It would be because municipalities did not have approved plans or did not have their auditing and reporting done so that the funds could be released to them. That's why the big variance in those numbers.

MR. K. PARSONS: Okay.

If I could go to section 3.4.04, is that okay?

CHAIR: Ms. Michael, are you okay with leave for that?

MS. MICHAEL: Well, I have a couple of questions.

MR. K. PARSONS: Okay, (inaudible) one of two questions I have here if I go too long.

MS. MICHAEL: Yeah, okay.

Good, so I'll just ask those. I just have to find them now.

CHAIR: Ms. Michael.

MS. MICHAEL: Oh, yes.

Minister, I don't know if you've had any kind of feedback, but with the announcement in March regarding the three-year municipal infrastructure programming and roads being cost-shared 50-50, we have had some – even large municipalities say that this was going to be very, very difficult for them. They see the roads getting worse because of it.

Have you had any feedback like that? What are you saying to people?

MR. JOYCE: Yes, I have. Some mayors have expressed their concerns about it. I have called many mayors and explained there were decisions that had to be made to try to leverage federal funding. They understood that because a lot of towns – I know out my way, York Harbour and Lark Harbour still doesn't even have one house on water and sewer.

From MNL's point of view, they want us to leverage every possible cent we can from the federal government. Behind closed doors they definitely expressed their views about 50-50 cost-shared ratio on the roads. It has been brought to my attention.

On a note, with the capital works for roads this year, there has been \$100 million worth of requests even with the cost-shared ratio. Some towns obviously must have money through their gas tax or other ways – almost \$100 million request for roads in the province this year.

MS. MICHAEL: And how does that compare to last year?

MR. CHIPPETT: I don't know the exact dollar figure, but in terms of percentages, roads are usually second or third in any given year. So I would think it's in the ballpark of where it's been in the past, but I haven't done the exact comparison.

MS. TIZZARD: The roads applications generally varied from about 20 to 21 per cent of the applications. So right now, based on this year's applications, they're 18 per cent of the applications we have.

MS. MICHAEL: Okay.

MR. JOYCE: Just with the Community Sustainability Partnership fund that was brought in a few years back, there are still funds going to towns. A lot of towns can find ways to find some funds. When you actually do an assessment, you look at debt ration of towns before.

I understood the decision that was going to be made, and in some towns it would be – but to ensure that we have the federal money, we looked at the debt ratio of a lot of towns and with the \$100 million request for roads, we feel confident that money will be used – that we will have under the small communities fund will be used for roads. Some of it will be used for roads for towns that did apply for it. Some expressed concerns, and some that expressed concerns did apply for roads money.

MS. MICHAEL: Okay. Thank you very much.

Actually, just one thing, and that's 3.4.04, the Grants and Subsidies. This is a fixed number it looks like. Are these Grants and Subsidies already known, and if they are, could we have a list? Because it looks like that does not depend on an ask.

MR. CHIPPETT: We would not know, at this point in time, what that funding would be used for. There are two things in here. There's a \$1.5 million budget for fire vehicles and a \$280,000 allocation for fire protection equipment.

MS. MICHAEL: Okay.

Could we have the list from last year, from 2016?

MR. CHIPPETT: No problem.

MS. MICHAEL: Okay, great. Thank you.

Maybe in the other ones that I asked about earlier; we got the 2016 list.

MR. CHIPPETT: Sure.

MS. MICHAEL: Okay, thank you very much.

That's it.

CHAIR: Okay.

Mr. Parsons.

MR. K. PARSONS: Yes, just on section 3, last year's budget for fire protection, fire vehicles and stuff like that. It was all used, obviously? Okay.

This year's vehicle requests, are they down any from what they were last year? I know when it was – because most municipalities could go 90-10 and stuff like that. Now, where it's reduced down to – well, some as low as 60-40. Is there a reduction in the amount of people applying for vehicles, or the applications are probably not in. Are they in yet?

MR. JOYCE: Yes. First of all, for vehicles it hasn't gone down to 60-40, it's 80-20.

MR. K. PARSONS: It's 80-20 on some. Okay, for 7,000 –

MR. JOYCE: Yeah.

MR. K. PARSONS: – that's gone down by 10 on an average.

MR. JOYCE: Yes, it's just gone down by 10 each one.

We can't answer that yet because we don't know how many applications are actually coming in. Some are received. We can give you that information once we get it all, but when speaking with some of the people in Fire and Emergency Services, the Newfoundland Firefighters Association, they still feel confident that the money allocated for five or six trucks will be fulfilled this year with (inaudible).

MS. SPURRELL: I can tell you that last year we had a total of \$14 million in requests and we only budgeted \$1.8 million. So we certainly get more than we have money for every year, but we're just getting the applications coming in.

MR. K. PARSONS: Okay.

Under that section there I'm finished; but, Minister, I have two questions I'd like to ask once we clue up this, if that's okay, or else I can ask the questions.

MR. JOYCE: You do what you have to do.

CHAIR: Okay.

So neither of you has any further questions on what has been called. Okay.

Shall 3.4.01 to 3.4.04 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.4.01 through 3.4.04 carried.

CHAIR: Before I call the totals, Mr. Parsons has a question.

MR. K. PARSONS: Yes, I just have a couple of questions.

I know last year there were some municipalities that had major concerns about snow clearing being downloaded to the municipality. In some areas they couldn't get snow clearing done in their area because of no one to do it and the private couldn't do it.

I know this could be probably a question for the Minister of Transportation, but some municipalities had a concern that when they found out about this they budgeted up to December, and if they had snow in November – which is quite possible, right from October or December – it could be a major problem for the town. I'm just wondering if that's still on the go

because there are municipalities, as you know, that do have concerns about that.

MR. JOYCE: It is through Transportation and Works, but that is still the ratio. It has gone up. Municipalities have been notified by Transportation and Works of what they would have to pay if they had asked for it last year. So it's still in place, but all municipalities now from the budget last year are well aware of what they need to budget for this year.

MR. K. PARSONS: Yes, and if a municipality cannot find adequate snow clearing services –

MR. JOYCE: What happens then, if they can't find it, they would get Transportation to do it for the cost of what –

MR. K. PARSONS: Of what it is.

MR. JOYCE: Yes.

MR. K. PARSONS: Okay, because I think municipalities were concerned they'd be gouged if there's only one operator in the area.

MR. JOYCE: I'm not saying municipalities won't be gouged, but I know some municipalities that said, no, we can't do it, Transportation and Works would come in for \$5,000.

MR. K. PARSONS: Yes.

MR. JOYCE: Someone in the town then would put a bid in to clear it, \$10,000-\$12,000.

The policy now is if you can't get someone in your town or remote area then Transportation will do, but if there's a contractor in your area, you have to go to your contractor to do it. Some municipalities may – I don't know if they've been gouged, but some municipalities knew the system and were getting their snow clearing a lot cheaper than most municipalities when they had to get their own contractor because they were getting Transportation and Works to do it themselves, and I know personally of that.

MR. K. PARSONS: The last question I have for you is on the NEAR plan. I'm just wondering: can you give me an update on where we are with that now?

MR. JOYCE: Yes. The last meeting was just recently. It was a very good meeting. Hopefully, we'll have a – there's been ongoing – Graham can speak to that. Graham is chairing that.

MR. LETTO: Yes, we meet on a monthly basis now with Stantec, who is the consultant that is going through the NEAR plan. Consultations are pretty well completed. It's going as planned, and we should have a conclusion and a plan in place very soon.

CHAIR: Okay, everybody is good.

Ms. Michael, nothing further?

MS. MICHAEL: (Inaudible.)

CHAIR: Shall the total carry?

All those in favour, 'aye.'

MR. JOYCE: Can I just have a few words in closing? I just want to thank everybody for their questions. It was a great evening to sit down and discuss it because it affects all municipalities across the province. I know the office and staff are open. I just wanted to recognize the staff across the Province of Newfoundland and Labrador who are working in the department, that they do on a continuous basis.

Sometimes when there's a big problem you come in and the staff – it's just routine to the staff. They are so professional in their ways. So I just want to recognize that. I want to thank them and thank all the staff, and thank Graham, of course, for all the work Graham – past president of MNL, and his experience and knowledge has helped me a lot. I thank all the staff for making my job a lot easier.

I know the Member for Cape St. Francis, who is the critic – I want this on the record also – is that when we sit down and discuss things, he asks questions, is to better services for municipalities of Newfoundland and Labrador. It is to improve the services. We had many conversations on it. I just want to thank the Member for that because sometimes we do have the to and fro, but I can guarantee you that most of the conversations we have, the vast majority, is how we can improve the system, and this is the way it should work.

I just want to thank you for that, for the last 18 months, for your contribution and as your past experiences as a councillor also.

MR. K. PARSONS: One final comment.

I'd just like to thank the staff also for your patience. Sorry for running you over a little of time tonight, but I really appreciate your time and effort here tonight.

Thank you so much.

CHAIR: Ms. Michael.

MS. MICHAEL: Thank you very much.

I, too, thank you, Minister, and all your staff. It was a great evening actually, long but a good evening. I thank you, and thank you for what you're going to get to us because I know you will do that.

Again, I join with the minister in thanking all of you and the staff across the province because it's very necessary work and very hard work.

Thank you.

CHAIR: Okay, we'll try again.

Shall the totals carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: So the next meeting of the Social Services Committee will be Thursday morning at 9 a.m. here in the Chamber; Children, Seniors and Social Development. If there are any substitutions required for that meeting, please notify the Government House Leader in writing.

With that, I am very pleased to ask for a motion to adjourn.

MR. FINN: Amen.

CHAIR: Mr. Finn.

Thank you.

Have a good evening, everyone.

On motion, the Committee adjourned.