



**PROVINCE OF NEWFOUNDLAND AND LABRADOR  
HOUSE OF ASSEMBLY**

First Session  
Forty-Eighth General Assembly

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**Proceedings of the Standing Committee on  
Resources**

April 19, 2016 - Issue 1

Department of Fisheries and Aquaculture

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Published under the authority of the Speaker of the House of Assembly  
Honourable Tom Osborne, MHA

## **RESOURCE COMMITTEE**

Department of Fisheries and Aquaculture

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Chair: Brian Warr, MHA

Vice-Chair: Kevin Parsons, MHA

Members:

Derrick Bragg, MHA  
David Brazil, MHA  
Jerry Dean, MHA  
John Finn, MHA  
Lorraine Michael, MHA  
Pam Parsons, MHA

Clerk of the Committee: Kimberley Hammond

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Appearing:

### **Department of Fisheries and Aquaculture**

Hon. Steve Crocker, MHA, Minister

Vanessa Colman-Sadd, Director of Communications

Philip Ivimey, Departmental Controller

Dave Lewis, Deputy Minister

Kate Lundrigan, Financial Planning Supervisor

Brian Meaney, ADM, Aquaculture, Seafood Marketing and Industry Support Services

Wanda Wiseman, Assistant Deputy Minister (A), Fisheries

Matthew Worthman, Executive Assistant

### **Also Present**

Megan Drodge, Researcher, Official Opposition Office

Ivan Morgan, Researcher, NDP Office

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

**CLERK (Hammond):** Good morning.

My name is Kim Hammond; I'm the Committee Clerk for this morning. This is the Resource Committee and this morning we're looking at Fisheries and Aquaculture.

The first order of business is to nominate a Chair. Are there any nominations from the floor?

**MR. BRAGG:** I nominate Brian Warr.

**CLERK:** Thank you.

Are there any further nominations from the floor?

Are there any further nominations from the floor?

There being no further nominations, Mr. Warr is acclaimed Chair. You may take your seat.

**CHAIR (Warr):** Good morning all.

Our second order of business is to nominate our Vice-Chair.

**MR. BRAGG:** I nominate Mr. Kevin Parsons.

**CHAIR:** Mr. Kevin Parsons has been nominated.

Any further nominations?

Any further nominations?

I declare Kevin Parsons Vice-Chair.

Before we start, just a few housekeeping notes and I'll just ask you to bear with me. Although I've chaired meetings before, it's the first time chairing one here.

The first thing I think we'll do is probably have the introduction of our Committee Members. If we could start with –

**MR. BRAGG:** Derrick Bragg, MHA for Fogo Island – Cape Freels.

**MR. DEAN:** Jerry Dean, MHA for Exploits.

**MR. FINN:** John Finn, MHA for Stephenville – Port au Port.

**MS. P. PARSONS:** Pam Parsons, MHA for Harbour Grace – Port de Grave.

**MR. K. PARSONS:** Kevin Parsons, MHA for Cape St. Francis.

**MS. DRODGE:** Megan Drodge, Researcher, Official Opposition caucus.

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

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

**CHAIR:** Good morning, Minister.

**MR. CROCKER:** Good morning.

Minister Steve Crocker.

**MR. MEANEY:** Brian Meaney, ADM Responsible for Aquaculture, Seafood Marketing and Industry Support Services.

**MR. LEWIS:** David Lewis, Deputy Minister.

**MS. WISEMAN:** Wanda Wiseman, Acting ADM for Fisheries.

**MS. LUNDRIGAN:** Kate Lundrigan, Fisheries Financial Planning Supervisor.

**MR. IVIMEY:** Philip Ivimey, Departmental Controller.

**MS. COLMAN-SADD:** Vanessa Colman-Sadd, Director of Communications.

**MR. WORTHMAN:** Matthew Worthman, Minister Crocker's Executive Assistant.

**CHAIR:** Thank you.

Again, under housekeeping, we want to make sure that when you're speaking, besides probably the minister and the Committee Members, if any of the staff are speaking please

announce your name and just see a tally light, just for the communications centre.

So we'll get started. Will the Clerk please call the first subhead?

**CLERK:** 1.1.01.

**CHAIR:** Shall 1.1.01 carry?

Minister, you have 15 minutes for your opening remarks.

**MR. CROCKER:** Okay.

Thank you, Mr. Chair.

Just briefly, I'm not going to have a preamble, but I will welcome everybody this morning and congratulate you as the Chair and Mr. Parsons as the Vice-Chair.

We'll get right into it, and we'll answer what questions are posed. If there are any issues that arise, we can certainly get back to you as fast as we can.

Thank you, Mr. Chair.

**MR. K. PARSONS:** Thank you, Mr. Chair.

As I previously discussed with the minister, I'll go through the line-by-line items a little bit afterwards, but I have some questions first about specifics to the budget. I'm going to ask those first and there will be some in between. Hopefully, if there's anything you can't answer, you can get back to me. That's no problem whatsoever.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** I just want to talk about, first a few things that are not in the budget or if they are perhaps you can tell me where they are and whatnot. The Fisheries Technology and New Opportunities Program, has this been eliminated?

**MR. CROCKER:** The FTNOP?

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** FTNOP has been rolled into our new Seafood Innovation and Transition Program. Just to elaborate a little, FTNOP, the terms were changed a little. FTNOP had \$1 million last year. It was set to expire. So we brought in a new program where we will focus, not wholly, but we will look at transition as more of a part of that program. FTNOP didn't look at transition, so there will be more of a guide towards transition.

**MR. K. PARSONS:** What program is that?

**MR. CROCKER:** It's the Seafood Innovation and Transition Program.

**MR. K. PARSONS:** Okay.

**MR. CROCKER:** It's a \$2 million fund.

**MR. K. PARSONS:** Okay. Under the \$2 million – okay, that's good.

Marine fisheries research, what commitment is in the budget for fisheries research?

**MR. CROCKER:** The commitment to CFER is there. There were some reductions. There were some savings with regard to the vessel. There were some further administrative savings. We will continue on with CFER.

We've actually started conversations with the federal government to move them back into filling the void they left, the previous federal administration, as they moved money out of research. The federal government, in their budget, did announce additional funding for research. We're confident they'll fill the void that was left.

**MR. K. PARSONS:** Okay. When we look at the research vessel, *Celtic Explorer*, is that eliminated?

**MR. CROCKER:** No, the *Celtic Explorer* is due here within the next few days.

**MR. K. PARSONS:** Okay.

**MR. CROCKER:** There was an agreement reached with their Marine Institute of Ireland to lower the fees, the cost associated with the boat

this year. So we were able to get the *Explorer* here at a lower cost.

**MR. K. PARSONS:** Okay. Is it going to do basically the same research that it did over the last number of years?

**MR. CROCKER:** Yes. Actually, this year I think the *Explorer* is going to be in 3Ps. Is that right Dave?

**MR. LEWIS:** Yeah.

**MR. CROCKER:** Yes, the research this year will be in 3Ps because of the challenges we face with cod in 3Ps.

**MR. K. PARSONS:** Okay.

The \$2 million for the Seafood Innovation and Transition Program, what's in this funding? What does it do?

**MR. CROCKER:** Well, we're hoping this funding will assist harvesters, processors and academics in looking, not wholly, but looking at opportunities as we move towards rebounding groundfish. So there will be a lens given to it to help with the transition back to groundfish.

**MR. K. PARSONS:** Is there any money in this fund for exploring marketing in the fishery? Is that what (inaudible) –

**MR. CROCKER:** Yes. If a proponent, a harvester came in and said I need this technology, as an example, to help with marketing of my product, then absolutely that is something that would be considered in the funding proposals.

**MR. K. PARSONS:** Okay.

Is there a separate marketing fund or anything in the Department of Fisheries to set up – I'm just looking at the groundfish coming back, cod and everything else and talking to most of the harvesters, this year they're looking at an increase in their quotas. The biggest problem they have is where we are going to get rid of the fish and where it is going to market. As you know, we don't have a lot of companies doing cod and there is a huge problem when the cod does come back of where we are going to sell it

and how we're going to market it and what markets (inaudible) –

**MR. CROCKER:** That, again, will be part of the transition program. Just recently, the FFAW and group of processors were able to announce a new body. They're going to look at that because you're absolutely correct; there is a possibility this year there will be substantially more groundfish but this is why we want to take – I guess when you look at marketing, the beginning of marketing is how that product is harvested. So an investment in new technology that would help in product quality is an important part of marketing.

**MR. K. PARSONS:** Okay.

The other thing I look at with the cod fishery in particular – because I was involved in the cod fishery for years myself, and I know it's coming back. I've been on the water myself and just saw the difference over the last number of years and talked with the fishermen. We have a problem with processing, obviously, that we don't have the people that can fillet the fish anymore like they used to and they're not there anymore. So it's going to take innovation and it's going to take huge investments in processing plants and stuff like this.

I'm just worried that we're not going to be ready and wondering what government is doing, are we working with industry, are we working with the unions, what are we doing to make sure that when the fishery does come back – because it's probably the brightest spot in our economy right now, and I think we have to be ready. So I'm just wondering where we're to and are we doing anything there.

**MR. CROCKER:** Yes, I couldn't agree with you more on the role that needs to be played. Again, I'll go back to the FFAW and those processors two Fridays ago – it will be two weeks this coming Friday. They actually came together as, I guess, processors and union representing harvesters. They came together on their own and actually we weren't part of that. That was by design, so they came together. After their announcement on that Friday, we were invited to come to the table. We will be going forward at that table.

Again, back to your remark about what we can do. We're hoping and it's the investment we can make through the new program that will help some harvesters and processors get their foot in the door to some new technologies that can ultimately help with product quality. Any marketing, the first thing we need – and you'll get full agreement from harvesters and processors and the union that in order to market our product, we have to make sure we're harvesting that product in the best way so the product going to the market is A-1.

**MR. K. PARSONS:** I agree 100 per cent.

The other thing is – and I wasn't going to go here, actually, but while I'm here I'm going to say it. With CETA, when CETA was first announced and I looked at CETA I thought it was a great investment and it was an investment that we needed to do – the millions of dollars that is needed for the industry. What are we doing with the feds? Are we giving up on CETA or are we – just a simple question. We need their investment in this fishery, because it's going to take mega dollars to do this. So where are to with that?

**MR. CROCKER:** That's a negotiation that's obviously being handled by the minister responsible for trade.

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** But we are back at that table. Every opportunity we have – and I've engaged with Minister Tootoo on it, and Minister Foote as well, and the other MPs from this province and you are correct. The fisheries fund right now would go a long ways in helping us in this transition. So obviously it's an ongoing file, and we will continue to pursue it.

**MR. K. PARSONS:** Okay.

In the budget I saw some processing fees.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Can you explain them to me, and who pays them?

**MR. CROCKER:** The processor.

**MR. K. PARSONS:** The processor (inaudible).

**MR. CROCKER:** Yes, the processor –

**MR. K. PARSONS:** I just saw there were fees for all different species and stuff like that. When you talk about so much a ton, how does that work? Give me an example on crab. So you got –

**MR. CROCKER:** The example on crab is, as a department – so every processor in the province reports on a weekly basis?

**OFFICIAL:** (Inaudible.)

**MR. CROCKER:** Yes, they would report to DFA on a weekly basis of their production levels, and this fee would be applied. So for crab, for an example, it's \$5 a ton.

**MR. K. PARSONS:** Five dollars a ton, yes.

**MR. CROCKER:** So it is a charge that was there in the past. When we looked at these fees, we were very conscious of the situation – for example, you will find there's no fee on shrimp. We've seen the issues around shrimp.

**MR. K. PARSONS:** Shrimp, yes.

**MR. CROCKER:** And it's very much minimized in some cases. You will find groundfish at 50 cents a ton.

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** And a lot of this is cost recovery for our workers and DFA employees who do the inspections and are at the plants.

**MR. K. PARSONS:** Can you give me an example – I'm looking at \$5 a ton and it doesn't seem like a whole lot of money. How much money is involved in the crab industry?

**MR. CROCKER:** The overall, over every species throughout the industry, is \$200,000.

**MR. K. PARSONS:** Okay, \$200,000.

**MR. CROCKER:** Approximately, obviously that depends on –

**MR. K. PARSONS:** We look at crab this year, crab is a great price for the harvesters and so the \$5 a ton is not going to have a huge effect actually. Were they notified beforehand that this was coming or anything?

**MR. CROCKER:** Obviously, it was a budgetary item so they weren't notified beforehand, no.

**MR. K. PARSONS:** Okay.

And the processors are the ones who are paying the charge?

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Okay.

I wanted to ask you a little question – and I know we have the committee set up, an all-party committee and whatnot on the shrimp. Where are we to on timelines because as a committee Member, we discussed how important it was to have this in place by June? Are will still on track for that?

**MR. CROCKER:** June 15 is the report date.

**MR. K. PARSONS:** Is the report date?

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** And what effect is that going to have on plants in the area? We also discussed that most of the inshore fishery would start around June 1. I think the catches in the crab seem like they are pretty good so far, so you'll see the harvesters being ready to go right away at the first of June. So what effect will this have on opening the plants, plant workers and stuff like that?

**MR. CROCKER:** My most recent conversation with the FFAW was they don't really see a major concern. Obviously it's a delay, but they seem to be comfortable with the date of June 15.

**MR. K. PARSONS:** I looked at the plant out your way there last week and the biggest concern I had was that you see a lot of people who are plant workers, they set up their income, their EI and stuff like this, so it's very important that that report come in and we do what we have

to with that report so these plants can do their processing and (inaudible) –

**MR. CROCKER:** And make the necessary adjustments on it. I couldn't agree more. It's important that this report is done as expediently as possible, but then again, we don't want to rush the report because we need these people to understand the benefits of the inshore shrimp fishery.

And hopefully, in the next few days, it's my understanding – I haven't seen anything that we're going to find out where they're going to be holding their hearings, so it will be interesting to see where they go and make sure that us as a committee prepare our position to say to them focus on where the focus needs to be here and everything we're going through, the focus needs to be on the inshore.

**MR. K. PARSONS:** I'm not sure – I didn't read the release you gave me yesterday; I didn't get a chance yet. Is there a terms of reference?

**MR. CROCKER:** Yes, the terms of reference is attached to the piece that was sent to you yesterday.

**MR. K. PARSONS:** Okay, so I'll have a look at that later on today.

So we're looking at both the offshore and the inshore fishery and representation is there from both parties, I would imagine, is it?

**MR. CROCKER:** On the panel itself?

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** The panel is –

**MR. K. PARSONS:** I knew some of the names; I didn't know all of them.

**MR. CROCKER:** No, nor did I, but the panel is very much science and not really attached, I don't think, to either side of the industry.

**MR. K. PARSONS:** Okay.

I want to talk a little bit about aquaculture; I only have a couple of minutes left –

**MR. CROCKER:** You'll get more.

**MR. K. PARSONS:** No, this is just my preamble.

Anyway, I want to talk about aquaculture. Grieg Seafood, where are we with that? What's the idea? Are we planning to make that investment? Are we going to have them here? I know we made an announcement last year and it's a huge thing for Placentia Bay and stuff like that.

**MR. CROCKER:** Right now it's in environmental assessment and due to come out, I think, on April 25?

**OFFICIAL:** April 26.

**MR. CROCKER:** The 26th of April.

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** Grieg are actually back putting their financing package together. So that's where the province is. We're waiting for Grieg to come in with their financing package, and that's when we'll sit down and evaluate the financing package.

**MR. K. PARSONS:** Okay.

Is there any money in the budget for investment in this?

**MR. CROCKER:** For Grieg, specifically?

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** No, there's not.

**MR. K. PARSONS:** Okay.

**MR. CROCKER:** It's not a line item in the budget.

**MR. K. PARSONS:** It's not a line item in the budget, okay. So if we do come up with an agreement that this is going to go forth, because it's another part – I mean, it is a great diversification program.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Where will the money come from?

**MR. CROCKER:** The money would come from – there's a contingency in the budget, for example. And there are ways for government to borrow if and when this project comes together.

**MR. K. PARSONS:** Okay, perfect.

The fisheries advisory council, the budget's committed to \$200,000 this year. What are you spending it on; what's it for?

**MR. CROCKER:** Well, actually, there's a commitment for two years.

**MR. K. PARSONS:** Two years, okay.

**MR. CROCKER:** One hundred thousand dollars this year and \$100,000 next year. That money would be spent on the facilitating of meetings, the possibility of compensation for a chair or even expenses incurred by committee members.

**MR. K. PARSONS:** Okay.

Just going back to that, I want to go back a little bit to the cod fishery because I'm really concerned about whether we're going to be ready or not. I believe that we need a whole lot more than \$2 million to be ready and to make sure our plants – my prediction is that we're going to see a full-fledged cod fishery in about three or four years' time. I think that's (inaudible).

We need to get ready, and I really think we've got to emphasize to the feds how important this is and to come onside, because we're going to need their investment here. So I don't know if we should be setting up a committee within government to advocate and do whatever we can. But what are your thoughts on where we are with that?

**MR. CROCKER:** Well, I think, just to go back to your earlier point about the fisheries investment fund and with regard to transition, obviously, it's a concern for all of us that we make sure we're ready for cod. Again, I'll go back to the processors and the harvesters have



come together. So these guys are working on a plan to ensure that we are ready.

You're right; we do have a lot of work to do. But we're committed as a government to ensuring we are facilitating the anticipation of a return of the cod stocks. We are there. We have an understanding of the importance of cod and where it's going to be in the future.

**MR. K. PARSONS:** I just look at rural Newfoundland and it is a saviour for rural Newfoundland. We know how vibrant rural Newfoundland was when the cod fishery was on the go, and I believe that one thing we should be doing as a government is making sure the investments are in place so that –

**MR. CROCKER:** Yes, again, I couldn't agree more. I come from a district where you can see the impacts of the fishery on a district. Just last week, we saw what happened in Bay de Verde and the overall impacts of that throughout the entire region, not just my district. It has an economic impact all over the province. So yes, absolutely.

**MR. K. PARSONS:** Okay.

**CHAIR:** Anything from Ms. Michael on 1.1.01?

**MS. MICHAEL:** Thank you very much.

I wasn't going to start with general questions, Minister, but since Kevin did, I'll just add a couple of questions to some areas you've covered already. I'm glad to see a seafood advisory council, but one of the things I'd be happier to see would be a seafood marketing council. I know your mandate letter does give you a mandate around that, so could you give us some sense of where you see the marketing council going? I think we really do need a strategy on marketing.

**MR. CROCKER:** Absolutely, and what we're going to do is we're going to use the fisheries advisory council, because the fisheries advisory council is going to bring together industry, stakeholders. So one of the first pieces of work and one of the outlines of the fisheries advisory council is cod recovery. One of the things we're

going to ask this council to do is to advise us of the best way to move forward with marketing.

There have been attempts in the past to do seafood marketing that haven't gelled with all the stakeholders. So we're hoping this way, with having all the stakeholders at one table, we can come up with a plan that is able to address that definite concern.

Again, I'll go back to that. When we talk about marketing and seafood marketing – and I'll talk about cod for a moment – the beginning of marketing is harvesting. That product has to be harvested in a manner that recognizes quality. At the end of the day, quality will sell our products. You can market something once, but if it's not quality, people won't come back to it.

**MS. MICHAEL:** Right, exactly.

Connected to that – not necessarily connected, but the new initiative to allow for the sale of fish directly from wharves, it seems to me that should be a part of marketing for the provincial market. How are you going to get feedback on how that's going and where it's happening, et cetera?

**MR. CROCKER:** We've committed to engaging with organizations like the Restaurant Association of Newfoundland and Labrador, for example, to ensure that anything – feel free to correct me. I believe in the past, the department has engaged with RANL, as an example, and provided funding for Restaurant Association events which would obviously do what you're saying and promote, I guess, food tourism.

**MS. MICHAEL:** Just a thought, when talking about stakeholders and the advisory council, are you looking at RANL as maybe somebody who should be on that advisory council?

**MR. CROCKER:** Yes, I believe we have looked at that industry.

**MS. MICHAEL:** Okay.

Maybe this is for the all-party committee but since it was brought up here, I'll bring it up.

**MR. CROCKER:** Sure.

**MS. MICHAEL:** With regard to the LIFO panel, I was surprised actually that the federal announcement didn't include the backgrounds of the people who are on the panel. I searched the documents that we got yesterday and I don't think there are any backgrounders on any of the panel members.

**MR. CROCKER:** It wasn't provided to us. There was some information but it wasn't whole. We can provide you with what we have.

**MS. MICHAEL:** I think it would be good. The public may need to know that as well. I was surprised –

**MR. CROCKER:** For sure, yes. We can go back to Ottawa and ask for a full –

**MS. MICHAEL:** Right, that's what I was thinking. Thank you.

I'll move then into some line items, beginning with 1.2.01.

**MR. CROCKER:** 1.2 –

**MS. MICHAEL:** Yes, 1.2.01.

**MR. CROCKER:** Executive Support.

**MS. MICHAEL:** Under Executive Support, yes.

It's not a big item but Transportation and Communications was \$65,900 in last year's budget, the revision was \$35,000 and this year it's just \$46,000. Could I just have an explanation of the variations there?

**MR. CROCKER:** Well, the variation in the '15-'16 budget would be, I guess, a lot to do with the downtime in the department during the writ period. Even the senior staff were on emergency travel only, and the other one was in that fiscal year there were less than anticipated FPT meetings.

**MS. MICHAEL:** Okay.

**MR. CROCKER:** I guess also due to the federal election.

**MS. MICHAEL:** Okay. Would \$46,000 then more reflect what the average has been over the years?

**MR. CROCKER:** You're correct. It is a historical – obviously, we went through line by line the entire department looking for savings, and yes. So the \$46,000 was brought back to reflect not just one year. There are circumstances that would have applied in '15-'16 that certainly won't apply in '16-'17. One, for example, again would be FPT.

**MS. MICHAEL:** Right. Thank you.

Under Purchased Services, it is cut in half from last year's budget. So an explanation of what normally would come under Purchased Services under Executive Support.

**MR. CROCKER:** Purchased Services would be printing, recycling, shredding, meeting room rentals. Again, it was less than budgeted last year, and we feel we can certainly operate within what we've budgeted.

**MS. MICHAEL:** Okay. Thank you.

Turning over to 1.2.02, Administrative Support; I guess an explanation of what's happening here because there's no money under this now for this year's budget.

**MR. CROCKER:** Yes, this is a capital budget and the budget was associated with aquaculture inflow construction wharves, and this construction has been completed.

**MS. MICHAEL:** Okay. Thank you.

I see there was a revision upward, because the budget was \$975,000 but the amount that was actually spent last year was \$1,034,700. So greater cost for the wharves than was anticipated?

**MR. CROCKER:** So, \$43,400 of that was related to consulting and design fees of the construction, and there was another \$30,000 that was related to the purchase of a new three-quarter-ton, four-by-four pickup for aquatic health. This vehicle was replaced on the advice of Transportation and Works because it was in a

situation where it was cheaper to get rid of than –

**MS. MICHAEL:** Right, okay.

**CHAIR:** Excuse me, if I could just interject for a second.

Seeing that we're doing these subheads, probably what we can do is carry on until 1.4.01 and just do the groups of subheads and we'll have the vote. Is that fine with everyone?

**MS. MICHAEL:** Sure, yes.

**OFFICIAL:** (Inaudible.)

**CHAIR:** So we'll do 1.1.01 up and including 1.4.01, which takes the Executive and Support Services as a group.

**MS. MICHAEL:** Sure, okay.

**CHAIR:** Is everybody okay with that?

Thank you.

**MS. MICHAEL:** Right.

So if I can continue then; Minister, because of the detail you just gave me – I meant to mention this earlier, Chair, if I may. Last night the Minister of Municipal Affairs did give us copies of the Estimates booklet and last year a lot of ministers gave them to us too, and that saves from asking some of the real detailed questions.

**MR. CROCKER:** Actually, we have copies with us. We do have a copy for each of you.

**MS. MICHAEL:** Okay, great. That's fine, because then there'll be questions I won't need to ask because I know.

**MR. CROCKER:** Yes, certainly. There is a copy prepared, ready.

**MS. MICHAEL:** Great. Thank you very much.

The next section, 1.3.01, last year the budget for Salaries – over in the Salaries line 01. The budget for Salaries was \$976,300 and the revised was \$799,200. If we could have an

explanation of that variation – and now this year it's back up to \$908,900.

**MR. CROCKER:** We had a vacancy – we had two vacancies, actually, two vacant positions. One staff member was temporarily reassigned to another division. We had lower salary usage for students, and a position was held vacant for attrition management.

**MS. MICHAEL:** Would those students be summer students?

**MR. CROCKER:** Yes, they would.

**MS. MICHAEL:** Thank you.

**MR. CROCKER:** You had a second part to your question, why we went from \$976,000 to \$799,000 and then back to \$908,000?

**MS. MICHAEL:** Yes.

**MR. CROCKER:** There is attrition factored in as well into this year's salary. That's why you see a change from the actual last year to this year.

**MS. MICHAEL:** Okay, thank you.

1.3.02, the big one for me – I think I'll get an explanation of the Salaries in the book, so I don't need to ask about that.

Under subhead 10, Grants and Subsidies, last year it was \$3,050,000, both budgeted and revised, and this year it's just \$1,900,000. Could we have an explanation of what those grants and subsidies were for, if all of it was spent, and what's happening this year with only the \$1,900,000?

**MR. CROCKER:** There were savings in CFER, which is the Centre for Fisheries Ecosystems Research. That brings us down this year. There was the elimination of coastal motion management grants, and there was a \$200,000 savings in the fisheries science.

**MS. MICHAEL:** Okay. What do you anticipate then the \$1,900,000 to be going towards?

**MR. CROCKER:** Yes, \$1.8 million of that will go to CFER and \$100,000 will go to fisheries science.

**MS. MICHAEL:** Okay, thank you.

Then coming over to 1.4.01, Coordination and Support Services, there's a big drop in Salaries here from \$804,000 budgeted last year down to \$262,000 this year. What's happening in this area?

**MR. CROCKER:** There was \$400,000 of one-time funding for CETA planning, which has taken place. Then there was removal of temporary funding related to Fishing Industry Renewal. Then there were just other reductions.

The money you see there this year, the \$262,000, was formally used to administer FTNOP but now it will be used to administer the new seafood program.

**MS. MICHAEL:** Okay. I assume in the book you'll have the detail of what's covered (inaudible).

**MR. CROCKER:** If not, I can certainly provide it.

**MS. MICHAEL:** Yes, there's no need to go through all of that because we'll get the book.

**CHAIR:** Order, please!

**MS. MICHAEL:** That's all the questions I have in that section.

**CHAIR:** Thank you.

**MR. K. PARSONS:** Minister, I just want to go back and ask a couple of questions, and then I have a few line-by-line ones there to ask also.

There are a lot of reductions and savings, actually, in the department this year. I want to ask about a couple of them – if you can answer them, okay.

The elimination of the Coastal and Ocean Program grants, what are you eliminating there with savings of \$150,000?

**MR. CROCKER:** I can certainly give you – what tab is that under, Dave?

**MR. LEWIS:** The last one we were on, 1.3.02.

**MR. CROCKER:** Just the last one we were on, 1.3.02. This is the '15-'16 funding.

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** Funding was provided – as an example, there are four different funds there for the FFAW. There was funding for CFER. Do you want specifics of –?

**MR. K. PARSONS:** No, I was wondering what they were for and what are we actually saving.

**OFFICIAL:** That is not one (inaudible).

**MR. CROCKER:** Sorry, I apologize – wrong tab. I'm trying to get used to wearing glasses and I can't do it.

**MR. K. PARSONS:** You're like me; I have to put them down on my nose.

**MR. CROCKER:** Those grants were provided to organizations. There was some green crab studies which can be funded somewhere else, if it's to continue. For example, there was World Oceans Day funding of \$500. There was other funding for NOIA best practices, \$30,000; Students on Ice, \$11,000. That's the type of grants that were provided by this program.

**MR. K. PARSONS:** Okay. That whole program, those grants are just cut now. That program is gone completely.

**MR. CROCKER:** That program has been eliminated.

**MR. K. PARSONS:** Okay.

How about the reduction in funding to the seafood development program?

**MR. CROCKER:** That would be picked up in the \$2 million for the new seafood program. So if there was something in that program, for example, that would have been funded previously, they would be able to apply under the new development program.

**MR. K. PARSONS:** Special Assistance Grants, I think these are the small grants we were giving to harbour authorities and stuff like that in the department.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** That's completely eliminated?

**MR. CROCKER:** It has been.

**MR. K. PARSONS:** Wow. I know in my district and in a lot of districts, I'm sure with all the Members there behind me from rural Newfoundland, that this was a grant that – we have harbour authorities that are volunteers in our communities and they do a lot of work. You'd see them painting and doing a lot of work. These small grants really helped. Is there anywhere else they can get any assistance?

**MR. CROCKER:** Absolutely. Well over 50 per cent of these grants were going to actual harbour authorities. Small Craft Harbours have just put – I stand to be corrected; I can get you the number – I think it's \$40 million back into Small Craft Harbours because, remember, harbour authorities are a federal jurisdiction.

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** The federal government has put substantially more resources back into Small Craft Harbours.

**MR. K. PARSONS:** But they don't include pumps on wharfs and stuff that's done on the wharf itself. They'll do the wharf and they'll do, for example, roadwork going into facilities and stuff like this and the small, little items that are needed. Cosmetic work was most of the stuff that was done in my area. It was great little grants that cleaned the place up and did a lot of good work.

I am just wondering if they can apply through Municipal Affairs special assistance. Is there anywhere else that I can –

**MR. CROCKER:** I'm certain they would be able to apply through Municipal Affairs. I guess through JCP or CEEP. I would encourage them – I've done so in my district – refer them back to

Small Craft Harbours because Small Craft Harbours does have a maintenance budget.

**MR. K. PARSONS:** But they don't do the small funds? Do they do the small funds? I can't get any money out of them anyway.

**MR. CROCKER:** I stand to be corrected, but my understanding is, yes, they do small –

**MR. K. PARSONS:** Okay. I thought it was a great fund. I'm sure in your district with all the small communities you have that people were availing of this. I know in mine, every one of the harbour authorities basically came and one of them or two of them got a grant every year. It really helped with the cosmetic stuff down around the wharf. Most of the grants were only \$3,000 (inaudible) –

**MR. CROCKER:** They were typically a \$3,000 grant.

**MR. K. PARSONS:** So that's eliminated completely?

**MR. CROCKER:** It is.

**MR. K. PARSONS:** We're looking at a lot of savings in your department. I'm wondering: What effect does it have on jobs? Are there the same numbers of positions that were in the Department of Fisheries last year that will be there this year?

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** So there's no reduction?

**MR. CROCKER:** There are no staff reductions.

**MR. K. PARSONS:** No staff reductions, okay.

Let's go to the line by line. I know Ms. Michael asked a few questions here. I'm going to go back to 1.2.01, Executive Support, the difference between the Salaries. Is that a vacancy? It was budgeted \$721,000 then it was only \$700,000 but this year's budget –

**MR. CROCKER:** Right.

**MR. K. PARSONS:** What's the –

**MR. CROCKER:** We had a vacant public relations specialist position for part of the year.

**MR. K. PARSONS:** Okay.

Minister, what I'll basically do because we won't prolong it, I'll just give you the line and you can give me the description you have there, if you want to.

**MR. CROCKER:** Yeah, okay.

**MR. K. PARSONS:** It would be quicker for you than anything else.

Just go to section 1.3.01, Planning and Administration; I'd like to ask you about the provincial revenue. Can you explain that line, what the revenue is there?

**MR. CROCKER:** The variance?

**MR. K. PARSONS:** Revenue – Provincial, 02, it shows \$2,000. I just always want to know what revenue – where does it come from really?

**MR. CROCKER:** The increase was –

**MR. K. PARSONS:** What's it for? That's all I really want to know.

**MR. CROCKER:** Can you answer that Dave?

**MR. LEWIS:** That is sort of a catch-all for miscellaneous amounts; so if someone, for example, has personal use of a cellphone for a certain period of time and they'll pay for the personal call and all of that.

There's a catch-all. If there was revenue that was supposed to have been reflected in the previous year that shows up late, sometimes that gets in here; it's a variety of very, very small amounts that total up to a couple thousand dollars a year.

**MR. K. PARSONS:** Okay. I'm always interested in what the revenue is on the Revenue lines anyway.

Professional Services, there was nothing budgeted in the previous year, yet they used \$35,000 and this year we're budgeting – what professional services are you –

**MR. CROCKER:** Last year, a contract was required for review of records management and a classification system. It was a consultant, Prima Information Solutions. This year, you see the \$50,000 there.

**MR. K. PARSONS:** Yes.

**MR. CROCKER:** That \$50,000 is new funding used to establish the fisheries advisory council.

**MR. K. PARSONS:** Okay.

How about the Purchased Services?

**MR. CROCKER:** Again, in Purchased Services, \$50,000 of that is budgeted for the new fisheries advisory council.

**MR. K. PARSONS:** Okay.

On the Grants and Subsidies, we budgeted \$23,000. Last year we used \$13,500. This year we're not going to have any. What are those grants and subsidies?

**MR. CROCKER:** The expenditures are related to sealer training through DFO and the Professional Fish Harvesters Certification Board. That's been completed.

**MR. K. PARSONS:** Okay.

Let's go to section 1.3.02. I know Ms. Michael asked the Salaries one. I want to go to the Grants and Subsidies again and get an explanation of the difference between \$3 million and basically \$2 million here.

**MR. CROCKER:** Well, again, \$800,000 would be CFER; \$500,000 from the boat and \$300,000 from reductions. The other \$150,000 would be to the coastal and ocean management and the fisheries science there would be \$200,000.

**MR. K. PARSONS:** So it's the elimination of those grants, okay.

I just asked about the grants, but different areas where we can see where it is.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Section 1.4.01, Grants and Subsidies again. I know Ms. Michael asked about the Salaries, but the Grants and Subsidies, the difference there, \$750,000 and \$500,000 this year and only \$300,000 used last year.

**MR. CROCKER:** Okay. That's the fish plant worker adjustment program. Last year, there was \$300,000 of the budget spent. This year we've allocated another \$500,000 for that program.

That's the program that is currently being used in Burnt Islands with a permanent plant closure. There was some funding last year provided to the Town of Harbour Breton for workforce adjustment, temporary, until the Barry facility opened.

**MR. K. PARSONS:** I know I asked this question before, but this department, this area was mainly where we did CETA. You say we haven't given up on CETA at all, but yet there's a lot of money that's gone out of here.

**MR. CROCKER:** The work that was done for CETA, we have it. Those plans, those reports are done and are there to be acted upon. They are available online.

**MR. K. PARSONS:** Okay.

**CHAIR:** Order, please!

The time is expired for –

**MS. MICHAEL:** (Inaudible) Minister, is there any possibility, then, that the \$500,000, that's something that could be used, if needed, for the workers from Bay de Verde.

**MR. CROCKER:** That's certainly something that could be looked at, but typically that funding for Bay de Verde, for example, will come from Municipal Affairs.

**MS. MICHAEL:** Right.

**MR. CROCKER:** This funding is for permanent fish plant closures. And, obviously, we're thankful that Bay de Verde is not a permanent closure.

**MS. MICHAEL:** Right.

Okay, thank you.

**CHAIR:** Under the voting, we need to vote separately on 1.1.01.

**CLERK:** 1.1.01.

**CHAIR:** Shall 1.1.01 carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

On motion, subhead 1.1.01 carried.

**CLERK:** 1.2.01 to 1.4.01 inclusive.

**CHAIR:** 1.2.01 to 1.4.01 inclusive.

Shall it carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

On motion, subheads 1.2.01 through 1.4.01 carried.

**CHAIR:** Would the Clerk please call the next set of subheads.

**CLERK:** 2.1.01 to 2.2.04 inclusive.

**CHAIR:** Ms. Michael.

**MS. MICHAEL:** Thank you.

All right, I'll be doing line questioning here. 2.1.01 has just been called. Under subhead 10, Grants and Subsidies, if we could have an explanation of this, Minister, because last year \$300,000 was budgeted, \$217,000 spent and this year it's just \$10,000.

**MR. CROCKER:** Yes, that's the Special Assistance Grants which have been eliminated.

**MS. MICHAEL:** I'm sorry, I just didn't –

**MR. CROCKER:** I'm sorry, that's the Special Assistance Grants. The \$10,000 remaining was in the event that there were overruns or overlaps. To ensure that no group was left holding leftover projects, we cover it with the \$10,000.

**MS. MICHAEL:** Okay. And so there's no more money in that.

**MR. CROCKER:** No, there's not.

**MS. MICHAEL:** Okay, thank you.

2.2.01, Seafood Marketing and Support Services, subhead 10, Grants and Subsidies; it looks like \$200,000 was spent last year and nothing this year. What was that money used for last year and why would we have nothing going into –

**MR. CROCKER:** That was time-limited funding for the seafood marketing council that expired.

**MS. MICHAEL:** So now there's no money for the council?

**MR. CROCKER:** Obviously our marketing money is intact, but we will establish the marketing council on the advice of the fisheries advisory council.

**MS. MICHAEL:** Okay, so you're putting everything on hold until you get the advisory council in place?

**MR. CROCKER:** Marketing is not on hold, we still –

**MS. MICHAEL:** No, but –

**MR. CROCKER:** Yeah, in that line.

**MS. MICHAEL:** Okay.

Could we have an idea of what that was used for last year?

**MR. CROCKER:** I would have to defer to – oh, I'm sorry, actually I have it.

**MS. MICHAEL:** That's what DMs are for.

**MR. CROCKER:** There was a grant to ASP, there was a grant to GEAC and there was a grant to the FFAW, Eastern Fish Markets, Notre Dame Seafoods and the Town of Bay Roberts. They ranged anywhere from \$1,000 to \$50,000.

**MS. MICHAEL:** So this year there's just no money for grants?

**MR. CROCKER:** If the requests come in they can certainly be addressed through the new marketing program. For example, there was a halibut traceability study that would certainly be eligible under the new program.

**MS. MICHAEL:** Now, you may have answered this before and I missed it, but where is the new marketing money in place? Where is the line for that money?

**MR. CROCKER:** 2.2.04.

Yes, you'll find it in number 10 on 2.2.04.

**MS. MICHAEL:** Okay. Since we're talking about it, let's stay there for a minute then. I did have a question on this because last year it was \$2.5 million and it looks like all of that was used. Now it's down to \$2.2 million in this year's budget, yet it's also incorporating the line that was in 2.2.01. And yet, we have a drop in the Grants and Subsidies here. So it just seems to be a drop in money going into innovation, development and marketing.

**MR. CROCKER:** Yes, this would break down to the FTNOP which was \$1 million that was set to expire, the seafood development program which was \$525,000 which is now \$200,000 and the elimination of the funding for CCFI.

**MS. MICHAEL:** Okay.

**MR. CROCKER:** CCFI and FTNOP were doing a lot of the same work and administration costs were becoming a very large percentage of the funds. They weren't actually getting the funds out to the harvesters and processors, so we found streamlining – actually, we will be able, this fiscal year, to put more money out the door to harvesters and processors through the streamlining.

**MS. MICHAEL:** Okay, thank you very much.



Coming back then to 2.2.02, I think that's straightforward.

Looking at 2.2.03, it's probably a similar answer to other places. Under Salaries, budgeted \$417,800 last year but only spent \$371,700.

**MR. CROCKER:** There was a vacancy.

**MS. MICHAEL:** Okay. Has that vacancy become redundant or is it now filled?

**MR. CROCKER:** That vacancy has been since filled.

**MS. MICHAEL:** It has been filled. As you said –

**MR. CROCKER:** As you see in the Estimates for this year, it's back to \$422,000.

**MS. MICHAEL:** Right. As you said earlier to Kevin, there are no job losses in your department.

**MR. CROCKER:** No.

**MS. MICHAEL:** Which is good news.

I think for the moment, then, they're all the questions I have on section two.

**CHAIR:** Thank you.

**MR. K. PARSONS:** Minister, I'm going to go back to section 2.1.01. I'm really disappointed in that Grants and Subsidies line because I think it was a good investment in, especially, the small rural communities where you've got a lot of volunteers in there doing a lot of work. Like I said, a lot of times – I saw one instance where they got enough money to get the shingles but didn't have enough money to put them on. So they put them on themselves, and stuff like this.

There is nowhere in the department that people can apply for these small grants anymore? That's completely eliminated?

**MR. CROCKER:** They would have to go through Small Craft Harbours.

**MR. K. PARSONS:** Okay. There is a program that we can find out about in Small Craft Harbours?

**MR. CROCKER:** I certainly will check, and you (inaudible).

**MR. K. PARSONS:** Okay. I'd really like to get that to be able to pass it on to people that avail of this.

How many different groups and harbour authorities, fishermen's committees, municipalities and everything used this last year?

**MR. CROCKER:** Brian is telling me quickly that it was 94.

**MR. K. PARSONS:** Ninety-four, okay.

Under the Small Craft Harbours, we noticed –

**MR. CROCKER:** It's in your binder that we'll provide you with.

**MR. K. PARSONS:** Okay.

Under Small Craft Harbours, we know their investment this year in Newfoundland is huge. It's after going up by, I'm not sure what the percentage point is.

**MR. CROCKER:** I think \$40 million.

**MR. K. PARSONS:** It's a good investment this year. I was talking to Bill Goulding myself, and Bill was saying – because there were a couple of projects on the go. Is there anything new that we're working with them to do improvements to a lot of these harbours?

**MR. CROCKER:** Absolutely, no different than like yourself. You talk to Bill on a regular basis; I talk to Bill on a regular basis, particularly with my district. But absolutely, we're looking at – and I've talked to Minister Foote about this on a number of occasions.

Again, as we look to transitioning back into groundfish, one of the things we've lost since 1992 is Small Craft Harbours infrastructure with regard to cod. The way cod will be harvested in the future is something that Small Craft

Harbours needs to address, and we've had these conversations, because landing shrimp or landing crab is different than landing cod. So, yes, we're working with Small Craft Harbours to encourage developments in harbours that recognize the transition back to groundfish.

**MR. K. PARSONS:** I know in my district, and some other districts I spoke to fishermen, a lot of problems with the harbours these days. A lot of cranes got replaced, and I know it's in your district too.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** I know we've got to put a – and it's a job to get them. They won't do anything until they see what the landings are in that harbour.

**MR. CROCKER:** Right.

**MR. K. PARSONS:** There can be no landings in the harbour when there's no crane there to make the landings.

**MR. CROCKER:** Right; and you talk about the crane – and I don't mean to go off course – but even if you look at vessel design as we go back to cod, vessels are going to be designed different.

There's a new vessel here in St. John's, actually, that was designed for cod. Offloading is going to be different, because offloading is going to be done now actually in a pan; whereas offloading in the past was done maybe in a box. The product is going to come out of the vessel. It's not going to be handled. It's going to be taken –

**MR. K. PARSONS:** That's good for the bigger vessels, but once we get to the smaller communities and the smaller vessels – and hopefully people do get back into the cod fishery. I know they're going to have to ice down their fish and probably a different way they're going to have to do it, but those little, smaller boats are not going to be able to have what the larger boats –

**MR. CROCKER:** But they would still have to avail of the cranes. So obviously –

**MR. K. PARSONS:** Yes, so that's (inaudible).

**MR. CROCKER:** – that infrastructure is important.

**MR. K. PARSONS:** It is an issue that –

**MR. CROCKER:** Yes, absolutely.

**MR. K. PARSONS:** – that's out there, right.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** And it's something we can look at.

I want to go to Seafood Marketing. Again, in my preamble when we talked earlier, how important this is and where we are. I know that Grants and Subsidies – and I know Ms. Michael mentioned it, but it's a huge concern in the industry, that we're not going to be ready and that the marketing part of it – so I'd like to see what investments we're making. I know we're doing this innovative, but it seems like we're throwing everything into this \$2 million fund.

**MR. CROCKER:** Well, there's been many attempts made in the past to do seafood marketing, and we could not come together. Whether it be through the harvesters and processors, we're unable to come together. The previous administration made an attempt, and I think to the point where it was even invoked where processors didn't buy in, they didn't come to the table. This is why it's important that we bring them to the table to see what it is they're looking for, and this is going to take some time.

**MR. K. PARSONS:** Yes. The Ministerial Statement you did yesterday with certification and stuff like that, that's a huge part of marketing today, because people want to see where their product's coming from, whether it's sustainable and everything else. I know if you look at the cod fishery back in the '90s and '80s and '70s, it was all done on frozen block, basically, but this time it looks like the restaurants are looking for whole cod. It's a different market. So my whole point about the market is making sure we know what's out there and what's – there's an investment that needs to be done for it, too.

**MR. CROCKER:** Well, obviously the processing sector markets themselves with their

brands and their products, but the FFAW has also done some great work. They have a program – ThisFish is it?

**OFFICIAL:** Yes.

**MR. CROCKER:** The FFAW has done some work themselves, through DFA and other sources, and produced a program ThisFish. It's a tagging program. It's used primarily right now in lobsters. So if you buy a lobster that's harvested by an FFAW –

**MR. K. PARSONS:** Yes, I'm familiar with that. It's a great program. Like I said, that seems to be where the industry is going (inaudible).

**MR. CROCKER:** Absolutely.

**MR. K. PARSONS:** Okay. I just want to go back – again, I'm going to always ask a question on revenue. On 2.1.01, the Revenue line there. Can you explain that to me?

**MR. CROCKER:** On 2.1.01?

**MR. K. PARSONS:** 2.1.01, Administration and Support Services. There is Revenue there of \$10,000; \$25,000 was last year.

**MR. CROCKER:** Sorry, 2.1.01. That's wharf and user fees, and last year was higher than anticipated. These would come primarily from the South Coast, the inflow and outflow wharves.

**MR. K. PARSONS:** Okay. On 2.2.01, there was revenue budgeted. We didn't get much, and we have none budgeted this year. What's that about?

**MR. CROCKER:** That's related to trade show costs. One time we would collect and apply against our portion to trade shows. Now they pay their cost directly. For example –

**OFFICIAL:** Boston.

**MR. K. PARSONS:** Yes, okay.

**MR. CROCKER:** Do you need an example?

**MR. K. PARSONS:** No, that's good.

Let's go to section 2.2.02, just a couple here. We hired somebody in this area, did we? Is there an increase in staff there?

**MR. CROCKER:** I'm going to turn that one to Dave.

**MR. LEWIS:** In the 2015-16 budget, when that budget was prepared it was just at the time the attrition planning came in.

**MR. K. PARSONS:** Okay.

**MR. LEWIS:** At that time, it was anticipated that we were going to see attrition occurring in that particular division so the salary budget was reduced accordingly, but the attrition hasn't occurred. So we found savings elsewhere in the department to accommodate the reduction in overall salaries for the department, but it wasn't in this particular division. So that's why the Salaries were up last year and the same amount basically has been budgeted again for this year.

**MR. K. PARSONS:** So no one wants to leave your department.

**MR. CROCKER:** So that person (inaudible).

**MR. K. PARSONS:** Operating Accounts, I wonder could you explain there, \$85,000 budget and \$44,000 –

**MR. CROCKER:** The Operating?

**MR. K. PARSONS:** Yes, on Operating, line total.

**MR. CROCKER:** That's a total line, right?

**MR. K. PARSONS:** No, not the total line, 02, Operating Accounts, it says \$85,700 –

**MR. CROCKER:** That is the total line.

**MR. K. PARSONS:** Okay, that's the whole –

**MR. CROCKER:** Yes, that's the whole – all of the changes from above, yes.

**MR. K. PARSONS:** Okay, yes, I see that now. Sorry about that.

**MR. CROCKER:** No problem.

**MR. K. PARSONS:** On the next section down, 2.2.02, Purchased Services, what are the services that we purchased?

**MR. CROCKER:** Purchased Services, 2.2.02? That would be your normal purchased services: printing, copying, shredding.

**MR. K. PARSONS:** So, it's basically –

**MR. CROCKER:** Meeting room rentals, just general day-to-day operations.

**MR. K. PARSONS:** Okay.

I know Ms. Michael asked this question, but again, under section 2.2.04, the Grants and Subsidies, that's this new fund you got put in place, right?

**MR. CROCKER:** Right.

**MR. K. PARSONS:** There are a lot of things we talked about here this morning going into the fund, yet the fund has been reduced a little bit from last year.

**MR. CROCKER:** Yeah, we've found substantial administrative savings probably in the area of at least \$500,000 through the elimination of CCFI. So what happened last year – and both FTNOP and CCFI were sunsetted in budget 2015-2016. So when we went back to look at the million dollars that was budgeted for FTNOP in '15-'16 and the million dollars that was budgeted for CCFI in '15-'16, we found that administration costs were coming close to 50 per cent of the \$2 million. So we went back so that we're able to get more money to the actual harvester and processor.

**MR. K. PARSONS:** Okay, all right.

**MR. CROCKER:** So the savings are found in administration, not the money going to harvesters and processors.

**MR. K. PARSONS:** Okay.

Just go to the next section now, 2.2.05. Again this Revenue line I want to talk about, and if you could give me an explanation there. There was a reduction in what we're planning to catch (inaudible) licences I suppose.

**MR. CROCKER:** Last year, there was money provided to the two sealing processors in the province. One availed of it. One was granted the money –

**MR. LEWIS:** It was put in a trust for them.

**MR. CROCKER:** It was put in a trust for them out of budget '14-'15. One didn't use it, returned the entire \$1 million. That's why it shows up in Revenue because it went out in fiscal '14-'15, came back in fiscal '15-'16. The other revenue you see there is what's been repaid by the other borrower.

**MR. K. PARSONS:** Okay.

While we're talking about sealing, I have a general question just to ask on this one. I don't know if you can answer it or Dave can answer it. I have an individual who contacted me about a seal licence transfer. It was transferred from one boat to the other. Apparently, you can't do that. How does a transfer work?

**MR. CROCKER:** That would be a DFO question.

**MR. K. PARSONS:** It would be a DFO question?

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Okay, I wasn't sure how the transfer of licences worked, but apparently it can't be done.

What investments are we making this year when it comes to the seal industry?

**MR. CROCKER:** We've met with the industry and the union and many of the stakeholders involved. We offered assistance. The assistance was gratefully appreciated that we offered, but to buy from, for example, Carino this year, they're doing it on their own. Carino is planning this year, themselves, to harvest 55,000 animals which will be about 20,000 animals more than were harvested in the last year.

**MR. K. PARSONS:** What are the markets like?

**MR. CROCKER:** The market for seal skins is poor. The market for seal oil is stronger than it's

ever been. One of the things that Carino and PhocaLux are doing this year is harvesting adults because of the amount of meat and oil.

**CHAIR:** Order, please!

The time is expired. Anything further, Ms. Michael?

**MS. MICHAEL:** (Inaudible) Seal Product Inventory Financing. So just for clarification, is the \$825,000 this year being held in trust or is it that will be the end, that money is going to be coming into us and that's the end?

**MR. CROCKER:** That's what we're expecting to collect this year. That was paid out last year. So that's where we're anticipating the return this year, all the money.

**MS. MICHAEL:** Is that Carino still or –

**MR. CROCKER:** No, it's not.

**MS. MICHAEL:** It's the other company.

**MR. CROCKER:** It's the other company.

**MS. MICHAEL:** Okay, great.

Thank you very much, that's it.

**MR. CROCKER:** Thank you.

**CHAIR:** Would the Clerk please call the subheads?

**CLERK:** 2.1.01 to 2.2.05 inclusive.

**CHAIR:** 2.1.01 to 2.2.05 inclusive.

Shall the subheads carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

On motion, subheads 2.1.01 to 2.2.05 carried.

**CHAIR:** Would the Clerk please call the next set of –

**CLERK:** 3.1.01 to 3.1.02 inclusive.

**CHAIR:** Thank you.

Mr. Parsons.

**MR. K. PARSONS:** A couple of questions here. Minister, it's a part of the government that this industry is one of the fastest growing, and it's a good, diverse industry in the province. I had my first trip down to the South Coast, down to Tracey Perry's district. I went down there when I was really young and I remember I was down fishing with my father one time – beautiful part of the country. Just to see how much work is getting done down there and how the industry has revived the whole South Coast, it's amazing, and I think it's a bright part of our whole area. There are a lot of investments after being done by government.

I go back to the former question I asked you about new players in the industry. How's that going? Are we getting out there and getting enough players in here? We have some good players there now.

**MR. CROCKER:** First of all, I'm jealous that you've gotten down, because I've been scheduled to go out twice and snow and other things have gotten in the way. And you're correct, it is a bright spot. We are actively working with the people that are already in the province, whether it's Northern Harvest or Cooke, to help them expand, and we are always looking for new opportunities in aquaculture. Whether it be in finfish or mussels, or even new developing areas with regard to oysters and clam.

**MR. K. PARSONS:** Okay, there was some elimination of funds there – eliminated the Agriculture and Agrifoods Development Fund. What was that?

**MR. CROCKER:** Agriculture?

**MR. K. PARSONS:** Agrifoods Development Fund.

**MR. CROCKER:** Agrifoods?

**MR. K. PARSONS:** Yes.

Oh, that is Forestry. I'm sorry, I was looking under agriculture there, I'm sorry.

**MR. CROCKER:** That's Forestry, wait until you get Mitchelmore.

**MR. K. PARSONS:** We did investments in the veterinary building and stuff like that.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Where are we to with that? Were there any reductions or something (inaudible)?

**MR. CROCKER:** No, that's going to come up as a heading under aquatic health.

**MR. K. PARSONS:** Okay.

**MR. CROCKER:** And I can, if you want to –

**MR. K. PARSONS:** Yeah, go ahead.

**MR. CROCKER:** Aquatic health is something the previous administration put a great importance on and we've continued our focus on aquatic health.

Actually, to the point of aquatic health, we now have a complement of four full-time veterinarians in the province.

**MR. K. PARSONS:** Okay. We had a lot of issues in the last number of years, remember with different – we see salmon being destroyed and stuff like that. Where are we with that now?

**MR. CROCKER:** Again, to give credit where credit is due, the investment into the aquatic health centre and the investment into the fourth veterinarian certainly plays into that. We would be considered a leader when it comes to our aquatic health program.

**MR. K. PARSONS:** Okay.

I want to go to section 3.1.01, just look at Professional Services. There's a huge increase there this year from \$183,000 to \$358,000.

**MR. CROCKER:** Right. That was one of our new initiatives with Bay Management, because one of the important things we need when trying

to find new companies to come into the province and do aquaculture, one of the first things they want is data on what's available site wise. What Bay Management does, it goes in and looks at currents and tides, so you determine if an area is suitable for aquaculture.

**MR. K. PARSONS:** Is that what we're doing down in Marystown way?

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Okay.

**MR. CROCKER:** Placentia Bay is included in that, and some more work on the South Coast because that is expanding as well.

**MR. K. PARSONS:** Okay.

We go to section 3.1.02, line 08 with the loans and the differences. Can you explain this? Last year we had a budget of \$2,800,000 and this year we had \$3.2 million but we only used \$685,000.

**MR. CROCKER:** That variance is due to delays in the Northern Harvest project. Northern Harvest is doing an expansion on the South Coast. There were some delays on Northern Harvest drawing down the government's contribution, so that money has been moved forward. In actual fact, last year we only had to pay out \$685,000 of the investment into Northern Harvest.

**MR. K. PARSONS:** Okay.

That's it for that section.

**CHAIR:** Ms. Michael.

**MS. MICHAEL:** Thank you, Mr. Chair.

Most of my questions have been asked by Kevin, but just to come back to the Aquatic Animal Health, I'm glad to know we have the four vets.

Can we have an update on the work with regard to the infectious salmon anemia? Because that's been an issue.

**MR. CROCKER:** Yes, I'm going to let Brian address that.

**MR. MEANEY:** The ISA events that happened in '12 and '13 only happened in those areas. There have not been any further detections of that virus in Newfoundland waters. We have increased our surveillance as well to monitor that. The company has recovered, because there was a significant loss due to that event, but the company, if you look at our production stats, we're back to the 2012 production 2013 production. So everything is back and the fish are healthy and robust.

**MS. MICHAEL:** Great. Thank you very much.

That's all my questions.

**CHAIR:** Would the Clerk please recall the subheads?

**CLERK:** 3.1.01 to 3.1.02 inclusive.

**CHAIR:** 3.1.01 to 3.1.02 inclusive.

Shall it carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

On motion, subheads 3.1.01 through 3.1.02 carried.

**CHAIR:** Will the Clerk call the next group of subheads, please?

**CLERK:** 4.1.01. to 5.1.01 inclusive.

**CHAIR:** Thank you.

**MS. MICHAEL:** I have a general question that I'd like to ask the minister. It has to do with OCI, Minister. I'm really interested in some update on what their intentions are with regard to Fortune. As we all know, they did promise 110 full-time positions when they signed the agreement back when. I'm just interested in knowing what's going on. Do they intend to bring temporary foreign workers in? Just an update, please.

**MR. CROCKER:** Currently, my most recent discussion with OCI and with the plant workers or the union and some of the workers represented, the plan originally was to start production, I think, May.

**OFFICIAL:** Early June.

**MR. CROCKER:** Early June and run to the end of July, similar to last year's production, and then do the same thing in the fall as they did last year. Providing, I guess, it was 14 to 16 weeks work.

There has been some, I guess, media stories, and there might even be a request into the Government of Canada for temporary foreign workers. My understanding is these foreign workers would be used as trimmers. If that happens, the company's intention is to run from July to December.

What's happening right now, I guess, from the company's perspective – and I did raise this with the company recently, and I spoke to the union about it as well. The company today is freezing all yellowtail that's being kept for Fortune and collecting it so that when they start work, they can provide a continual period of work.

**MS. MICHAEL:** Is it confirmed that everybody in the area who would want work will be hired prior to even looking at the temporary foreign workers?

**MR. CROCKER:** Well, my understanding is that would be the role of the federal government to ensure that takes place, but we haven't really –

**MR. LEWIS:** They've advertised for trimmers.

**MR. CROCKER:** Yes, they've been advertising for trimmers. These people are being brought in specifically as trimmers.

I believe there was an attempt in the past – it comes back to something Mr. Parsons brought up earlier about transition back into cod because we've lost a lot of, I guess, the skill set that was available in 1992. That's going to bring a need for new technology when it comes to processing.

**MS. MICHAEL:** Right.

Just coming back to the whole issue of the transitioning, I know it's not your department's responsibility for training, but is there cross-department discussion going on with regard to trying to get our younger people interested again in fishing?

**MR. CROCKER:** Well, it all comes back to, I guess, we've got to – really, what we need to do in the fishery is we need to get the fishery into a longer season. This is where cod factors in, along with shrimp and crab and others, because if we're going to attract people into the industry we need to have something to offer them because people aren't interested in short pieces of work. The industry should evolve that for us.

**MS. MICHAEL:** Right.

I guess the issue is a bit bigger in the sense that – and that's why I'm saying it's not just your department obviously, but the whole issue we've almost lost a culture. There are some communities where the culture still exists but for the majority of communities that are the potential for the transitioning, we've lost a culture.

Again, I think it's more a Cabinet table discussion maybe, but we almost need to be into the schools. We really need to be looking at the transitioning in as more than just the technical.

**MR. CROCKER:** When I was in Boston, for example, what I seen is – from 1992 to a new ground fishery, there's going to be a lot of difference in the expertise that's going to be required.

**MS. MICHAEL:** Right.

**MR. CROCKER:** You're going to need computer technicians now as much as you're going to need filleters in lots of cases because it is going to be more highly skilled work.

**MS. MICHAEL:** Just a broad issue that needs to be discussed I think.

**MR. CROCKER:** Yes, absolutely.

**MS. MICHAEL:** Thank you.

**MR. K. PARSONS:** (Inaudible.)

**MR. CROCKER:** No, they're not equipped for cod. Obviously, we have Arnold's Cove, they've done about 10 million pounds of cod this year. Quinlan in Old Perlican did over a million pounds last year. Beothuk has started to do some cod. Who else, Dave?

**MR. LEWIS:** Fogo Island.

**MR. CROCKER:** Fogo is doing some cod.

**OFFICIAL:** There is a small cod plant in Bay Roberts.

**MR. CROCKER:** Right, there's a secondary in Bay Roberts. John Osmond on the West Coast; Codroy fisheries is doing some cod.

**MR. K. PARSONS:** What is the total on cod?

**MR. CROCKER:** The quota is 15,000 tons. Of the 15,000 tons allowable about half is being done.

**MR. K. PARSONS:** (Inaudible.)

**MR. CROCKER:** Broadly I guess the supply is not really – to meet today's cod market, to compete with Iceland, Iceland is harvesting cod 12 months a year. We don't have enough resource to get back into that market. The downtime in Iceland for cod is July and August. When we're catching cod, Icelanders go on holidays. Markets don't want cod in July and August.

One of the things I found most interesting when I moved into this department is the fact that the peak season for seafood consumption is really November 15 until Easter Sunday. That's when people want seafood. That's one of the beauties of the aquaculture industry is you take it out of the water as you need it. It's one of the challenges that you face with a wild fishery.

**MR. K. PARSONS:** I like it in the summertime (inaudible).

**MR. CROCKER:** Don't we all.

**MR. K. PARSONS:** As we discussed yesterday, the conversation we had yesterday, and while we're on the cod, just to continue with this discussion. As we know, the federal government



is going to increase quotas to the inshore fishery this year. It's pretty well known through the industry that it is.

So if we are at the level right now that we're only being able to process half of what we're allocated – if the allocation doubles, how are we going to process the cod?

**MR. CROCKER:** Well that step forward, that's one that the union and the processors that were involved in this announcement a week and a half ago, they're really focusing on that as a challenge they're going to face. To have co-operation even at that level of the harvesters and the processors – and you see the processors that have come to the table already, and we're hearing we can expect other processors to come to that table as well, as time moves forward. Their focus is really on the overall or the overarching questions that you guys have raised today about cod – so addressing that problem.

**MR. K. PARSONS:** It's a huge problem, somewhere we should be up front, on the ball with, basically, because again, I don't know where they're going to sell – I know that most of the inshore fishery now, where they've got small quotas – I think it's at 6,000 or 7,000 pounds – it's easy enough to be able to sell it to the markets of the fish and chips places and people buying cod.

**MR. CROCKER:** The door-to-door sales and –

**MR. K. PARSONS:** Door-to-door sales, salt fish, and stuff like that. But once that increases it's going to really put a – well, we don't have a glut anymore. We'll never have that again, I don't think. But the markets are going to be – and where are they coming from? Where are they going to sell their fish?

**MR. CROCKER:** Right, and understanding what it is the market wants. So there's a big piece of work there, and it's encouraging to see the formation of this council. We're committed to working with this council.

**MR. K. PARSONS:** Were we asked to be on that council?

**MR. CROCKER:** No, we weren't. We were actually invited to meet with the council, along

with DFO, after their announcement. So their announcement was on, I think, Friday morning. We met with them Friday afternoon. So they wanted to do it without –

**MR. K. PARSONS:** Government.

**MR. CROCKER:** Yes.

**MR. K. PARSONS:** Okay.

**MR. CROCKER:** I shouldn't say without government, but they –

**MR. K. PARSONS:** No, no.

Are they going to establish their own marketing – is that what their plan is?

**MR. CROCKER:** I believe they're looking at all the pillars of the business. I think when they're ready, you will see they will approach government and say this is the role that we would like for government to play.

**MR. K. PARSONS:** Okay.

That's it for this section.

**CHAIR:** Ms. Michael.

**MS. MICHAEL:** Just one more question, Minister, with regard to OCI. If I'm not mistaken, I think the Quota Holdco agreement expires this year. So what's the intent of government with regard to the agreement? Extending it, put in quotas, up for bid?

**MR. CROCKER:** Okay, so it does expire and we would, going forward, seek an extension, and OCI has agreed as well.

**MS. MICHAEL:** Okay, so you won't be putting it up for bid; you'll just go for an extension with OCI first.

**MR. CROCKER:** Yes.

**MS. MICHAEL:** Okay, thank you very much.

**CHAIR:** Anything further?

**MS. MICHAEL:** That's it.

**CHAIR:** Would the Clerk please recall the subheads.

**CLERK:** 4.1.01 to 5.1.01 inclusive.

**CHAIR:** Shall 4.1.01 to 5.1.01 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

On motion, subheads 4.1.01 through 5.1.01 carried.

**CHAIR:** Would the Clerk please call the total?

**CLERK:** The total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**MR. K. PARSONS:** (Inaudible)?

**CHAIR:** Yes, we did.

**MR. CROCKER:** Do you have questions on it (inaudible)?

**MR. K. PARSONS:** Yes, I have one. I just have one question here on the Grants and Subsidies. I was wondering what they were for.

**MR. CROCKER:** Pardon?

**MR. K. PARSONS:** Grants and Subsidies here in 5.1.01. I was wondering what the Grants and Subsidies were for.

**MR. CROCKER:** I have to turn that over to Brian actually.

**MR. MEANEY:** Those grants are primarily funding to research institutions for specific pieces of research that we need on fish health. So we may contract the Atlantic Veterinary College to provide advice on sea lice counting techniques or to other veterinary institutions where we look for specific information or advice on our fish health program.

**MR. K. PARSONS:** Okay, that's good.

We're not completely finished now though, are we? Obviously, you know what I'm going to ask now. The last question I want to ask is about our recreational fishery.

**MR. CROCKER:** There's no way he was going back to his office today without asking that.

**MR. K. PARSONS:** I've seen it, Minister, and it really scares me. I've seen it in the area of the province where I'm from. It's different in Trinity Bay. We'd go up there a scattered time up in Old Shop and go out off there, but it's the safety thing really is the emphasis for me. When I see people go out in small little boats that I wouldn't put in some ponds and they're out there fishing on the North Atlantic because they're out there trying to catch fish on days that they shouldn't be out there.

I know you're advocating on behalf, but I really believe it's something that emphasis has to be put on to the federal government. This fishery is unfair. It's putting people's lives – we see it every year. Every year somebody loses their life at this fishery. There's no need of it, when the rest of Atlantic Canada can go and fish.

I have solutions. I'd like to tell the federal government what I think about it. I think the tag system would work.

**MR. CROCKER:** You believe it would work?

**MR. K. PARSONS:** It would, yes.

**MR. CROCKER:** Okay.

**MR. K. PARSONS:** Because that way it would put people out in – rather than rush out on a Saturday and a Sunday to get the last weekend in. I know at the end of the year when – every year they did the last week in September. September is a dirty month and you can't get on the water. What we're doing to people – I think the federal government don't realize that it's a safety issue. Every year there are some lives lost at this fishery, and there's no need of it.

**MR. CROCKER:** As a government, we agree with what you're saying. It's so important. It's recognized, actually, in my mandate letter from

the Premier to advocate to the federal government for a fairer system and a safer system. Not only fair, but safer system where timelines would be expanded to allow for – and I agree with you. That week in September is usually just a wash because it's – our September weather is not conducive.

I've advocated on every occasion that I've met with Minister Tootoo, every occasion that I've had the opportunity to meet with Minister Foote, and it's something that we expect to see some changes. The cod management plan is due down, I think, in early May. This is where we're expecting to see, because the cod management plan is where – as you alluded to earlier, expectations of changes in the quotas will come in in the cod management plan. So certainly the recreational fishery and our tourism fishery, because that's the other piece that holds a lot of potential for parts of this province. We're looking forward to something in the management plan.

**MR. K. PARSONS:** Okay. Just to go to that again, we do want to emphasize to the federal government – and I know Dave and yourself will know this, that we can't have both fisheries at the one time because when you have nets and that on the grounds and people fishing. It's important they realize that, and the fishermen don't want it for one reason. The fisher people just don't want it, but it's recreation.

Just to go to the tourism aspect of it. Anybody who gets an opportunity to go out and catch a cod – I take a lot of people out. They just absolutely love it. I'm used to it, but what it can do to the tourism industry is huge. Tour operators want to know early enough so they can advertise; they can have their brochures done. The later and the longer this gets delayed, it's harder on the tourism industry too, because this is huge for the tourism industry.

**MR. CROCKER:** And I guess one of the challenges this year, being the expiry of the previous management plan which lasts three years. This all has to be factored into the management plan.

**MR. K. PARSONS:** Yes.

**CHAIR:** Anything further Ms. Michael?

Would the Clerk please call the total?

**CLERK:** Total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

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

**CHAIR:** Shall I report the Estimates of the Department of Fisheries and Aquaculture carried without amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Carried.

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

**CHAIR:** I just want to announce the time and date of our next meeting of the Resource Committee is Tuesday, tonight, April 19, at 6 p.m. with the Department of Natural Resources and the Office of Public Engagement.

**MR. K. PARSONS:** I would just like to thank the minister and thank his staff for coming here this morning, and thank you for answering all the questions. You did a great job, Minister. Again, it's an important industry in the province and I think we have to be on top of our game.

Thank you very much for what you did here this morning, and I thank all of the Committee members for coming here.

**CHAIR:** Thank you.

Ms. Michael.

**MS. MICHAEL:** (Inaudible.)

**MR. CROCKER:** Again, thank you for the questions.

At any time, if myself or the department can answer a question that you guys might have, feel free to contact us.

Oh, and some light reading.

**MS. MICHAEL:** Great.

Thank you.

**CHAIR:** Hearing nothing further, the Chair would entertain a motion to adjourn.

**MR. BRAGG:** Moved.

**CHAIR:** Carried.

On motion, the Committee adjourned.