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**Proceedings of the Standing Committee on
Resources**

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Department of Natural Resources
Office of Public Engagement

RESOURCE COMMITTEE

Department of Natural Resources

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: Lorna Proudfoot

Appearing:

Department of Natural Resources

Hon. Siobhan Coady, MHA, Minister
Charles Bown, Deputy Minister, Energy
Tracy English, Associate Deputy Minister, Energy
Philip Ivimey, Departmental Controller
David Liverman, Assistant Deputy Minister, Mines
Tanya Noseworthy, Executive Director
Diana Quinton, Director of Communications
Megan Sheppard, Executive Assistant

Office of Public Engagement

Hon. Siobhan Coady, MHA, Minister
Judith Hearn, Deputy Minister
Bruce Gilbert, Assistant Deputy Minister
Kip Bonnell, Manager of Communications
Wanda Trickett, Departmental Controller
Jeff Butt, Director, Policy and Planning
Diana Quinton, Director of Communications
Megan Sheppard, Executive Assistant

Also Present

Keith Hutchings, MHA
Steve Kent, MHA
Megan Drodge, Researcher, Official Opposition Office
Veronica Hayden, Executive Assistant
Ivan Morgan, Researcher, NDP Office

Pursuant to Standing Order 68, Keith Hutchings, MHA for Ferryland, substitutes for Kevin Parsons, MHA for Cape St. Francis.

Pursuant to Standing Order 68, Steve Kent, MHA for Mount Pearl North, substitutes for David Brazil, MHA for Conception Bay East – Bell Island.

The Committee met at 6:04 p.m. in the Assembly Chamber.

CHAIR (Warr): I call the meeting to order. I just want to take the opportunity to welcome everybody this evening. Our first order of business will be the Office of Public Engagement.

Before we get underway, I'd like to take the opportunity to introduce myself. My name is Brian Warr. I'm the MHA for Baie Verte – Green Bay. I will be your Chair. I ask for Members on this side to introduce themselves.

MR. HUTCHINGS: Thank you, Mr. Chair.

Keith Hutchings, MHA, District of Ferryland.

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

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

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

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

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

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

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

MR. DEAN: Jerry Dean, MHA, Exploits.

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

CHAIR: Thank you.

I'll pass it over to Minister Coady.

MS. COADY: Thank you.

Hello, everybody. My name is Siobhan Coady, MHA, St. John's West and Minister for the Office of Public Engagement as well as the Minister of Natural Resources.

To my left ...

MS. HEARN: Good evening. My name is Judith Hearn. I'm the Deputy Minister of the Office of Public Engagement.

MR. GILBERT: Bruce Gilbert, Assistant Deputy Minister in the Office of Public Engagement.

MR. BONNELL: Kip Bonnell, Communications Manager, Office of Public Engagement.

MS. TRICKETT: Wanda Trickett, Departmental Controller.

MR. BUTT: Jeff Butt, Director of Policy and Planning.

MS. QUINTON: Diana Quinton, Director of Communications.

MS. SHEPPARD: Megan Sheppard, Executive Assistant to Minister Coady.

CHAIR: Thank you.

Will the Clerk please call the first subhead?

CLERK (Ms. Proudfoot): Subhead 2.8.01.

CHAIR: Shall subhead 2.8.01 carry?

MR. KENT: Mr. Chair, I was just wondering, did the minister want to say anything before we get started?

CHAIR: Actually, she's going to have that opportunity now.

MR. KENT: Oh, okay, you started calling heads, so –

CHAIR: Yes.

MR. KENT: All right.

MS. COADY: Thank you, Mr. Kent.

I certainly want to thank everyone for being here this evening. My name is Siobhan Coady, as I said, and this is for transcription, Minister Responsible for the Office of Public Engagement.

As you know, the Office of Public Engagement is responsible for supporting and delivering meaningful public engagement opportunities to better connect the people of the province to their government. OPE also supports the administration of the *Access to Information and Protection of Privacy Act* by working to streamline and enhance processes under ATIPPA and providing support and training to ATIPP coordinators throughout government and the broader public sector.

Just to give you an idea, we've had 58 public engagement projects over the last year, 140 in-person sessions involving nearly 4,000 participants, and we also have had a tremendous uptake in ATIPPA with about a 90 per cent increase over the previous year. So as you can see, that is a tremendous growing area.

I do want to point out, the Estimates point to a budget in 2015-16 of \$7,089,800. We were able to decrease the budget this year, and in the Estimates we've taken that down to \$6,545,100. We've made some changes in line by line, as well as made some changes with regard to some of the programming. I look forward to your questions and answering them as you deem necessary.

Thank you.

CHAIR: Thank you, Minister Coady, and now we'll open up the Committee for questions.

MR. KENT: Thank you, Mr. Chair.

I will get the hang of this; it just might take a while, so thank you.

I have a number of questions. They're somewhat general and, obviously, it will depend on how

comfortable the minister is. I don't anticipate needing a lot of time. I know what I want to ask related to the OPE budget overall. I have great respect for the work of the Office of Public Engagement. I've been intimately involved in the work of the Office of Public Engagement, and I really believe in the work of the Office of Public Engagement.

So for that reason, my questions won't necessarily focus on why is the Employee Benefits line \$800 less. I'd rather ask a few general questions, which I actually suspect you'll be pretty comfortable answering, and then maybe we can move on, recognizing we need to move through the different subheads, and I appreciate that.

So under 2.8.01, Executive Support, not any major changes to the budget – I recognize throughout the budget there have been cuts to Purchased Services and Professional Services, which is to be expected given the nature of the budget.

I guess my broader question, if the minister is comfortable with it, the minister just described basically what the impact on the overall budget has been from last fiscal to this fiscal. I was just wondering if she could maybe give a quick overview of what does that mean. From her perspective, what has been reduced or eliminated and what is the impact going to be on the office in terms of being able to deliver its mandate?

MS. COADY: Thank you very much.

Thank you for your question and for the general nature of what you're asking. I appreciate the fact that you want context around this. We did have to make some cuts in the department. As you can see, there are line-by-line cuts and we can get into those if you so wish. But I think the most fundamental cuts are around the Collaboration Incentive Fund that the former government implemented. It's only about a year old.

We're going to continue to advance collaboration but due to the fiscal restraint within the province, we had to make some modifications to the program. It being only, what I am going to call, a short-term program,

there were 15 projects, we spent about \$184,000 in those projects, we got some great results from them; however, we are going to have to ensure that we continue to advance collaboration through the department versus these projects.

The other two big areas – I'm going to name them – we had to cut the Grants to Youth Organizations. These are project based, not core-funding based, so I want people to understand that. They are very criteria-driven, professionally chosen. So we have criteria and we make sure that they are chosen appropriately. We had to make some pretty significant cuts. We will make sure that we look to those projects and spread it as best we can amongst the groups.

It's application-driven, not core funding again – application-driven. And we also made a \$100,000 transfer of the School Lunch Program so that's gone to SWSD. So it's not cut; it's just moved because it is better served in that particular department.

I'll say the only other change – we kept complete funding for the Community Youth Networks because that is core funding. The only other change is the business labour grants. There was \$20,000 budgeted. It was unused in '15-'16 because, of course, there have been some changes to the way that sector has organized itself; therefore, we thought it was appropriate to eliminate the \$20,000 funding. So if you're looking for what I'm going to call the substantive changes to OPE, those are it.

I don't know, Deputy, do you have –

MS. HEARN: We did –

MS. COADY: There was one other thing that might be significant, if I could, and that is we are going to be doing our outreach and engagement differently. The regional councils, because they were not being utilized fully, we felt – and in discussions with some of the people involved – that we would do engagement on a broader scale rather than through the councils.

Thank you.

MR. KENT: Mr. Chair, I'm happy to let the Member for St. John's East – Quidi Vidi get in

on this subhead and I'll save my follow-up questions for the next one, if that's okay.

MS. MICHAEL: I just want clarification, Chair. It's a question of clarification. Is the minister speaking about 2.8.02? Where is this money coming from? I think we need to know exactly where it's coming from, please.

MS. COADY: Thank you.

MHA Kent asked kind of for a broader overview and as we go through the appropriations we'll be able to discuss that line by line, but he did ask for an overview of where the general changes are and that's what I was giving. So as we go through each appropriation, we'll be able to deal with them at that time.

MS. MICHAEL: Okay.

Thank you.

MR. KENT: Based on that, I appreciate the minister's overall explanation, and I don't have further questions about 2.8.01 at this point.

CHAIR: Do you have anything else, Ms. Michael?

MS. MICHAEL: No.

Well, yes, under Purchased Services. This may be a good way to do it, Chair, to come in at this point.

Under 2.8.01, Purchased Services, \$50,900 was what was budgeted last year. What's the impact of bringing it all the way down to \$9,600? That's quite a jump.

MS. COADY: Yes, it is quite a change. There was money allocated in that Purchased Services for a particular program under Open Government Initiative that was not utilized.

I'll turn to my deputy to answer the question further.

MS. HEARN: I can address that as well, by saying OPE was created by a number of different organizations coming together. And, really, this is our second full year of being fully together.

We were able to, after two years running, to see where we could make the right-sized cuts in Purchased Services, as the minister refers. For initiatives like Open Government, we would see Purchased Services being utilized in the branches more than the Executive Branch, and we would work hard to reduce as much as possible in the executive Purchased Services expenditure.

MS. MICHAEL: Okay, thank you.

Go ahead.

MR. KENT: I'm fine on 2.8.01.

CHAIR: Okay.

Will the Clerk please call the next subhead?

CLERK: 2.8.02.

CHAIR: 2.8.02.

MR. KENT: Thank you, Mr. Chair.

I appreciate the minister's opening comments, and that's helpful and will probably make this process go a little more efficient this evening from my perspective anyway. So thank you for that.

You mentioned the reduction in the Grants to Youth Organizations, and I believe all of the OPE Grants and Subsidies are covered within this subhead, right?

MS. COADY: Yes.

MR. KENT: I realize a good chunk of that is for Community Youth Networks, and pleased to hear that funding is being maintained for the CYNs.

In terms of the Grants to Youth Organizations, I recognize a chunk of that is application based or project based, as you suggest, but I would also highlight that for some of those youth organizations that is, in fact, their core funding. So I'm just curious, how it's being differentiated. I know we can't go application by application, but I'm just trying to understand for those organizations – I'll use an example that I'm familiar with personally. Big Brothers Big

Sisters receives over \$100,000 a year under Grants to Youth Organizations. That is their only funding from government; that is their core funding.

I'm just curious, those organizations that typically receive the same amount year after year after year, can they anticipate receiving that core funding this year, or is all of that being reviewed? I hope I'm being clear. I'm just wondering how – there definitely are two types of grants to youth organizations. There are those that are very annual, and then there are those that are project based. So if the minister could clarify, I would really appreciate that.

MS. COADY: Thank you for the question.

It is difficult any time you have to make these cuts. We understand that, and we would love to be able to have more grants to youth organizations. These are all project-specific grants. They have to bring in an application. They're not year-to-year funding. They're application based. They have to submit an application annually for these types of – and determine and advise what kinds of projects they would undertake for this kind of money.

So these are project, not core funding like the CYN is. I understand this will cause some hardships for some of these organizations. We don't minimize that at all; however, we also felt that because it's not core funding and because it is project based and because we can spread around, as best we can, from those organizations, based on if they meet the criteria of the program and they make sure we understand that it is project based, we'll be able to manage that as best we can.

Please note, the \$100,000 that was given to the School Lunch Program, we did allocate and separate. So I don't want anyone to think that's been taken out of this. It has not. It's very important program funding and we've given it to the department to administer. This is really supposed to be a different project they're going to do. They meet the criteria or they don't meet the criteria, we'll be giving it to them.

I don't know, Deputy Minister, if there's anything further you want to add to that.

MS. HEARN: I would just add that the core funding for the CYNs and for the School Lunch was maintained this year, as it was last year, in terms of core funding groups. All other applications are application-driven.

So it would be difficult to answer the Member's question until we actually see the application from the group and what they're asking the money for. It would be impossible to determine which groups would get the funding, who would apply, as it does change from year to year.

It's entirely possible, depending on the amount asked for and the number of groups that come in, you could have the same list as last year or the year before. It's also clear that you add to the number of people who would apply every year, and the pot hasn't increased in some time. So it's a challenge, regardless of the year, of who gets the money and how much money they get.

MR. KENT: Thank you for the answer.

I won't belabour the point. The only thing I would offer as you go through that process – have applications gone out or applications all in at this point? No. So on that basis, as you approach the process, the only thing I'd respectfully suggest is that while it is application-driven and they have to apply annually, there is a group on that list that receives roughly the same amount of money every year for the last 10 years.

So while it may not be defined in the eyes of government as core funding, I assure you to the Boys and Girls Club or the Girl Guides or to cadets or to Big Brothers Big Sisters or the others that are on that list, there are a group of those, because it has been the same year over year over year, they would consider it core funding. I just ask you to keep that in mind as you make your decisions, and I respect that those won't be easy decisions to make.

I also recognize some of those groups – it is truly project based, as opposed to funding, that they count on annually. Hopefully it will all work out, but a 30 per cent cut to that fund is going to be challenging. So I just need to highlight that concern before we continue.

I believe under Public Engagement it would be an appropriate time to ask questions about the provincial Regional Councils. Would that be okay?

MS. COADY: Absolutely.

MR. KENT: Okay, great.

I understand the decision to eliminate the Provincial Council and the Regional Councils, but it appears from the budget that there won't be major staff implications. We have 10 regional planner positions. I suspect a couple of them are vacant. Last time I checked they were.

MS. COADY: And the two vacant positions you're referring to are not filled.

MR. KENT: They're not.

MS. COADY: The vacant positions will not be filled.

MR. KENT: Will not be filled. So the two vacant planner positions will not be filled. Will the other eight positions be maintained?

MS. COADY: Yes.

MR. KENT: Okay.

So the intention, obviously, is to refocus those eight roles to do different engagement work?

MS. COADY: Absolutely. We absolutely are committed to regular engagement, and you've heard the amount we did last year. You will know that we did a significant piece of work around the budget. We want to have that kind of, what I'm going to call meaningful engagement. The planner positions will be there to assist in those areas and we wanted to make sure they are available and working hard, as we know they do.

The other thing I want to point out, the Youth Council will remain intact. We think that would be a good voice for youth, and we've maintained that.

MR. KENT: Is it likely that those remaining eight planners will be – beyond their duties geographically, will there be redistribution? I recognize some of those employees are long

term and they're in various regions of the province, but now – for instance, as a result of two vacancies you have two former regions that won't have some presence. Is it the intention to have them continue to operate from where they're operating from or will there be some restructuring of that as well?

MS. COADY: At this point it is our intention to have them operating from where they're currently located.

MR. KENT: Okay.

MS. COADY: We think we can manage that; and, of course, we have extra resources in various areas as well. So we'll be managing that from where people are presently located. We don't anticipate any changes at this point in time.

MR. KENT: So then the budget savings related to the Provincial and Regional councils would fundamentally be the two positions that aren't being filled, plus the cost of bringing together the Regional Councils and the Provincial Council?

MS. COADY: Yes, the –

MR. KENT: Is there any I'm missing?

MS. COADY: The travel and the support to that council.

MR. KENT: Right. Okay.

MS. COADY: If I may, you'll see under Transportation and Communications that reduction.

MR. KENT: Okay, great. Well, not great, but it is what it is.

MS. COADY: I think the deputy would also like to have a word.

MS. HEARN: I just wanted to clarify that there's one vacant regional planner position that is a truly vacant position. There's a second position that remains empty at the moment because there's a long-term sick leave in that position.

MR. KENT: Okay.

MS. HEARN: So that has not been eliminated but it currently remains open. On the West Coast, we do have a planner who's on long-term sick leave.

MR. KENT: Sorry. So there's only one position being eliminated then?

MS. HEARN: There's one position being eliminated from the councils. There's another position whose funding comes under the Public Engagement Branch but operates out of policy. It was a temporary position. As of the end of March that position was ended and it will now be eliminated from the structure.

MR. KENT: Of the 10 planners, that other position is not one of those 10, correct?

MS. HEARN: Correct.

MR. KENT: Of the 10 planners, nine will remain.

MS. HEARN: Correct.

MR. KENT: There's another policy planning program-related position that came to an end as of March 31?

MS. HEARN: Correct, and has been eliminated from the structure.

MS. COADY: Just for clarity, because I did make the error. The other position that we have in Corner Brook is under long-term sick leave. We're not going to fill that while she's off on sick leave.

MR. KENT: Okay. I understand.

I know my time is running out. I'll ask a very quick question related to that. Can the minister say if there are any other positions that are being impacted within the Office of Public Engagement as a result of this budget?

MS. COADY: Are there any other? No, just those two positions that we're talking about; the temporary position that ended the end of March that we did not continue on –

MR. KENT: Right.

MS. COADY: – and the position that we're not filling. We're not going to add anybody to fulfill a long-term illness. So no other positions are impacted.

MR. KENT: Okay.

My time is up, Mr. Chair, so I'll stop there.

CHAIR: Ms. Michael.

MS. MICHAEL: Thank you.

Still under 2.8.02, I assume. Just clarification really, Minister, because I think I have the answers to my other questions with regard to the Transportation and Communications, for example, but a clarification. So the Grants and Subsidies, are both the project money and the core funding included in that line?

MS. COADY: Yes.

MS. MICHAEL: Okay. I was just wondering because it wasn't clear to me.

When you say the \$100,000 for the School Lunch Program is moved, where exactly has it moved to? You said department, but which department would that be because this is under the Executive Council, right?

MS. HEARN: It's to Seniors, Wellness and Social Development and it joins, I believe, the School Lunch Program funding that exists in that department right now.

MS. MICHAEL: Okay, yes.

This is just a request that actually both parties be made of the minister to date, and it has happened – and then this way you don't have to worry about listing out different groups and stuff to us. Would we be able to have a copy of your booklet?

MS. COADY: Absolutely.

MS. MICHAEL: Great. Then that saves us asking who is the list of groups, et cetera. We'd be able to see it all instead of wasting time doing it.

MS. COADY: I'm happy to do so.

MS. MICHAEL: Okay.

That's all I have for that section.

CHAIR: Okay.

We'll just go back to Mr. Kent for a quick question.

MR. KENT: Thank you, Mr. Chair.

Just a couple of more questions now that the clock has resumed. That is a good point that Ms. Michael just raised. We appreciate receiving the famous Estimates binder.

I will let the minister know that last night, to my shock, Minister Joyce actually handed it to us, which was very surprising, I guess is the only way I can categorize it. So I just throw that out there, knowing you're the Minister Responsible for Public Engagement.

Minister, of the two positions that are being eliminated, one wasn't filled, one is being eliminated. How do they factor in – I'm assuming one is in the 650 and one is not. The one that wasn't filled as of March 31 would not be in the 650 positions being impacted by budget, the one that's being eliminated would be. Is that a fair assumption? If it was gone before budget, would it be counted in the 650 or is one or both being counted, I guess, is my question.

MS. COADY: I would have to take that under advisement, only because I don't know how they accumulated their list and I would take that under advisement. I'll certainly look to the Human Resource Secretariat to make sure where they stand. We'll make sure of that.

MR. KENT: That would be great. If you can get clarification on that point, that would be great.

MS. COADY: I'll have someone take a note and get back to you.

MR. KENT: Thank you.

Related to the positions, I know there are lots of people within government that have been

extended to September 30, they are contractual or temporary. I'm just curious, for the Office of Public Engagement – because I honestly don't recall. How many people within the Office of Public Engagement will be in that category, they've been extended to September 30?

MS. COADY: Do you have that?

MS. HEARN: I'm trying to remember the exact number. I think there are five, but I will certainly check that number.

MR. KENT: Okay. Yes, if you'll let us know, that's fine.

Mr. Chair, in this section, I don't have any further questions at this time.

CHAIR: Okay.

Ms. Michael.

MS. COADY: Oh sorry, go ahead. I was just going to point your attention to something. You'll note – because you are probably going to come to this – Purchased Services is a lot decreased.

MS. MICHAEL: Yes.

MS. COADY: I just want to point that out. What we have done – and we've done it very effectively, I think, in the last number of months – instead of going out there and renting hotels to do our public engagement and things of that nature, we're using school gyms. We're partnering with organizations. That's why we've take a significant drop as well. But we also do not have – this is not a year for the URock Awards.

It's not that we just cut that substantively, there's no URock Awards; therefore, it was more last year. The URock Awards is every two years. We are really trying to partner to save costs on the engagement that we're doing.

MS. MICHAEL: Thank you, Minister.

This is a broader question. It's something that has come to me, actually, many times since I've been in the House of Assembly. I've never

thought of asking it but it seems appropriate tonight.

I'm not picking on this; it's sort of a general question. It has to do with my own experience when I worked in the not-for-profit sector and did receive provincial government money and also federal government money for the organization I was working with.

I was quite surprised the first year that I got provincial government money was community partnership money. At the end of the year I contacted the director, not naming names or anything of that nature, and said what is the mechanism for my reporting and I was told no report was expected.

OFFICIAL: Oh really?

MS. MICHAEL: So because I was executive director and I knew I had to report to the federal government, I did up my own reporting. Nobody ever told me they read my reports, but every year I did a report.

I'd like to ask: Is there a mechanism for regular reporting of the spending of the money?

MS. COADY: There absolutely is, as part of the criteria of any program that we would have. I can assure you we do read the reports. Also, not just the reports on how the money is spent but what the results are. So when you look at some of the collaboration funding that we administered last year, some of the projects that are happening, we actually did go back and review it because we want to learn from that collaboration or learn from that engagement.

I think it's critically important. I've asked my team to make sure they take the valuable pieces from that, so thank you.

MS. MICHAEL: Okay, that's good to know.

I mean I'm talking 10 years ago. That's not that long ago though.

MS. COADY: Yes. It's very important to be accountable for the money that organizations receive and we make sure they are.

MS. MICHAEL: Thank you.

That's all, Chair.

CHAIR: Will the Clerk please call the next subhead.

CLERK: Subhead 2.8.03.

CHAIR: 2.8.03.

Mr. Kent.

MR. KENT: Thank you.

This is perhaps a more broad policy planning research question. Again, because of my background, I don't feel the need to go line by line by line here.

I was pleased to see in your mandate letter, Minister, the concept of creating a global network of Newfoundlanders and Labradorians. I think it's a good idea. The devil is always in the details but the concept is exciting. I think it is a good idea. So I'm just curious, have any initial steps been taken? Where do you anticipate going with that over the next year in this difficult fiscal?

MS. COADY: I'm happy to report that yes, some initial steps have been taken. We're certainly putting an emphasis on this area, especially during the coming summer season. We want to start digging into this and we're putting some policy people on that very topic.

There have been other jurisdictions and I'll use New Zealand, for example. They have a great – I think they call it the Kiwi website, where they reach out to expats and to ensure they utilize the people that come from New Zealand, in terms of understanding what's happening in their home country in terms of keeping that network active and utilizing any of the expertise that expats have.

We're using that as kind of the model, if I can use that. We're going to do some of our own research, look at the outcomes. A number of jurisdictions around the world have that.

So in some of our budget if you look at our budget we do have some money in there; for example, under Professional Services. We're looking at the website design for the global

network. We're going to use existing monies to develop the global network.

We're doing our research. We're looking at best practices. We really want to maximize the opportunity of engaging people around the world who are from or whose parents are from, quite frankly, Newfoundland and Labrador. We think there's a wealth of information, an incredible network out there. We think there are a lot of people who want to contribute to their homestead.

MR. KENT: Minister, in this current fiscal year do you have any guess on what you'd anticipate spending related to that initiative in 2016-2017?

MS. COADY: Well, it's part of core funding. We're going to be using core staff. We have allocated some minor monies. We did lower our Professional Services, but if you look at the Professional Services, the \$25,000, that is around website design. We're looking at some software and licensing, maybe, requirements. It's in those figures. So we're using existing monies, we're not going to allocate additional.

We're very thin on these lines, I can appreciate that. But we feel, and my team feels that we can actually do it with the existing resources. So no money particularly allocated for it –

MR. KENT: But you can do it within existing budgets.

MS. COADY: – but we'll make sure that we're as thin as possible, because it's not a year to be doing too much outside of the scope of what we need to do.

MR. KENT: Okay.

Mr. Chair, I'm happy for my colleague to ask whatever questions she may have.

CHAIR: Thank you.

Ms. Michael?

MS. MICHAEL: No, I think that covers what I'd be interested in. The minister answered my question about Professional Services.

CHAIR: Would the Clerk please call the next subhead?

CLERK: Subhead 2.8.04.

CHAIR: 2.8.04.

Mr. Kent.

MR. KENT: Thank you, Mr. Chair.

Only a couple of questions, I think. The first just relates to staffing. You've already answered the broad staffing question. I just can't recall how that impacted budget. We had budgeted \$692,000 last year, the revised budget was considerably less. Given the changes that were made to ATIPP legislation, there were additional resources required in this office. Now the budgeted amount is back to the original 2015-2016 budget. I was just wondering if you could explain how that all works.

MS. COADY: Happy to do so.

As you heard when I initially spoke, we've had, to date, what, about 1,400 access to information requests this year. It's an incredible amount. People in that office are answering about 1,500 calls. We've done in-person training sessions. We've had to do a tremendous, what I'm going to call, insurance within government so that people understand how the new ATIPP works and what the requirements are.

We noted that last year you appropriated for some new additional hires that were not done. We wanted to make sure that we did add to that office because, of course, the volumes, the requirements are increasing. So we have allocated to ensure that we put those people there.

Maybe the deputy minister can give more details. Those hirings to support ATIPP are required.

MR. KENT: That makes sense. So those positions that we thought we might need weren't filled by March 31, but you anticipate the need for them in 2016-2017.

MS. COADY: Yes, and we've allocated for them.

MR. KENT: Okay.

MS. COADY: How many positions are there, Deputy Minister?

MR. KENT: Two or three?

MS. HEARN: Three.

MS. COADY: There are three.

MR. KENT: Three, great.

MS. COADY: The same as what were allocated. If you look at 2015-2016 that's why the number is the same, because we're going to have to fill those positions just based on volumes.

MR. KENT: Okay.

MS. COADY: And requirements for training, which is critically important.

MR. KENT: So related to ATIPP, I'm just curious how we're doing with meeting time frames. For instance, to get requests online, are requests always getting online within the required time frame? Have there been any exceptions so far or are we consistently meeting those requirements?

MS. COADY: In a general sense, we're meeting them. I'll turn to my deputy to see if there are any inconsistencies in that.

MS. HEARN: The ATIPP stats are very good. We're looking at certainly high 90s in terms of response times. The policy, of course, is to put online the request, once the appropriate timeline has been undertaken, for the applicant to receive it, and we follow that policy.

MS. COADY: So, in a general sense, no abnormalities. We're working very hard to make sure that they are met, but we do need those additional staff to make sure we maintain that level of competence, especially with the increased numbers of ATIPP requests.

MR. KENT: Thank you.

One more specific question related to the budget for the ATIPP office. Purchased Services is way

up. I'm sure there's a purpose; I just can't think of what it would be, so I'm hoping you can help me out.

MS. COADY: You will remember the training of municipalities and public bodies.

MR. KENT: Yes.

MS. COADY: So we have to go out there and do an enormous piece of work training the municipalities, training public bodies, to meet with the new legislation. That's where the requirements are and that's where you're seeing that amount of money allocated.

MR. KENT: I'm just confused as to why that would be under Purchased Services because we're going to deploy ATIPP staff to do that, so are we engaging others to be involved in that work as well?

MS. HEARN: The reason, MHA Kent, is because last year the money was parked in one place. This year it was redistributed to the appropriate account centres where we are actually spending the money. In Purchased Services we do privacy training with an international privacy training standard so that we can get our ATIPP coordinators certified. So it's certification of ATIPP coordinators on privacy matters and that is an outside purchased service because that qualification is done by an independent firm.

MR. KENT: Now because there are more of them, there's a greater requirement for that training? I'm still a little unsure why that –

MS. HEARN: No, the numbers stayed the same. There's no increase; it's just it moved to Purchased Services where it had been in Transportation and Works or had been in Professional Services before. So the numbers stayed the same but got reallocated to the appropriate account centre –

MR. KENT: Okay.

MS. HEARN: – so that we're spending money out of the right account centre.

MR. KENT: Would that cover all the ATIPP coordinators throughout government?

MS. HEARN: No, the amount allocated in the previous budget only covers incremental training year over year. So you can't do broad-brush training. You do what you can with the monies you have and you move that along the training track.

So, certainly, it does look at training costs and transportation costs to get our folks out to municipalities. It also covers privacy training and certification for the numbers that we have to fill but those are done – we've done some last year, we'll do more next year. We'll do more the next year so that we build on our success.

MS. COADY: I just note for you, if you look in G05, the Professional Services, the allocation has actually been moved to Purchased Services because that's where the spend is.

MR. KENT: Right, okay.

I won't prolong it; there's just clearly something I'm not quite getting. So if employees were travelling to deliver training, I would have thought that would be under Transportation and Communications.

MS. COADY: It is.

MR. KENT: I'm just confused as to why that Purchased Services number is so high.

Getting our ATIPP people certified by the international privacy standard, whatever it's called, I get that, but that wouldn't be \$86,000. So I'm just curious why those folks moving around the province to provide training would be under Purchased Services.

MS. COADY: I'm going to read you all the details that are in that.

MR. KENT: That would be great.

MS. COADY: Let me get that for you. We have a Thomson Reuters subscription for ATIPP and privacy case law. We have ATIPP certification and professional training. We have printing and space equipment rental as required. That's the assumption –

MR. KENT: For those sessions?

MS. COADY: For those sessions.

MR. KENT: So if you're booking a meeting room or whatever, that's falling in there?

MS. COADY: Yes. So it's the subscription for the case law, the ATIPP certification, as well as the printing and/or space equipment rental.

MR. KENT: Okay, thank you.

Knowing we're running out of subheads, I'd like to ask another broader question, Minister, if you're okay with that.

MS. COADY: Absolutely.

MR. KENT: Because in Question Period we only get 45 seconds to have a go at each other, so this will be more productive, hopefully.

I am just curious, given the budget situation, you have identified that the Collaboration Incentive Fund is going away; that was something coming out related to the Open Government Initiative. I'm just curious what your intentions are in this fiscal.

I recognize that you've said publicly that it's all being reviewed and reassessed. I'm just curious where you intend to take it from here, given there was a lot of work done and I still believe there are a lot of good initiatives that were proposed. So I'm just curious where you intend to go and what we might see happen in this fiscal year.

MS. COADY: I appreciate the question. You know, it is priority – I consider it a priority; I truly believe in Open Government and I believe in the initiatives under Open Government. We're currently reviewing that. I would suspect by the end of May, we'll have implemented a number of key initiatives under the Open Government.

There are a number of things – the collaboration is one thing and we're going to take it in a broader context of collaboration. But there are a lot of other things under Open Government, as you well know, that we can implement. It was just a matter of timing to make sure that we could implement them in the right fashion and in the right way.

We have to also consider – and I think you'd appreciate this – if there are any impacts, some of the initiatives – there are 43 – may cause data challenges and we are reviewing how we mitigate those concerns around the data. So that's the work that we're doing, but I would anticipate we'll have some aspects of Open Government done by the end of May.

MR. KENT: So, Minister, is it the intention of government to finalize and release an open government action plan? We had released a draft plan and we had obtained comments and feedback, which I know your officials are intimately familiar with. So I'm just curious: Is it the intention at some point then in 2016 to release something called an open government action plan?

MS. COADY: You're looking for a document? Is that what you're looking for?

MR. KENT: Yes, there were 43 in the draft plan. Are you going to release a document that says these are the 39 we're going to do or these are the 50 we're going to do, or will it just never become a finalized plan or at least not in the foreseeable future?

MS. COADY: Well, I think we're reviewing the – that's a very good point as whether or not we re-release or release a full plan or we just start to implement the initiatives under the Open Government. And, as you know, the federal government is also doing a huge piece of work in this as well. There were 43 – whether it's 39 implemented, whether it's 50 because of some of the work the federal government has done, Open Government is evolving.

So whether or not we release an action plan is something that we're looking at; more importantly, we're actioning what has been done. Whether it's a plan that we put in front of you or we start to action the segments of the plan is where we're going.

MR. KENT: Okay.

Well, I will leave it there. Thank you for your participation and willingness to have a good discussion, and I look forward to receiving your Estimates notes when you're ready to make them available to us.

MS. COADY: Absolutely, right away.

CHAIR: Thank you, Mr. Kent.

Ms. Michael.

MS. MICHAEL: Just to go a little bit further on the Open Government, Minister. In the booklet do you have any of the initiatives that you're looking at, at the moment? Or is this still evolving so much?

MS. COADY: The initiatives under Open?

MS. MICHAEL: Well, you mentioned the fact that you would have so many initiatives that are part of Open Government and those will be unfolding. Is there any information on that in the

MS. COADY: Not in my *Estimates* book.

MS. MICHAEL: No, okay.

Do you have any examples? I'm trying to get a handle on this.

MS. COADY: Yes. If you recall, under the previous government there was a document with 43 different initiatives. I'll just give you some examples of those 43.

MS. MICHAEL: Yes. I profess I do not think I read this document.

MS. COADY: That's okay. I'll give you a couple of examples and then you'll get a sense.

MR. KENT: I'm shocked.

MS. MICHAEL: I'm sure you are.

MS. COADY: Improve "searchable access to information that is proactively disclosed on the Open Government webpage." That's really looking at developing and launching a search engine, for example.

"Launch a digital library of government publications to provide access to information." So you take a whole library of annual reports, government commission reports and ATIPP documents.

Develop tools, resources and initiatives to help the public access, use and understand digital information and technologies.

MS. MICHAEL: Right, I understand.

MS. COADY: So those are the things that we're – the intent is to try and put everything out there in a manner and a way that people can actually access and use.

MS. MICHAEL: Right, got it.

MS. COADY: That's what we're trying to achieve. We're very cautious in terms of the data and in terms of the costs of having that data available. But there are ways to mitigate those costs and work towards having that kind of Open Government Initiative. We think it's very – I personally think it's very important. I think everybody in this room would think it's very important to allow people to have access to the information.

A lot of it is on websites, but it's the way they actually can search and use it. You'll see a lot of this – the federal government has just launched. Internationally, this is a huge movement as a well, so making sure that we're there.

MS. MICHAEL: I have a general memory of this, but not the details. Just to put Mr. Kent's mind at rest.

MS. COADY: Yes.

MR. KENT: Thank you, I'll sleep tonight now.

MS. MICHAEL: I'd also like just – this is sort of a casual comment, but believe me, knowing the researcher that's to my right knows exactly when something's supposed to be online when it comes to ATIPPs, if you ever start failing, he'll be knocking on the door. He knows exactly when it should be there.

MS. COADY: And I think you'll appreciate that's why we wanted to make sure we had extra resources to the people of the province.

MS. MICHAEL: Right. It's important.

MS. COADY: But more importantly, to ensuring that the information is made available as quickly as possible.

MS. MICHAEL: Thank you. And thank you for tonight.

CHAIR: Would the Clerk please call all subheads

CLERK: Subhead 2.8.01 to subhead 2.8.04.

CHAIR: 2.8.01 to 2.8.04.

Shall the total carry?

All in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subheads 2.8.01 through 2.8.04 carried.

On motion, the Office of Public Engagement, total heads, carried.

CHAIR: Shall I report the Estimates of the Office of Public Engagement carried without amendment?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Estimates of the Office of Public Engagement carried without amendment.

This part is adjourned.

MS. COADY: Thank you very much.

Thank you for the insightful questions. I appreciate it.

CHAIR: So we'll just do a quick switchover.

Okay, I call the meeting to order and welcome everybody back for the Estimates Committee meeting on Natural Resources. I'd ask for the

minister to have her staff introduce themselves as we did prior to.

MS. COADY: Thank you.

Siobhan Coady, Minister of Natural Resources.

MR. BOWN: Charles Bown, Deputy Minister.

MS. ENGLISH: Tracy English, Associate Deputy Minister.

MR. LIVERMAN: David Liverman, Assistant Deputy Minister, Mines.

MS. QUINTON: Diana Quinton, Director of Communications.

MS. NOSEWORTHY: Tanya Noseworthy, Executive Director of Strategic Planning and Policy Coordination.

MS. SHEPPARD: Megan Sheppard, Executive Assistant to Minister Coady.

MR. IVIMEY: Philip Ivimey, Departmental Controller.

CHAIR: Thank you very much.

Will the Clerk please call the first subhead?

CLERK: Subhead 1.1.01.

CHAIR: Shall 1.1.01 carry?

Minister Coady.

MS. COADY: Thank you very much.

Thank you for the opportunity.

Just to let you know, the mandate of Natural Resources is to be responsible for the management, promotion and development of the mines and energy sector. And, of course, we all know that these sectors contribute to the continuous economic and social well-being of the citizens of the province and the enforcement of laws and regulations pertaining to them.

We have, I'm going to call it, two main areas: the mineral resource management and energy resources and benefits management. We also

have energy management under our requirement as well.

The budget for 2016-17 is 13.1 per cent lower. We're pretty thin in what we've been able to achieve and make sure that we're doing it. The budget in 2015-16 was \$25.708 million, and the budget for 2016-17 is \$22.352 million.

If you look back 10 years, by comparison the department's budget in 2003-04 was \$24.435 million. So we're a very fiscally responsible organization and department. We have some tremendously skilled and dedicated employees and they are doing a great work for the province. So I'm thrilled to be working for them.

Thank you.

CHAIR: Thank you, Minister.

Mr. Hutchings.

MR. HUTCHINGS: Thank you.

Minister, first I'll just go to some line-by-line items; 1.1.01 the heading Minister's Office. In Salaries we see budgeted in 2015-2016, \$267,800. The revised was \$331,000, and back down to \$194,000. Were there salaries expected to decrease in the current year? Is that a loss of positions? What exactly would that be?

MS. COADY: The difference between the budget and the revised, just for clarification, is termination costs for severance, annual and paid leave. That was for political support staff.

The change in Salaries for this year is the removal of funding for the parliamentary secretary and the constituency assistant position that was in that Estimate. So no loss in employees except that we are no longer responsible for the parliamentary secretary. There is not one for the department or the constituency assistant position.

MR. HUTCHINGS: Okay, thank you.

In terms of – I guess I'll give this question right off the bat. In terms of staff reduction, when you look at the 650 that were announced as part of the budget, what positions will be terminated

within your department related to that budget initiative?

MS. COADY: Under this appropriation or in general?

MR. HUTCHINGS: Just in general. I'll just get it out of the way so I don't have to go through it in each heading.

MS. COADY: Absolutely. Perhaps my deputy minister would like to answer that.

MR. BOWN: From an overall perspective, there will be no layoffs within the Department of Natural Resources.

MR. HUTCHINGS: Okay, just to be clear. The announced budget initiative of 650 full-time equivalents, there's no reduction in the Department of Natural Resources?

MR. BOWN: Correct.

MR. HUTCHINGS: Okay.

MS. COADY: I do want to specifically say, because it was a question asked of my other department, I do not know the 650 that the Human Resource Secretariat – I would like to confirm that they did not. We are not laying off anyone in the department.

MR. HUTCHINGS: Okay.

MS. COADY: There are some positions we're not filling; therefore, I just want to make sure what that Human Resource Secretariat 650 is comprised of.

MR. HUTCHINGS: Okay.

I guess my second question, too –

MS. COADY: My deputy minister would like to –

MR. BOWN: I'll just confirm that as part of attrition management, we will be reducing by three positions.

MR. HUTCHINGS: Okay. That was my next question.

MR. BOWN: Yes.

MR. HUTCHINGS: So that's part of the attrition management that was executed last year and to continue on?

MR. BOWN: Correct.

MR. HUTCHINGS: So you've met your requirements for last fiscal year?

MR. BOWN: Yes.

MR. HUTCHINGS: And your requirement for this fiscal year is – how many positions did you say?

MR. BOWN: Three positions again.

MR. HUTCHINGS: Three positions, okay.

Those positions and those individuals will retire this fiscal year, or will leave for some reason, and that will give you their account of three actual positions?

MR. BOWN: That's correct.

MR. HUTCHINGS: Okay, thanks very much.

MS. COADY: And that's what I want to confirm, whether or not they're in that 650.

MR. HUTCHINGS: No, sure. Yes, I understand.

MS. COADY: I just want to make sure.

MR. HUTCHINGS: Yes.

Again, sticking with 1.1.01, Minister's Office; if you come down under Salaries, under Transportation and Communications there's a change there from the original budget Estimate last year and what the Estimate is for this year. Just give me some idea of what that is related to.

MS. COADY: Certainly. We're very frugal, and we did take a \$25,000 reduction from the budget of 2015-16 to the Estimate in this year. Last year we anticipated less travel because of some of the savings of discretionary travel; and, of course, the minister was not available for quite some

time to do some of the travel that is normally done during the year.

MR. HUTCHINGS: Okay. So most of the savings would be discretionary?

MS. COADY: Correct.

MR. HUTCHINGS: And then reflective of a go-forward budget once you get through this year.

MS. COADY: We're very thin on our go-forward budget.

As you can appreciate, the former minister had to go to Houston for the international conferences. He also travelled outside of the province for a number of international conferences related to offshore oil and gas and to mining. This year we'll be trying to manage that and appropriate that a little thinner than we've had in previous times.

MR. HUTCHINGS: Okay, thank you very much.

If we come down to the next heading, 1.2.01, Executive Support; again, if I could just get a little commentary on the Salaries of what was budgeted last year, the actual and again this year is –

MS. COADY: Are you gone to 1.1.01?

MR. HUTCHINGS: 1.2.01.

MS. COADY: Oh, okay.

CHAIR: Which we haven't called yet.

MS. COADY: He hasn't called it yet.

MR. HUTCHINGS: Okay, I'm sorry.

We've done it in the past; we've done two at a time. I'm sorry about that.

MS. COADY: That's okay. I'm happy to do that. I just want to make sure I was –

MR. HUTCHINGS: No, I'll go to somebody else.

MS. COADY: Okay.

MS. MICHAEL: No, I don't have any other questions besides the ones that have been asked for 1.1.01.

CHAIR: Will the Clerk please call the next subhead?

CLERK: Subhead 1.2.01.

CHAIR: 1.2.01.

Ms. Michael.

MS. MICHAEL: Okay, sorry about that.

I actually don't have a lot to ask here. It's pretty straightforward, maybe just the Salaries line. Has there been a position there that is not being filled or was not filled?

MS. COADY: Thank you for the question.

There was a secondment to Executive Council. That is what you're seeing there. The executive director of Iron Ore was on secondment to Executive Council. That was the change. So we had a savings in there.

Under the government reduction measures, we also are re-profiling a salary fund within the department to meet the salary plans for 2016-17. It's a small amount, and we also have a reduction measure. A vacant secretary to the assistant deputy minister is not being filled, it's vacant.

MS. MICHAEL: It won't be filled?

MS. COADY: Pardon me?

MS. MICHAEL: It's just vacant at the moment or it won't be filled?

MS. COADY: It won't be filled.

MS. MICHAEL: Okay. So that's one of the ones that will be gone.

MS. COADY: It's one of the ones the deputy minister referred to.

MS. MICHAEL: Right, thank you very much.

Under Transportation and Works, last year there was a fair bit of the money not used but you're back up to \$104,800 this year. So what happened last year and why we're back up?

MS. COADY: Again, less-than-anticipated travel because of the discretionary travel requirements. We have increased it to \$104,800. There are a number of travel requirements this year that executive needs to participate in negotiations, some intergovernmental meetings, technical promotion activities. So we're seeing some of the requirements of the positions we have to put back in for the \$104,000.

It's gone down from \$145,000 last year, that's what we anticipated we would use under that appropriation, but we're just going to put it down to \$104,000, because we want to find the savings. So it went down to \$85,000 because we had to stop some of the travel under the discretionary travel.

MS. MICHAEL: Was there a negative impact of the imposition of the cutting down on the discretionary travel?

MR. BOWN: No, in most cases, we reduced the numbers who were attending specific events and we became more discerning about particular events that we want to attend as well – those events where we got the best value.

MS. COADY: And we will continue to do that. We've taken \$40,000 off of the budget requirements from last year, so we're really being thin in terms of how many people we're sending when we have to do conferences. When we go to conferences it's not to participate in the conference, it's actually to have the booth at the Oil and Gas Show, for example.

MS. MICHAEL: Oh, I understand that, yes.

MS. COADY: So we're trying to ensure that we're as fiscally responsible around this as possible, but we do need to attend because of course we want to continue to diversify our economy. We want to try and continue to encourage people to come to Newfoundland and Labrador for offshore and mining.

MS. MICHAEL: Right. You know you have the support for that. We understand that's

absolutely essential to the department's work and to many departments' work.

Thank you. I have no more points under 1.2.01.

CHAIR: Thank you, Ms. Michael.

MR. HUTCHINGS: Mr. Chair, could I just ask one follow-up question, please?

CHAIR: Absolutely.

MR. HUTCHINGS: Minister, I'm not sure if I heard it correctly, just in regard to there's an ADM position or a DM position that's been vacant and won't be replaced?

MS. COADY: No, a secretary's position to the deputy minister.

MR. HUTCHINGS: Oh, I'm sorry.

MS. COADY: Sorry, to the assistant deputy minister.

MR. HUTCHINGS: Okay, sorry, thank you.

MS. COADY: It's \$39,600.

MR. HUTCHINGS: Okay, thank you.

CHAIR: Will the Clerk please call the next subheads?

CLERK: Subheads 1.2.02 and 1.2.03.

MR. HUTCHINGS: Thank you, Mr. Chair.

Minister, 1.2.02, Administrative Support, if I could just get some information in regard to the Salaries line, 01, in what was budgeted last year, \$958,000, \$915,000 was the revised and it's come down to \$863,000?

MS. COADY: Certainly. Savings are a result of a vacant Clerk III position in the Information Management Division. So that's the difference between the budget and the revised. Coming to the Estimates for 2016-2017, we have a vacant accountant position for about \$40,000 and we will not be filling that position. We are re-profiling salary funds within the department to meet some of the salary plans. There are adjustments there for JES as well.

MR. HUTCHINGS: Okay.

The accountant position, you're not filling but you're not removing it?

MR. BOWN: No, we're not removing it.

MR. HUTCHINGS: So why would you keep it in your complement of human resource at this time; I'm just curious.

MR. BOWN: By keeping it vacant for this year, it allows us to meet our salary reduction target.

MR. HUTCHINGS: Okay, you meet the salary but the position stays?

MR. BOWN: Correct.

MR. HUTCHINGS: Okay, thank you.

Just come down, if I could, under that same heading, Transportation and Communications, we've seen a reduction there. You indicated earlier in some lines it's about less travel, reducing, that type of thing. Is that what we see again?

MS. COADY: That is exactly what it is. The budget is revised downward from about \$30,000 to \$9,000 to do less discretionary travel and travel budgeted for the organizational development initiatives through the HRS of the Departments of Natural Resources, Fisheries and Forestry. So we're really trying to reduce the amount of transportation that we're doing there.

MR. HUTCHINGS: Okay.

Instead of going through them all, Minister, in each of these down below with Supplies, Purchased Services, Property, Furnishings and Equipment, it's pretty well the same thing?

MS. COADY: Yeah, if I may say so, we have tightened budgets exactly where we can. We've looked at rightsizing where we have to and making sure that we are as frugal as we can be, quite frankly.

MR. HUTCHINGS: Okay.

I would like to ask under that same heading 02, Revenue – Provincial and some of those

numbers there, could you explain to me what those are and where they are generated from?

MS. COADY: I'm going to turn to my deputy for that.

MR. BOWN: I'll just refer to our controller.

MR. IVIMEY: That Revenue line item is more or less for miscellaneous revenue that comes within the department. So it's kind of a catch-all; that's why it's at the \$10,000 area there. But that can encompass anything from supplier credits or miscellaneous repayments from employees for personal expenses that they needed to pay back, those kinds of particular type items. So it's just kind of a blanket account there to catch any miscellaneous of those types of revenue in the department.

MR. HUTCHINGS: Okay, great. Thank you.

CHAIR: Ms. Michael.

MS. MICHAEL: I don't have any other questions under that heading. I think Mr. Hutchings has asked what I wanted to ask.

CHAIR: Thank you.

Will the Clerk please call the next subhead?

CLERK: Subhead 2.1.01.

CHAIR: 2.1.01.

Ms. Michael.

MS. MICHAEL: So this is the Geological Survey. Again, if we could just have an explanation of the Salaries line, please.

MS. COADY: 2.1.01 – sorry, I'm just looking it up.

We had vacancies within the division during the year. That's why the revised budget is lower than the budget of 2015-16.

MS. MICHAEL: Yes.

MS. COADY: They were mostly temporary and seasonal employees.

This year we have a vacant Geologist III position. We also had some previous attrition management reductions approved. We also have some adjustments for JES in there as well.

So it's really attrition management. We have some temporary people moving to permanent and some retirements. When temporary moves to permanent, we don't refill the temporary. They go into permanent positions. We also had some retirements.

MS. MICHAEL: Will that vacant geology position be filled?

MR. BOWN: Not in this current fiscal year.

MS. MICHAEL: Okay, so the money is not there for it. Is that correct? The money is not showing for it.

MR. BOWN: That's correct.

MS. MICHAEL: Okay, thank you very much.

Coming down to Transportation and Communications, I have a fair idea of what's involved in transportation under the Geological Survey but there's a significant drop in that line. What would the implications of that be? It's quite significant actually, \$120,000.

MS. COADY: That is mostly around using less helicopters. Last year, we did three different sections in Labrador. This year we're doing two. We're just changing where we're doing some of the geological work this year. Because the helicopter is not being used, it does give us a significant savings. The rest of it is appropriations required for the travel around the Geological Survey.

MS. MICHAEL: Was the decision to go from three areas down to two based on economics or it matches the work that's being done?

MS. COADY: A little bit of both. We had asked those who are responsible for the Geological Survey to do an analysis of what they needed, what was required to do. They felt that their field programs would be sufficient this year to meet their requirements and still save money from the helicopter usage.

MS. MICHAEL: Okay.

I probably should know the answer to this one, but I'll ask it anyway. The geological maps that are put together, these are not just for the use of the department obviously; this is also for prospectors and companies who are interested.

MS. COADY: Absolutely. We actually do publish information for our geologists, for our prospectors around the province. And not just for the province – external. We have a great deal of information and tremendous work being done in this area. It's very important to the province for future opportunity.

MS. MICHAEL: If we didn't have the economic scrunch, would you prefer to be able to do broader mapping than you're allowing for this year?

MR. BOWN: I'd just like to note, add on, that for each of these field programs, the geoscientists return and they catalogue all their work. They write the report and they release a report each year as well. So it's not only do they go out and do the work and it's just available in-house, a document is published each year, a research document. And that work is available for people who want to go out, prospectors and junior exploration companies who want to go out and do exploration. Also, maps are updated that are available online as well to provide to prospectors and juniors as well.

MS. MICHAEL: Thank you.

MS. COADY: I could also add that we are doing two programs in Labrador; bedrock mapping in west of the Labrador Trough. We're doing six in the Island portion, bedrock mapping in Southern Newfoundland. We're doing some work on the Great Northern Peninsula. We're doing some work in Central Newfoundland. There is a tremendous amount of work being done this summer.

MS. MICHAEL: Thank you.

I was going to ask a question but I think I'll hold off – I think I will. It sort of fits here. It has to do with the submission that's been made, the bid to Cliffs Natural Resources by ERP Compliant Fuels. I'm just wondering; a company like that,

that's put in a bid, would they want to see the stuff ahead of time? Or is it something that's quite different for a company that's coming into a mine that's already been in operation?

MS. COADY: I'm going to turn to my assistant deputy minister to answer that because he will be more fulsome than I can be. I will say that we are hopeful for what's happening in Labrador. We can't tell you today. It's between two companies. We are working closely with the proponent to ensure they meet all the requirements under the act, and to assist where we can in ensuring they have everything they need to make the final decision, but we are hopeful.

I'll just ask my assistant deputy minister.

MR. LIVERMAN: Most of the work, the survey done, is to attract mineral exploration. So it tends to be of interest to companies who are at an earlier stage when they're actually going out and looking for a mineral deposit.

MS. MICHAEL: Right.

MR. LIVERMAN: Once it comes to a known mine, most of the geoscience is done by the company itself.

So in the case of the example you gave, the company would be evaluating the geological data provided to them by the vendor, rather than coming to the Geological Survey.

MS. MICHAEL: Thank you very much.

So then, one more line item and that's the Purchased Services. Last year, the budget was underestimated. You spent \$535,000 instead of \$398,000. I'd just like to know what that anomaly was because it looks like it may have been an anomaly since it's back down this year to \$369,000.

MS. COADY: Yes, it was an anomaly. I will turn to the assistant deputy minister because it has to do with some changes in staffing, as well as some enhancements to the survey. So I'll just turn it over to the assistant deputy minister and ask him if he could be fulsome in that response.

MR. LIVERMAN: The budget, when originally presented, we were anticipating we would be doing a project in Southern Newfoundland, the Bay d'Espoir area, which would involve helicopter work which falls under Transportation and Communications. The geologist who was responsible for that went on maternity leave. So to ensure that we got some effective data in that area we expanded our geophysical survey, which is basically an airborne survey which we contract to.

So the money was moved. You can see there's a drop in Transportation and Communications in the projected revised. It was moved into Purchased Services to expand that survey. That survey was completed and the results were released last month and resulted in some exploration activity.

MS. MICHAEL: Okay. So the Transportation and Communications line, you did do a line move of expenditure?

MR. LIVERMAN: Yes.

MS. MICHAEL: Great.

Thank you very much. That's all I have for that section.

MS. COADY: I just want to point something out because you did ask about the geological maps. If you note down under Revenue there used to be about \$4,000 in revenue. It was there prior to.

MS. MICHAEL: Yes.

MS. COADY: But now all the maps are available online at no cost.

MS. MICHAEL: Oh, so you're not selling them anymore?

MS. COADY: Yes. So that's a good thing. You asked earlier about it and I just noted it.

MS. MICHAEL: Yes, thank you.

CHAIR: Thank you, Ms. Michael.

Mr. Hutchings.

MR. HUTCHINGS: Thank you, Mr. Chair.

If I could, I just wanted to follow up on a question from Ms. Michael in regard to the geologist position that was to be left vacant, and you mentioned before an accounting position.

Do you have a number of how many positions will be left vacant in this fiscal year but won't be budgeted?

MR. BOWN: Yes, the answer is seven.

MR. HUTCHINGS: Seven?

MR. BOWN: And you'll get that as we go through.

MR. HUTCHINGS: Okay, great. Thank you.

MR. BOWN: That's to meet our line-by-line reductions for Salaries and that we were able to achieve no layoffs in the department.

MR. HUTCHINGS: Okay.

The other question I had is related to Transportation and Communications. My experience the last few years we've tried – or government has tried – through various departments to consolidate the use of helicopters, because each department seemed to be off doing their own thing in regard to that. So on a go-forward basis is Natural Resources involved – I think maybe TW leads it. Are they involved in that consolidation in terms of tendering helicopter use and that type of thing?

MS. COADY: We're cutting expenses wherever possible. So I will ask for a fulsome response from the DM or from – Charles would like to answer that.

MR. BOWN: The answer is, yes. We are participating with Transportation and Works in the group funding of helicopters.

MR. HUTCHINGS: So I'm just wondering, is there an allocation in here for the next fiscal year for helicopter use with Natural Resources? You would pay, or pay the bill through TW? I'm just wondering –

MS. COADY: No, the allocation is definitely in here for the helicopter usage.

MR. HUTCHINGS: But, I guess, TW would do the joint tender with the helicopter companies and then submit the bill, and you'd pay what your costs would be.

MS. COADY: That's correct.

MR. HUTCHINGS: Rather than everybody doing it themselves.

MS. COADY: Right.

MR. HUTCHINGS: Okay, thank you.

I think that's good for me.

CHAIR: Thank you, Mr. Hutchings.

Will the Clerk please call the next subhead?

CLERK: Subhead 2.1.02.

CHAIR: 2.1.02.

Mr. Hutchings.

MR. HUTCHINGS: Okay, if I could just reference 2.1.02, the Salaries line.

MS. COADY: Certainly.

MR. HUTCHINGS: We have some changes there in regard to that Salaries line. I'm just wondering if you could –

MS. COADY: So let me tell you what happened between budget to revised, and then I'll go to the Estimate.

We had retirement costs in here. We had to pay severance and annual leave for the director of Mineral Lands who retired during the year, as well as for the overlap of his replacement for about a month. So that's the difference.

MR. HUTCHINGS: Okay.

MS. COADY: In 2016 we've just had some re-profiling of salary funds in the department to meet the salary plans, adjustments for JES as well.

MR. HUTCHINGS: Okay.

Just on the JES, in your department how many appeals would you have had for JES, any idea?

MS. COADY: We'll have to get that information for you.

MR. HUTCHINGS: Okay, sure.

MS. COADY: I don't know off the top my head how many appeals we've had.

MR. HUTCHINGS: I know there was commitment to have it completed by the end of March of this year, and obviously due to scope and volume it's been spread out over –

MS. COADY: I don't think we've had many, so that's why I think everyone is kind of looking around saying we don't –

MR. HUTCHINGS: Okay, yes.

Thank you.

MS. COADY: If there is a change in that, I'll certainly give that information to you.

MR. HUTCHINGS: Okay, great.

Thank you.

Okay, that's good for me right now.

CHAIR: Thank you, Mr. Hutchings.

Ms. Michael.

MS. MICHAEL: Under the federal revenue, what was the \$610,000 you had last year?

MS. COADY: It was a one-off, actually. We received it from the federal government because of the Mealy Mountains National Park. We had to do some geological work, and that was the amount of money recovered, I'm going to say, under that program.

MS. MICHAEL: Okay, great.

Thank you very much.

That's all I have.

CHAIR: Okay. Thank you, Ms. Michael.

Will the Clerk please call the next subhead?

CLERK: 2.1.03.

CHAIR: 2.1.03.

Ms. Michael.

MS. MICHAEL: I do want to go back then. He did have this written here and I did not look carefully at it right now. Was there something also to do with mineral rights that had to be brought back?

MS. COADY: Yes. You're talking about the \$610,000?

MS. MICHAEL: Yes, right. That was part of that.

MS. COADY: Correct.

MS. MICHAEL: Yes, okay.

Thank you very much.

So now we're into 2.1.03?

CHAIR: Yes.

MS. MICHAEL: Okay. Thank you.

Again, although I'm sure when we get the briefing book we'll see it, but for the record, just an explanation of the Salaries line, please.

MS. COADY: Certainly.

You'll see a small savings from budget to revised. That was as a result of vacant positions within the division during the year and that was offset by retirement costs as well. We had three retirements during the year.

Under the Estimates, we have a re-profiling of salary funds within the department. We've had some adjustments for JES, as well as some government reduction measures, about \$13,700 in that. So we have one position, I believe, that we're losing because of attrition.

I'm looking to my deputy minister to confirm that.

MR. BOWN: Not in that group, no.

MS. COADY: Not in this group? I'm sorry; I thought I had a note here, handwritten mind you.

MR. BOWN: Sorry, I apologize. Dave nods yes.

MS. COADY: Yes, I had handwritten in my margin that there was one position we're losing because of attrition in that particular one as well.

MS. MICHAEL: It looks like a position, the amount of money, yes.

MR. BOWN: I'm sorry (inaudible).

MS. COADY: That's okay.

MS. MICHAEL: Okay, very good.

So that's one position gone there. Has that happened yet or is it going to be happening during the year?

MS. COADY: I turn to my assistant deputy minister.

MR. LIVERMAN: This was a position which was vacated through retirement. So it just will not be filled and the salary removed from the books. It's a mineral industry analyst position.

MS. MICHAEL: Thank you.

So we come down to Transportation and Communications, last year \$118,000 budgeted but only \$45,000 spent and back up to \$104,000 this year. If we could have an explanation, please.

MS. COADY: Absolutely.

You may recall, in a different appropriation I advised that we have one of our executive team seconded to Executive Council. He's responsible for the iron ore industry. He does a number of requirements under travel for that position. We had to reallocate that back in because, of course, we're anticipating him returning.

We also have some monies under there – we have to travel to mine sites. The mineral engineer has to do that, so we've had to put that in there.

Most importantly, I think this is something that's important, orphaned and abandoned mines; we're doing a tremendous amount of work there. We wanted to make sure we have the allocations required and site visits for evaluating prospectors and making sure we're doing the work appropriately; therefore, that appropriation is required.

The big change last year was also because we were doing a lot of the iron ore position and the director wasn't available to us.

MS. MICHAEL: Okay.

Having said that, then I think there's a question I would like to put. You would have one aspect to the management of orphaned and abandoned mine properties, obviously, in your department. Would there also be responsibilities in a part of Environment and would you work together on any of that?

MS. COADY: I want to just show you an appropriation first and then I'll come back to that.

We were asking for an appropriation under 2016-17 under Professional Services for about \$250,000 to ensure that we have work done on orphaned and abandoned mines. We are going to be seeking a four-year allocation to ensure we have the engineering done for the dam repair. Next year, we're actually going to get to some of these dam repairs. We think it's critical to ensure for safety, security, for all kinds of reasons why we have to get to those orphaned and abandoned mines.

Last year, there were some safety inspections but the work wasn't actually done on the dam themselves and we feel quite strongly that we have to do that.

So just back to your question, I'm going to turn to my deputy to answer that.

MS. MICHAEL: Okay.

MR. BOWN: We have a very long-standing, positive relationship with the Department of Environment. Not only on orphaned and abandoned mines but also on active mines as well. We share a lot of the site visits together, but if we're on a site and they see something that would impact us they would advise us, and if we were on a site and they weren't available then we would advise them as well. So we have a very positive relationship with them.

MS. MICHAEL: Okay.

I'm sorry I don't know the answer to this. I didn't think of getting it ahead of time but it doesn't matter, you probably do have it.

I can't remember what the status is with Voisey's Bay and the underground. Is that still under environmental assessment? That's finished, environmental assessment, isn't it?

MS. COADY: Yes. They're actually starting the work.

MS. MICHAEL: They're starting the work, that's what I thought.

MS. COADY: It's actually a positive impact for our province because even in a difficult environment they're starting to go underground. They've allocated money to do that this year. One of the few things globally that Vale is actually doing. So it's a positive.

MS. MICHAEL: That's right.

This is not to show-off, but to say that having been a member of the environmental assessment panel, one of the things we always believed was that going underground was what was going to make it worthwhile. That was one of our recommendations. We hoped it would happen. So just checking, I thought that's where it was but I can't remember everything, I have to say.

The extra money then – you've answered the question under Professional Services – has to do with the orphaned and abandoned mine, the extra work that didn't get done.

MS. COADY: Correct. Yes.

MS. MICHAEL: Will your notes have a list of the mines you're concentrating on right now? If not, could we –

MS. COADY: I don't think so, but we can certainly get that for you. It's not in my book, I don't think, but we'll certainly provide that for you.

MS. MICHAEL: Okay, I'm just curious as to what –

MS. COADY: There's a priority list.

MS. MICHAEL: If you had them at the top of your head, Mr. Bown.

MS. COADY: Mr. Bown may. Oh, Mr. Bown does.

MS. MICHAEL: He probably does. I have a feeling he does.

MR. BOWN: The focus for the program for this year is going to be Rambler, Whales Back – familiar names – St. Lawrence, Minworth and Gullbridge. Then we're going to also do some dam inspections at Hope Brook as well.

MS. MICHAEL: Okay, thank you very much.

Coming down to Grants and Subsidies, what does that cover, please?

MS. COADY: The Mineral Incentives Program, the Junior Exploration Assistance and you'll see that we've increased that. The mining industry has been asking us to increase that, and we certainly increased that by \$100,000 this year. This is very important for the continuing development of our opportunities within the province. So therefore there's a small allocation increase to that particular program.

MS. MICHAEL: Does your book have a list of the companies who are getting some of this money? When we get your notes, will that be in it?

MS. COADY: No, my notes don't contain it, but I'll certainly get that for you.

MS. MICHAEL: Okay, thank you very much.

MS. COADY: I don't know if it's in the back. I should just check; I don't think so.

OFFICIAL: It is on our website.

MS. COADY: If you want it quickly, it is on our website, apparently, as well.

MS. MICHAEL: Okay, fine. Well, we can do that. You don't need to worry. If it's on the website, we can find it. He can definitely find it.

I think that's all I have.

Thank you very much, Mr. Chair.

CHAIR: Thank you, Ms. Michael.

Mr. Hutchings.

MR. HUTCHINGS: Thank you, Mr. Chair.

I just have a follow-up question in regard to Professional Services. You mentioned the \$250,000 increase, that's some inspection work, I think, in regard to orphaned and abandoned mines.

MS. COADY: It's for engineering work for the dam repairs.

MR. HUTCHINGS: Okay.

Is there any money in the budget this year for any dam repairs?

MS. COADY: That is for the engineering for dam repairs.

MR. HUTCHINGS: That's for the engineering, to start it?

MS. COADY: Yes.

MR. HUTCHINGS: Okay.

MS. COADY: Last year, the former government did safety inspections. This year, we're moving towards the engineering part.

MR. HUTCHINGS: Yes, I was trying to remember what that was. Okay, that's what it is. Thank you.

Professional Services, would that all be consultants that would be hired to do that work?

MR. BOWN: Yes, we would hire engineering firms to do that work for us.

MR. HUTCHINGS: Okay.

Has there been any reduction in the number of consultants that you used, not only here but in your department? Or I guess my question –

MS. COADY: Do you mean in general?

MR. HUTCHINGS: Yes, in general, is the allocation for consultants pretty well consistent from last year to this year overall, or has it increased or has it decreased?

MS. COADY: In a general sense (inaudible) –

MR. HUTCHINGS: Yes, I know that there has been some work, the Minister of Finance has indicated, in regard to reducing the amount of consultants.

MS. COADY: We have reduced the number of consultants including – I'm just trying to remember the program –

OFFICIAL: (Inaudible.)

MS. COADY: We'll come to it in the book; there is a particular allocation. I just can't remember, off the top of my head, the allocation, but we have cut consultants as well. We were using some for our energy and we were using some for some of our mining as well that we will not require this year.

MR. HUTCHINGS: Okay. Obviously, some of your activities require consultants. There is no way you can operate without them (inaudible).

MS. COADY: Right. But where at all possible, we've eliminated or reduced the usage.

MR. HUTCHINGS: Okay.

I just want to ask a general question in regard to Wabush Mines. There's been some discussion about some possibilities. I'm just wondering if you can give an update on where that might be.

MS. COADY: Certainly. There have been discussions going on between a company ERP and Cliffs for, I would say, a number of months now. They've been having, what I'm going to call, pretty intense discussions about taking over the asset and running the asset. They have been in touch. ERP has been in touch with the department. We've been working with them to ensure that they have all the requirements they need under the *Mining Act*.

Any information they require, we've been happy to be helpful to them. The ADM of Mines has been very well engaged with them. At this point it is between two companies, but we're hopeful that things will continue to move as smoothly as they have been. We won't know for – they've just changed the timelines. We were hopeful –

OFFICIAL: (Inaudible.)

MS. COADY: Pardon me?

OFFICIAL: (Inaudible.)

MS. COADY: Yes, Cliffs has made a petition to change the timeline requirements. That's being petitioned tomorrow, so we'll know then when the deadline is to conclude their discussions. We're hopeful; we're working with the company and seeing how we can be of assistance to them, but making sure that people of the province are protected in terms the requirements under the *Mining Act*.

MR. HUTCHINGS: Okay, thank you very much.

The other one I want to ask about is the Julienne Lake development. I know there was a lot of hope for that and due to the downturn and what's transpired – Altius had some discussions. I don't suspect, but I'll ask for an update, is there anything happening there?

MS. COADY: Not specifically. With the downturn in the iron ore industry that hasn't been under active discussion, I'll say, at this point. We're hopeful with the increasing dollar value of iron ore that might still come forward, but there's nothing incredibly active at this point in time, just because of the downturn in the industry.

MR. HUTCHINGS: Sure, thank you.

MS. MICHAEL: (Inaudible) I ask one more question on this section, please?

CHAIR: Yes, Ms. Michael.

MS. MICHAEL: It's a follow-up question. Mr. Bown made reference to the remediation in St. Lawrence. Could we have an update on what's happening in St. Lawrence, please?

MS. COADY: You might be a reference to that, I think.

MR. BOWN: Sure. At St. Lawrence, the company has completed their environmental assessments and they've been going through the permitting process. So we're all very hopeful that something will turn positive in St. Lawrence this year.

MS. MICHAEL: Okay. So it's in the company's hands at this point, is it?

MR. BOWN: Yes.

MS. MICHAEL: Because I know there were some conditions that were required in the approval that was done after the assessment. But right now it's in their hands.

MR. BOWN: It's in their hands.

MS. MICHAEL: Okay, thank you.

MR. HUTCHINGS: (Inaudible) just on that note of St. Lawrence mines, I know we were involved with it for a number of years to try and get it started, has any construction started in St. Lawrence? I know there was an issue in regard to some infrastructure needed to be part of that development.

MS. COADY: Nothing yet.

MR. HUTCHINGS: Nothing, okay.

CHAIR: Thank you.

MS. COADY: We're hopeful, though.

MR. HUTCHINGS: Yes, sure.

MS. MICHAEL: There was a \$17 million offer. Is that still on the table for them from government? It was a point at which –

MS. COADY: The BTCRD had an offer out for the company. I don't have any active information on that at this point in time, but it was through BTCRD and I think that had been approved, had it not?

OFFICIAL: Correct.

MS. COADY: Yes.

MS. MICHAEL: Okay. And you don't know if that's still on the table or you have no idea?

MS. COADY: I would have to take it under advisement only because I don't know the current status from that department.

MS. MICHAEL: Right. Okay, thank you.

CHAIR: Will the Clerk please call the next subhead.

CLERK: Subhead 3.1.01.

CHAIR: Subhead 3.1.01.

Mr. Hutchings.

MR. HUTCHINGS: Thank you very much.

If I could just start with a line item, again with Salaries under 3.1.01, there appears to be a savings from what was budgeted last year and this year. I wonder what that savings was. Was it a position not filled or ...?

MS. COADY: Exactly; it's now filled. Vacancies within the division during the year including a manager of policy, planning and research analyst, that is now filled, and the program and policy development specialist which I believe is not filled at this point.

MR. HUTCHINGS: Will that be filled or ...?

MS. COADY: That was the change and then we'll come to the Estimate side of things. There were some vacant positions, some re-profiling and some JES. I'll turn to my deputies to anticipate your question.

MR. BOWN: Yes, under there, of our seven positions that we're going to keep vacant to meet our reduction target, there are two positions in this subhead.

MR. HUTCHINGS: Okay, thank you.

So we come down to Professional Services, we've seen a significant reduction there in regard to what was budgeted. I guess the actuals in the fiscal year were much less than what was budgeted and this year it's estimated to be up a little bit more. Can you give me a comment on what's involved there and how you came to that number?

MS. COADY: Yes. There was some additional budget allocated for 2015-16 that had to do with work related to the Muskrat Falls interconnection that is now done and does not have to be redone. We're also doing some work under FORRI which is – I always get this wrong; I want to say federal – the frontier and offshore regulations that are being done. There's an allocation for Newfoundland's contribution towards a technical expert in that area. There are also some allocations for electricity advice. We need that as we move forward. We also have some monies allocated for the Power Advisory independent review of the Newfoundland and Labrador electricity system.

MR. HUTCHINGS: Okay. You mentioned offshore regulation. What would that be exactly?

MS. COADY: You may recall there was a group that was put together, federal-provincial, as well as Nova Scotia – involved in a group that was on the frontier offshore regulations. They're doing a piece of work around a number of issues related to the offshore regulations including land tenure. They are meeting on a regular basis.

This has been going on for 10 years. At least 10 years.

MR. HUTCHINGS: So that would be within 200 miles. It wouldn't be outside, would it?

MS. COADY: Correct, but now it would be, depending on how much is inside or outside. It's all under the purview of what the C-NLOPB is doing.

MR. HUTCHINGS: Okay.

MS. COADY: This is the regulatory framework and some of the updating of regulations that are required, as well as some of the regulations around land tenure that are being reviewed.

It's an active, ongoing group that gets together between the feds, the province, as well as Nova Scotia, because, of course, they have a similar Accord to Newfoundland and Labrador.

MR. HUTCHINGS: Okay. The other one you mentioned was related to hydro. What was that again in terms of – I think there was some hydro work you referenced or some expertise?

MS. COADY: Oh, yes.

Related to the independent review of the Newfoundland and Labrador electricity system, there's a small allocation, actually it's \$57,000 for Power Advisory.

MR. HUTCHINGS: Okay.

On Energy Policy, just a general question on the generic royalty regime. We just had a call for new land tenure. The previous administration adopted a generic royalty regime. Is that being used now on the new land tenure or is it being reviewed?

MS. COADY: We're certainly reviewing and trying to take a holistic approach to the requirements of an offshore oil and gas operator. So when you look at – and I mentioned this in the House most recently – the ball of value, the entire blend of the monies we achieve from the offshore, there are a number of pieces of that pie.

There's the equity that we all know about that is held right now by Nalcor. There are benefits and there is a cost to those benefits, obviously, under any kind of ball of value. Then there is also the royalty. Royalty is one piece of that pie.

We are considering what is the best value for the Province of Newfoundland and Labrador, what is the blend. Do we take more in royalty; do we take more in benefits? We want to make sure we have the right blend and mix, and we are doing a

piece of work around that now to analyze what's the best mechanism as we move forward.

One of the things I think we all want to achieve is moving very quickly from prospectivity to discovery to production. And right now, as we all know, that's taking a tremendous amount of time. Making sure that we have the regulations, the regimes to ensure that we can do that very quickly is very, very important.

MR. HUTCHINGS: Okay.

So just to clarify, someone now that's bidding on the new land tenure and they're looking to our industry, what would they view as the current royalty regime in place in Newfoundland?

MS. COADY: They would look at what was in place in November.

MR. HUTCHINGS: The new royalty?

MS. COADY: If they were looking for the generic royalty regime it would be what was in place last November.

MR. HUTCHINGS: Okay.

Is that something that you think you would maintain, but you're going to do a review and maybe the results could be different.

MS. COADY: Yes,

As I keep saying, you have to – and we're putting in place a council to help us consider the best move forward for the industry, what most successful outcomes we want to have for the oil and gas industry. And in those discussions we're putting together the mandate of the council as we speak. One of the things I'm sure they'll help to advise is looking at the value of the offshore oil and gas industry, looking at the royalty requirements, the benefit requirements, what is best for the Province of Newfoundland and Labrador.

So, yes, if you're asking me what would somebody today look at in terms of if they were going to bid on the offshore they would look at the generic royalty regime, if that changes into the future that might be something that we're

going to consider. It's what is best for the overall offshore, not taking it separately.

MR. HUTCHINGS: Okay.

But someone to bid today on a land tenure with the current royalty regime in place, wouldn't they be bidding in good faith thinking that this is the royalty regime I will operate under, and if it was to change afterwards it would cause some consternation or difficulty?

MS. COADY: We want stability in the industry. Right now, that's what we've been told is very important for the operators, is the stability, and we're trying to maintain stability. We're also talking to the operators and to the offshore oil and gas industry as a whole in terms of the best blend in terms of benefits, royalty, and including what you've done in the past with equity. So we're trying to get the right blend and mix.

MR. HUTCHINGS: Okay.

Thank you very much.

CHAIR: Ms. Michael.

MS. MICHAEL: I'll just continue with a couple of questions that are somewhat related. In the mandate letter of your predecessor there was an instruction for him to successfully negotiate a deal by the end of 2015 with Statoil with regard to Bay du Nord. Can we have an idea of what's going on with that, please?

MS. COADY: Certainly, happy to do so.

There were discussions during 2015, but there was nowhere near any kind of successful outcome to those negotiations or discussions. Since that time, we have met with Statoil on a number of occasions. They are doing more, what I'm going to call, exploration work. They're continuing on to do that. They're doing exploration work as we speak in offshore oil and gas offshore Newfoundland and Labrador.

While they're still exploring, still working at discovery, we certainly aren't in any, what I want to call, active discussions of moving forward. They are still doing some discovery work.

When you looked at 2015 they were nowhere near completion of any discussions, nowhere near completion of any agreements at all, and we're picking up that piece of work and talking to the potential operator. They're doing a lot of work around exploration and discovery right now. Hopefully we'll have some – if that continues to be positive we'll have some better news going forward.

MS. MICHAEL: Okay. Thank you.

I think I'll just stick with a couple of more general questions. It gets boring, sometimes, just doing all of the line items. Not totally related, but yes – because it does have to do with offshore and onshore – the fracking report, when are we going to see that?

MS. COADY: We understand they're coming close to being finished. We're hoping to have it by May. That was the latest – I had only asked that the other day, actually. I was hoping to have it by April, but now I'm hearing that it will be May by the time we receive it.

MS. MICHAEL: Okay then.

And do you have any idea at this point how soon after you get it that you'll be able to be public with it?

MS. COADY: I would say within a very short period of time, but I can't give you whether that's hours or days. I don't anticipate us – we're pretty good at tabling documents and then we'll make our considerations.

MS. MICHAEL: Right. Because basically it's their report to the province, right.

MS. COADY: Exactly.

MS. MICHAEL: Thank you very much.

Where are we? 3.1.02 is it, or are we still in 3.1.01?

CHAIR: 3.1.01.

MS. MICHAEL: 01. I can't remember – Keith, did you ask about the Grants and Subsidies?

MR. HUTCHINGS: No, I didn't. You can go ahead.

MS. MICHAEL: I think everything else that I wanted to ask I have.

The Grants and Subsidies, can we get an explanation of those, please, Minister?

MS. COADY: Absolutely.

MS. MICHAEL: Because it's down significantly by about \$600,000 this year.

MS. COADY: It is. The budget had been increased in 2014-15 to reflect increases in diesel prices, and diesel prices have now come down substantively. So the cost of the subsidy was reduced as the oil prices decreased.

This subsidy was introduced under the Northern Strategic Plan and provides Labrador isolated diesel and L'Anse-au-Loup mini-system residential customers with a rebate that reduces electricity rates to Labrador interconnected rates on a monthly basic customer charge, which is called the lifeline block, actually. It was meant to cover the basic household use. It's not meant to cover anything outside of that.

MS. MICHAEL: Yes, right, I am aware of that.

Okay, thank you. I forgot that's what that was for, actually.

MS. COADY: There's also some money in there for the continuation of the CF(L)Co trust case. It's the court case. So there's a small allocation, because of course we're expecting some results of that coming up fairly shortly within – by the end of the month, or maybe even into May.

MS. MICHAEL: May, okay.

MS. COADY: That's something that was started – what, seven, eight years ago – by the former administration, and there's a small appropriation there to continue that work.

MS. MICHAEL: Okay, thank you.

I don't have any other questions for 3.1.01.

CHAIR: Okay, thank you.

Mr. Hutchings.

MR. HUTCHINGS: Thank you, Mr. Chair.

Just a follow-up in regard to the isolated diesel subsidy; the change in the amount that's been requested doesn't equate to any change in what subsidy was provided in the past. It's still consistent, right?

MS. COADY: As I said earlier, it's a reflection of the oil price.

MR. HUTCHINGS: Sure.

Now, we know there's going to be an increase in diesel, so that would be recognized as well in the budget?

MS. COADY: That's a very good point.

OFFICIAL: (Inaudible.)

MS. COADY: Go ahead. Do you want to answer that?

MR. BOWN: Sorry for the conversation.

HST doesn't apply to Crown corporations. So Newfoundland and Labrador Hydro is buying the fuel.

MR. HUTCHINGS: Okay, but wasn't there an increase proposed in actual diesel outside of HST?

MS. COADY: You're correct. There is a small increase.

MR. HUTCHINGS: Gas is going up 16 cents. I think diesel is going up a couple of cents as well.

MS. COADY: A couple of cents.

MR. HUTCHINGS: I'm just curious if that's reflected in the numbers.

MS. COADY: No, I don't think so.

MS. ENGLISH: No, the gas price increase wouldn't be applicable to diesel. These would be bulk deal purchases for the Coast of Labrador.

MR. HUTCHINGS: Okay.

MS. COADY: But I think in fairness to the Member, your point is there is a small change in diesel rates. The question is: Is it reflected in this budget?

MR. HUTCHINGS: Yeah.

MS. COADY: Not that I'm aware. I will take it under advisement and get back to you on that.

MR. HUTCHINGS: My point is, obviously, if you're going to deliver the same service, you're going to need reflective of the pricing in the next fiscal year of what it will be.

MS. COADY: Correct, but you also have to remember that we buy diesel at certain block points as well.

MR. HUTCHINGS: Yeah, it may not be an issue.

MS. COADY: It may not be an issue but that's what we'll take under advisement and make sure there's no other change required.

MR. HUTCHINGS: Okay, thank you.

CHAIR: Okay.

CLERK: Subhead 3.1.02.

CHAIR: 3.1.02.

Ms. Michael.

MS. MICHAEL: Thank you very much.

Just a couple of questions on this one; the first one would be the Grants and Subsidies. There are no longer Grants and Subsidies in this line. Last year it was budgeted \$300,000 and upped to \$450,000. So just an explanation of what's going on there, please.

MS. COADY: If I look at the Estimates for this year, it's the removal of the one-time funding approved in budget '15-'16 for the hydraulic factoring review.

MS. MICHAEL: Okay.

MS. COADY: That's why there's nothing under that this year.

MS. MICHAEL: I figured it was a one-off.

Thank you.

MS. COADY: If you look at why the revised figure, it's just there was additional unanticipated expenditures associated with that particular review panel.

MS. MICHAEL: Okay.

Under the provincial revenue, you had \$81,000 last year budgeted, \$81,000 again this year and then the revision last year was up to \$106,000. Was that related to the fracking as well?

MS. COADY: No, the revenue is actually slightly than higher anticipated revenue that's offset from the registration fees at the OTC conference. During the '15-'16 years we actually had more people using our booth space; therefore, we get a small stipend back. So that's what that's reflecting.

MS. MICHAEL: Okay.

MS. COADY: And we've just – what I want to say – used the budget from last year because we were anticipating similar amounts.

MS. MICHAEL: Sure, and if we get more good.

MS. COADY: Great.

MS. MICHAEL: That's all I have for there, Mr. Chair.

CHAIR: Thank you.

Mr. Hutchings.

MR. HUTCHINGS: Thank you.

Just a general question, I'm not sure if this is the right place to ask it. The seismic work that's done, is that done through the department or done through Nalcor?

MS. COADY: It's done through Nalcor and will be maintained this year.

MR. HUTCHINGS: Okay.

Thank you.

CLERK: 3.1.03.

CHAIR: 3.1.03.

Mr. Hutchings, please.

MR. HUTCHINGS: The line item here is very consistent, obviously. This is our contribution to the C-NLOPB?

MS. COADY: Yes, but if you note, that now there's no appropriation required. We do review their budget every year because, of course, we are responsible for the C-NLOPB. We have asked them to restrict their budget but now, because of some changes in regulations that have been coming through, and they were, I guess, called in February 27, the industry pays the amount for the C-NLOPB. We're still accountable for C-NLOPB but the budget allocation is 100 per cent recovered from industry.

MR. HUTCHINGS: Okay, and what was the change again that –

MS. COADY: There was a regulatory change in February that was – February 26 there was a change in regulations that were brought in some time back, I guess.

MR. HUTCHINGS: That's not the seismic regulation in regard to Labour Canada? Occupational health and safety is a totally different thing.

MS. COADY: No, no, a completely different thing.

MR. HUTCHINGS: Okay.

Just on that point, in terms of – I know last year we had some challenges with some seismic vessels in regard to the change of regulations coming out of, I think it was Labour Canada, and coming to provincial regulations with regard to occupational health and safety in vessels coming that were, I think, under contract to do work offshore. We had trouble with people in

the port in St. John's in getting permits and that sort of thing.

Are we still experiencing or expecting to experience any trouble with that this year?

MS. COADY: I have had that discussion with C-NLOPB. They are working hard to ensure that we don't have as many challenges as we did last summer, because we certainly did.

MR. HUTCHINGS: Yes.

MS. COADY: It was challenging for the oil and gas industry. I know that CAPP, the Canadian Association of Petroleum Producers, have worked very diligently to assist C-NLOPB in making sure that these things are as best meliorated. FORRI is really doing a piece of work under these regulations, but we will not have that work until after this summer, not till the fall I think, there are some changes to temporary regulations – correct?

MR. BOWN: Actually, that is a four-year program (inaudible).

MS. COADY: Yes, it's a four-year program, according to the deputy minister. We're hopeful that there will be less challenges this summer because of the work that C-NLOPB has done, because of the experiences they've had and because of the work that the Canadian Association of Petroleum Producers have done as well.

MR. HUTCHINGS: Okay, good. Thank you.

CHAIR: Ms. Michael.

MS. MICHAEL: Yes, just a couple of questions that relate to the C-NLOPB but broader, in a way, except it would be under their jurisdiction. We have a couple of things still on the books that don't go away and they both relate to the recommendations from Judge Wells. One, of course, is the issue of the independent offshore safety authority. I'm wondering, Minister, under your leadership and with this new government, is this an issue that you are willing to be speaking to the federal government about?

MS. COADY: As you well know, all the recommendations by Judge Wells, with the exception of the one that you are referring to that he added separately, have been implemented, are underway. I know C-NLOPB has put a tremendous focus on safety and ensuring safety and, of course, we all do. I think the one thing I will say, we are all responsible for safety, not just C-NLOPB, the government, as well as the operators; and I think everybody takes that role very, very seriously and responsibly.

There are a lot of issues that we are dealing with C-NLOPB and the federal government around regulation. We'll certainly take it under advisement to see how much further we need to go.

MS. MICHAEL: Just to make one point, I don't want to push having a policy discussion but I agree with you; I do believe everybody is concerned about safety. But in countries like Norway and Australia, they came to a conclusion that in actual fact having a separate authority was something – they, too, all care about safety, but it still was important. Asking for it, I don't think that Judge Wells was making a judgement on C-NLOPB. And I'm not either; I think there is a basis for that. So I hope that you would consider continuing trying to keep this discussion going.

MS. COADY: Thank you.

MS. MICHAEL: The other one – it's not really quite resolved. Nobody talks about it anymore, but the prospect is still there, and that's the return to night flights. Is that something that you have been giving any thought to yet? I think the recommendation was solid and as a Member of the House of Assembly I think you know where our party stands with regard to that recommendation and where the workers stand too. I'm just wondering where you are with this.

MS. COADY: It is not something that I've had a particular discussion with C-NLOPB. There have been a number of other things that we've had pretty high on our list to deal with, with C-NLOPB. Some of which we've just been discussing, but it is certainly something that I will turn my attention to and ask for an update on what C-NLOPB is doing.

MS. MICHAEL: Okay, thank you.

That's all I have for that section.

CLERK: Subhead 3.1.04.

CHAIR: 3.1.04.

Ms. Michael.

MS. MICHAEL: Thank you.

I think my only question here has to do with the Professional Services which has gone from \$2.5 million, almost \$2.6 million, down to \$670,000.

MS. COADY: There was money removed – I'm just reading my note here – a fair amount, a removal of one-time funding that was approved in budget 2015-16 related to arbitrations. It was a \$1.9 million allocation last year that was put in there specifically for some arbitration that the department was doing at the time. I also note, and this is something that I'd bring to my colleague's attention, the strategic energy advisor, there was \$150,000 allocated for the strategic energy advisor that I don't think we're no longer requiring.

There's some more money in here for some other arbitration funding. The major change, the \$1.9 million change, is related to a change in arbitrations that were happening because of the benefits programs in previous times.

MS. MICHAEL: Okay, thank you very much.

Coming down to the Grants and Subsidies, that was earmarked, I think.

MS. COADY: Yes, I can explain it, if you'd like.

MS. MICHAEL: Yes, please.

MS. COADY: We used to do a grant to the Greater Corner Brook Board of Trade for the Western Oil and Gas Symposium.

MS. MICHAEL: Oh, okay.

MS. COADY: It was allocated for \$30,000, it had gone to \$20,000, and this year we've actually removed that grant. We're not even

anticipating that show may go ahead, but we've certainly said that we couldn't fund it this year.

MS. MICHAEL: Right, okay.

That's all I have for there. I don't have any general questions for there either.

CHAIR: Thank you, Ms. Michael.

Mr. Hutchings.

MR. HUTCHINGS: Thank you, Mr. Chair.

In the line-by-line items I think Ms. Michael asked what I had there, but I'll just ask a general question, Minister, if you could. I know Husky Energy and the project in Argentina in regard to the wellhead platforms versus the FPSO were delayed. I'm just wondering, maybe an update on that and how activities are going.

MS. COADY: Certainly. There seems to be – I mean, Husky is quite keen on doing the project. There are some discussions between Husky and its partners as to how they would proceed. Those discussions are ongoing, and we're trying to encourage, facilitate, assist where we can. But it is between the partners right now as to how to move forward.

MR. HUTCHINGS: Is there any preference to one way or the other, wellhead versus –

MS. COADY: It depends on which partner, with whom you're speaking.

MR. HUTCHINGS: Sure.

MS. COADY: We have one partner that seems to think that it should be wellhead, and another partner who thinks it should be something else. So it is a partner's discussion as to how they move forward. We're encouraging, obviously, the most benefit to Newfoundland and Labrador.

MR. HUTCHINGS: Sure. Thank you, I appreciate it.

The only other one I had, I'm familiar with, is in regard to NAFTA and the C-NLOPB when they changed the R & D components a few years back and went to court, and I think the Supreme Court of Newfoundland and Canada upheld that

decision, but it went to the tribunal and we lost and then there was negotiation underway of how we move forward. I'm just wondering if I can an update on that and where it may be to.

MS. COADY: Certainly. The federal government had to pay \$20 million, if memory serves me, because of the outcome of that particular tribunal under NAFTA. There is some discussion as to how we ensure what's the best path forward from here. Certainly in Newfoundland and Labrador and in Canadian courts it was ruled in our favour, as you well know.

MR. HUTCHINGS: Yes.

MS. COADY: It was in the NAFTA that there was the challenge, that's why the federal government stepped in.

MR. HUTCHINGS: I guess the concern is going forward how we – and that's with the federal government, I guess –

MS. COADY: And we're working towards that, how do we move forward?

MR. HUTCHINGS: Because the oil companies are probably coming back again, right?

MS. COADY: We're trying to figure out what's the path forward from here, now that we've had that tribunal ruling.

MR. HUTCHINGS: Okay, thank you.

CLERK: Subhead 3.1.05.

CHAIR: 3.1.05.

Mr. Hutchings.

MR. HUTCHINGS: Thank you.

3.1.05, just a couple general questions to start. The Ernst & Young report in regard to Nalcor in reviewing the governing structure, that has come back and they've indicated – I guess originally in their terms of reference there wasn't an obligation to look at governance but when they came back they indicated that they did. Based on that, I guess your decision was to have some

more work up to a level of \$1.7 million or \$1.6 million.

I guess my question is: When the recommendations come back – and I've asked this before – are they going to automatically adopt it for the governance of Nalcor as you move forward?

MS. COADY: Certainly. Under the EY report – I did table, as quickly as we got it, the interim report. I thought it was very important to allow people to have it as soon as we had it.

They did make recommendations, quite substantive recommendations, and I'll encapsulate them in three main categories, I guess. One is improvements on how the cost and schedule is revised, how the contingency is allocated, which I thought was very important, and they also made observations around governance.

We've taken the recommendations in the interim report, and taken them quite seriously, and are actioning them. We know they have suggested expanding oversight to have some independence. We'll be working toward that end. They've also suggested strengthening the board governance. We will be doing that as well. We've said to Nalcor to adopt the recommendations around how the cost and schedule and contingency are used.

What's happening now is Nalcor is re-baselining the cost and schedule. That work is occurring. As is indicated in the EY report, and as I've indicated publicly, I'm going to break down the project in three components. I think that's the easiest way to do it. There's the Muskrat Falls generation, there's the Labrador-Island Link and the Labrador transmission asset. There are three main components. I think that will be the easiest way to do it.

We should have by May, mid to end May, the re-baselining of the Labrador-Island Link and the Labrador transmission assets. There are discussions underway – you'll see this in the EY report, as well as the Oversight Committee's report. There are discussions underway with one of the major contractors from the Muskrat Falls generation of the powerhouse in particular. Once we have those discussions underway to ensure

we have some surety in terms of schedule and cost, we'll add that in.

We've asked EY to go back – because of the work they had done on September 2015, it shouldn't be too onerous I think, because it informs the work they will do in the new costing schedule. What we would like to have is surety in the number. Whatever the number is and whatever the schedule is, we don't want to keep coming back to this. Let's know what our cost and schedule is, please, so that we have some surety. That's what's really important.

This is a tremendously challenging project. I can tell you, and I'm sure the former government will equally say, nobody wants these costs to continue to escalate and no one wants the schedule to continue to slip. It's concerning me. I take the report from Ernst & Young quite seriously.

MR. HUTCHINGS: Thank you, Minister, I appreciate that.

The other question I had too –

MS. COADY: Is there anything you need to add?

OFFICIAL: No.

MS. COADY: Okay.

MR. HUTCHINGS: The other question I had, too, on the governance structure. I know the previous administration did some work, I think it was Knightsbridge Robertson Surette, on governance and the matrix and looking at the board, the whole oversight in governance aspect. I know that information is there. Is there consideration given to that in terms of the importance of that and what that may lead to?

MS. COADY: Absolutely. I'm an accredited director; I take boards of directors quite seriously. I'm an Institute of Corporate Directors, accredited director. So the work that Robertson Surette did in terms of board competencies and configurations informs, obviously, what we'll do as we move forward.

MR. HUTCHINGS: Okay, thank you.

That's good for now.

CHAIR: Okay.

Ms. Michael.

MS. MICHAEL: Maybe moving a bit further on your concern with regard to getting some surety around the final cost, I think in this year's budget the \$553 million extra that's going to Nalcor, that was expected, is my understanding

MS. COADY: Absolutely, it was.

MS. MICHAEL: What else is expected or are we now – everything is up waiting for the surety that you're looking for?

MS. COADY: I can tell you what was projected from last year's budget, but I'll be honest enough to say that could change based on this new re-baselining, and that's the surety we're looking for.

MS. MICHAEL: Right.

MS. COADY: So the re-baselining will take into account the discussions we're having on the Muskrat Falls generation, as well as the re-baselining and information that we have on the other two components. Together, with what EY suggested, or recommended in terms of how we get to that re-baselining and the requirements of contingency, I think that will inform us greatly as to what we can expect to have to budget in the next number of years.

MS. MICHAEL: Right. So we all wait.

MS. COADY: I beg your pardon?

MS. MICHAEL: We all wait.

MS. COADY: We're expecting it, especially for the two components, by May. The other component, we're in discussions and we have to firm that up. So, yes, we're all anxiously awaiting to put some strength around what is occurring at Muskrat Falls.

MS. MICHAEL: Right.

Minister, with regard to the allocation, the appropriation to Nalcor, of the \$1.3 billion: How much of that is going towards Muskrat Falls?

MS. COADY: The Lower Churchill Project is taking \$1.08 billion. The remainder is going to – I’m going to call it oil co – the oil industry, and I’ll break that down. It’s \$233 million, and of that we have the Hebron, Hibernia South Extension and White Rose Extension. I can break them down further if you’d like.

MS. MICHAEL: Please.

MS. COADY: Hebron is \$134.6 million, the majority of the requirement; Hibernia South Extension is \$72.5 million and White Rose Extension is \$25.9 million.

MS. MICHAEL: Right.

MS. COADY: It’s mostly around some of the capital expenditures required in the offshore.

MS. MICHAEL: Right.

When it comes to Hebron – you may know the answer to this at this point, you may not – what revenue streams can we anticipate from the Hebron Project?

MS. COADY: Well, we own a certain per cent in that.

MS. MICHAEL: Yes.

MS. COADY: I don’t have those figures. I don’t know if my deputy minister has them off the top of his head.

MR. BOWN: I don’t have that available.

MS. COADY: I’m just turning to see if Phil has them available.

MS. MICHAEL: I guess part of it will have to do with what the price of oil is, so it’s totally flexible –

MS. COADY: Absolutely. So we own a portion of it and what we receive back will depend on the price of oil, obviously.

MS. MICHAEL: I know our proportion on White Rose. What is the proportion for Hebron? I can’t remember the investment in Hebron.

MS. COADY: I think it’s 10 per cent, but I want to confirm that.

MS. MICHAEL: I think it’s 10, is it?

MS. COADY: Is it 10?

OFFICIAL: No, 4.9.

MS. COADY: Oh, it’s 4.9 of Hebron.

MS. MICHAEL: Oh, 4.9 in Hebron.

MS. COADY: Each one is different, right.

MS. MICHAEL: Okay.

I think that’s all that I have.

CHAIR: Mr. Hutchings, anything further?

MR. HUTCHINGS: Just a final question, Minister, on IOC and the current operations there. I know there are some challenges in regard to labour relations, things happening there and the whole environment there. I know we had some discussions (inaudible), so I’m just wondering what the operations of IOC are, how the operations have been going and what the status is.

MS. COADY: There has been a tremendous piece of work done and that IOC has been doing to try and ensure the viability of the mine, ensure things are working smoothly. And, of course, they’re looking at other perspective opportunities in the area as well, and working towards that end.

With regard to the labour relations climate, I would refer more to my colleague on that particular issue, but I do know that IOC’s intent is to try and ensure a good working environment. In particular issues on labour relations, I would defer to my colleague on that.

MR. HUTCHINGS: Okay. I appreciate it, thank you.

MS. COADY: I do know that they're continuing to do a lot of work and putting a big commitment to Labrador City, which is a positive thing.

MR. HUTCHINGS: Okay.

That's it for me, Mr. Chair. I just want to take the opportunity to thank the minister and thanks – are you done? You go ahead.

MS. MICHAEL: I have a couple of general questions, please.

Basically, this all has to do with your mandate letter, Minister. I see some real challenges in the mandate as we get into a number of points. And I would like to get your take on what you have to do: one, for example, open the books on Muskrat Falls to ensure that Nalcor publicly discloses details surrounding the Muskrat Falls Project, including how taxpayers' money has been spent – I'm all for that. I'm wondering where you see yourself going with it.

When you come down below: encourage energy generation by seeking out opportunities to develop wind farms and small-scale hydro with priority given to isolated communities. I really am interested in knowing where you are with that.

Those two in particular, I won't ask you to speak to everything that's there – I have quite a number of points here – but those two are fairly important ones, and ones I think that there is a lot of public interest in.

MS. COADY: I will add one, if you don't mind.

MS. MICHAEL: No, you go right ahead.

MS. COADY: I think that's important, is the diesel generation, so the number of communities using diesel generation.

MS. MICHAEL: Yes.

MS. COADY: So I wouldn't mind talking about that.

MS. MICHAEL: That would be great.

MS. COADY: So opening the books on Muskrat Falls, our initial bringing in independents and having EY available to do a piece of work I think is starting to do that, and that's why it was important to us to lay that before you. Before we had it all solved, we wanted to make sure that people have the information, and continuing to have that information and having some surety.

When you look at what EY has suggested with independence on the Oversight Committee, I think that goes again to what we're trying to achieve here of making things as open and transparent – we do have to recognize, all of us in the province do have to recognize, of course, that there are commercial sensitivities, because of course there are a lot of private companies involved here. So sometimes there are those commercial sensitivities, but in a general scope we want to be as open and transparent and allow the people of the province to understand the project as best possible.

As inheritors of the project we want to make sure now that we implement the recommendations of the EY report, try and make sure we have the processes and governance surrounding the Muskrat Falls Project, and surety on that cost and schedule. I think that's really important as we move forward. I'm spending a tremendous amount of time achieving those things.

On the issue of having wind power and different types of renewable energies, again, I think it's important to the province as a whole. The former government did implement a policy on net metering. It is now with Newfoundland Power and Hydro, and then it will go to the PUB. We think that will be a tremendous opportunity for those that wish to add to the grid. I will say that with the Muskrat Falls Project we will be, I think, 98 per cent green energy, which I think is a good goal. But adding more hydroelectricity, more wind opportunities is certainly something I think should be supported.

I did mention about we have a lot of people who receive their power from diesel generation: 21 isolated electrical systems. I think all of us wish to have a different opportunity there.

So there is a pilot project being done by Nalcor down in Ramea, which I think is an interesting wind-hydrogen-diesel project.

MS. MICHAEL: I wanted to ask you where things are with that. I've been following that, yes.

MS. COADY: Phase one of the project began in 2009. It's a wind generation, diesel project, as I mentioned. The equipment was installed and commissioned in 2012.

We're now in phase two. It's currently underway. You're going to see the addition of the hydrogen fuel cell to the system in 2016.

We're really following this closely. Not just for our own sake and the fact that we would have an opportunity here, I think, to mitigate some of the concerns around the diesel generation, but this is something that might be a model for the rest of Canada or, indeed, around the world. So we're watching that critically.

We're also working with our colleagues across the country who are very concerned about diesel generation in remote areas in particular. So we're working with our colleagues across the country. They're doing pieces of work. We're adding to that with this particular project, and, hopefully, to be able to ensure we can have a different type of power generation for these communities.

MS. MICHAEL: Maybe I can add one more, and it's the creation of an oil and gas industry development council.

MS. COADY: Exceptionally good point.

We had some very good discussion with the oil and gas industry. I know that Noia, in particular, has asked for this council, but also everybody involved in the industry.

This industry council, we're developing the mandate. We're continuing to talk to people in the community to make sure we get the mandate correct, but really the mandate is a vision. A visionary group of people who come together who have intimate knowledge of the industry, but what do we want to be known for in Newfoundland and Labrador in terms of our

offshore oil and gas industry? What's the vision? How do we ensure the right blend and mix, as I spoke about earlier? What is it we're going to be world-leading experts in? What are we going to be known for in the Province of Newfoundland and Labrador? What opportunities exist?

If you speak to some of the operators, they'll tell you some of the opportunities that they have to go outside of Newfoundland and Labrador. So how do we create the environment to ensure some of the services that they require are actually delivered here in Newfoundland and Labrador?

I'm hoping to have the industry council in place – I'm going to say fairly soon. We're still having discussions on the mandate, refining it, making sure we're talking to the people who matter most in terms of knowing the industry. We hope to have that up and running fairly soon.

MS. MICHAEL: Okay. Thank you very much, Minister.

I think that's all I have, Chair.

CHAIR: Thank you, Ms. Michael.

MS. COADY: Thank you for your time, and thank you for the assistance of – and having my –

CHAIR: Would the Clerk please recall the subheads?

CLERK: Subhead 1.1.01 to subhead 3.1.05.

CHAIR: 1.1.01 to 3.1.05.

On motion, subheads 1.1.01 through 3.1.05 carried.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Department of Natural Resources, total heads, carried.

CHAIR: Shall I report the Estimates of the Department of Natural Resources carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Estimates of the Department of Natural Resources carried without amendment.

MS. MICHAEL: Mr. Chair, may I ask a question?

CHAIR: Okay.

MS. MICHAEL: Just a reminder about the binders, may we have the binders?

MS. COADY: Yes, absolutely.

MS. MICHAEL: Great, thank you.

CHAIR: Just before we adjourn, I need to ask for a motion that we approve the minutes – they were circulated – approve the minutes of the meeting this morning.

MR. DEAN: So moved.

CHAIR: Moved, MHA Jerry Dean.

All those in favour, 'aye.'

AN HON. MEMBER: Aye.

CHAIR: Approved.

On motion, minutes adopted as circulated.

CHAIR: Just some housekeeping notes. I just want to remind the Committee that we'll be meeting again on Thursday at 9 a.m. here in the Chamber.

CLERK: (Inaudible) for adjournment.

CHAIR: I need to have a mover for the adjournment.

MR. DEAN: Moved.

MS. COADY: Mr. Chair, before we adjourn –

CHAIR: Okay.

MS. COADY: – I want to thank everyone here this evening. In particular my team that spent their evening with us as well, and their expertise. We certainly appreciated them, and appreciate the questions here this evening.

Thank you.

MR. HUTCHINGS: Mr. Chair, I just want to thank the minister and her staff for being here this evening and being quite upfront with her discussion on the budget.

Thanks.

MS. MICHAEL: I echo that.

Thank you.

CHAIR: Thank you so much.

Again, I was going to do the same, Minister. Thank you and the staff and your team, and to the Committee Members as well and their staff, and certainly to the Clerk. I appreciate the co-operation of everyone.

Thank you.

Meeting adjourned.

On motion, the Committee adjourned.