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**Proceedings of the Standing Committee on
Resources**

April 11, 2017 - Issue 1

Department of Fisheries and Land Resources

RESOURCE COMMITTEE

Department of Fisheries and Land 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: Elizabeth Murphy

Appearing:

Department of Fisheries and Land Resources

Hon. Steve Crocker, MHA, Minister

Stephen Balsom, Assistant Deputy Minister, Forestry and Wildlife

Vanessa Colman-Sadd, Director of Communications

Lori Anne Companion, Deputy Minister

Keith Deering, Assistant Deputy Minister, Agriculture and Lands

Tony Grace, Assistant Deputy Minister, Environment and Resource Services

Philip Ivimey, Departmental Controller

Glenna Jamieson-English, Constituency Assistant to Minister Bennett

Wanda Wiseman, Assistant Deputy Minister, Fisheries and Aquaculture

Also Present

Derek Bennett, MHA

Barry Petten, MHA

Laurie Bonia, Official Opposition Office

Ivan Morgan, Researcher, Third Party

James Sheppard, Researcher, Official Opposition Office

Pursuant to Standing Order 68, Barry Petten, MHA for Conception Bay South, substitutes for David Brazil, MHA for Conception Bay East – Bell Island.

The Committee met 6 p.m. in the Assembly Chamber.

CLERK (Murphy): The first order of business is to elect a Chair. Are there any nominations?

MR. FINN: I nominate the Member for Baie Verte – Green Bay.

CLERK: Okay.

Any further nominations?

MR. K. PARSONS: I'll second that.

CLERK: Okay.

The motion is that the Member for Baie Verte – Green Bay be elected Chair.

All those in favour?

SOME HON. MEMBERS: Aye.

CLERK: Contrary?

Carried.

Thank you.

CHAIR (Warr): And thank you again for your vote of confidence.

Good evening. My first order of business this evening, besides a welcome to everybody, is to elect a Vice-Chair. And the Chair would certainly entertain motions for the Vice-Chair of the Resource Committee.

MR. FINN: I move the Member for Cape St. Francis.

CHAIR: Secunder for that?

MR. D. BENNETT: Seconded.

CHAIR: Any further nominations?

I declare the Member for Cape St. Francis as Vice-Chair of the Resource Committee.

Before we get started I just wanted to take – obviously the minister will have an opportunity to introduce his staff – just a minute and we'll start at Mr. Parsons to introduce the Committee. I'd ask that all Members tonight recognize yourself and wait for the tally light to come on and then you can go ahead and speak.

So if we can start with Mr. Parsons.

MR. K. PARSONS: Yes, my name is Kevin Parsons and I'm from the beautiful District of Cape St. Francis.

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

MR. PETTEN: Barry Petten, MHA for Conception Bay South.

MR. SHEPPARD: James Sheppard, Researcher, Opposition Office.

MS. MICHAEL: Lorraine Michael, I'm from the historic District of St. John's East – Quidi Vidi.

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

MS. P. PARSONS: I'm Pam Parsons and I'm from the strong District of Harbour Grace – Port de Grave.

MR. DEAN: Jerry Dean, MHA for Exploits.

MR. D. BENNETT: Derek Bennett, MHA for the beautiful and scenic District of Lewisporte – Twillingate.

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

CHAIR: Thank you very much.

Normally when we're doing Estimates, we probably go in sections. Is everybody okay with that?

AN HON. MEMBER: Yeah.

CHAIR: Okay.

MR. K. PARSONS: (Inaudible.)

CHAIR: Sure.

MR. K. PARSONS: There are a couple of sections in the end that relates to Fisheries: sections 5.2.01 and 5.1.03 and 5.1.02. Both of those relate to the Fisheries and Aquaculture and both of them are there at the end. So I'd like, if we could, put those in with our Estimates and do it under Fisheries because both are related to, if that's okay.

CHAIR: That's fine.

MR. K. PARSONS: Okay, so when you're calling the subheadings.

CLERK: 1.1.01.

CHAIR: Shall 1.1.01 carry?

Mr. Crocker.

MR. CROCKER: Thank you, Mr. Chair.

I had some opening remarks but I will dispense of that because it's a big binder and in respect of the time of the Committee, but, again, thank you for the opportunity.

I guess for me, as a department, there have been a lot of changes since I appeared before the Estimates Committee last year when we dealt with the Fisheries and Aquaculture department. We have a much bigger binder tonight.

I will let the staff, starting on my left, introduce themselves and we'll take it from there.

MS. COMPANION: Lori Anne Companion, Deputy Minister, Fisheries and Land Resources.

MR. IVIMEY: Philip Ivimey, Departmental Controller, Fisheries and Land Resources.

MS. JAMIESON-ENGLISH: Glenna Jamieson-English and I'm from the GMO.

MR. BALSOM: Stephen Balsom, Assistant Deputy Minister of Forestry and Wildlife.

MR. DEERING: I'm Keith Deering. I'm Assistant Deputy Minister for the Agrifoods and Lands Branch.

MS. WISEMAN: Wanda Wiseman. I'm ADM for Fisheries and Aquaculture.

MR. GRACE: Tony Grace and I'm the ADM for Enforcement and Resource Services.

MS. COLMAN-SADD: Vanessa Colman-Sadd, Director of Communications, Fisheries and Land Resources.

MR. CROCKER: Okay, Mr. Chair, we can certainly start if the Committee is ready.

CHAIR: Okay.

Mr. Parsons?

MR. K. PARSONS: Yeah, okay.

As the minister just indicated, this department now from last year, from 2016 to 2017, there are a lot of different responsibilities I guess. The department's budget itself has gone from \$19 million to \$98 million so there's a lot here to go through tonight. We'll try to do our best to get through all the items, the important ones and stuff like that.

Would you be able to provide a chart outlining the department including all the divisions and responsibilities?

MR. CROCKER: An org chart?

MR. K. PARSONS: Well, yeah, because it's hard to follow and understand where all the divisions are and what they're –

MR. CROCKER: Yeah.

MR. K. PARSONS: So I'd prefer if you had some kind of chart and the divisions.

MR. CROCKER: That's certainly something we can provide.

MR. K. PARSONS: Okay.

When I go to a lot of the questions tonight, just not to be repetitive of what I'm asking for, a lot

of times when we're looking at salaries and stuff like that, I'm going to want positions and I'm going to want to know what the person – when there's a reduction and stuff like that, that person, that position that they had and what their job was, if there's a reduction there. Because you're going to see that there's going to be – so I'm going to need all that too. So just to give you an advance –

MR. CROCKER: Yeah, if you wish we could provide you with a full overview. Like just, I could go down through it. So if you didn't want to do it all line by line, I could tell you what the changes were.

MR. K. PARSONS: Yeah, I'm going to go line by line but just to give you the heads up that that's what I'm going to be looking for so I don't need to go through stuff like that.

MR. CROCKER: Yeah, sure.

MR. K. PARSONS: Do you have any idea how many people were employed in the Department of Fisheries and aquaculture last year? In the whole department last year, how many people?

MR. CROCKER: In the new department?

MR. K. PARSONS: Yeah.

MR. CROCKER: Depending on the seasonality, because there are some seasonal portions of the department when you look at fire suppression and you look at our silviculture program, but it ranges anywhere between 1,000 and 1,100.

MR. K. PARSONS: One thousand and 1,100?

MR. CROCKER: Yeah.

MR. K. PARSONS: Okay.

What increase is that now from last year? How big is the department after growing?

MR. CROCKER: That would be stable from last year. There would be some reductions in the management structure.

MR. K. PARSONS: But that's just in Fisheries, is it? Is that in both Lands and Fisheries or ...?

MR. CROCKER: No, no, that's in the department.

MR. K. PARSONS: Okay.

MR. CROCKER: Yeah.

I think the number in Fisheries – and Wanda, I don't know if you can answer that, but I think the number in Fisheries is around 100.

MS. WISEMAN: Right now, it's about 100 but it depends on when seasonal staff comes on.

MR. K. PARSONS: Okay.

Let's go to section 1.1.01 and let's look at the Salaries line there, 01, Salaries. Why is there \$30,300 less than what's actually – because it's back to where it was, but last year the revised –

MR. CROCKER: Yeah, if my understanding is correct, the Minister's Office maintains the ability for an automobile allowance if the minister chooses that option.

MR. K. PARSONS: So automobile allowance is \$30,300?

MR. CROCKER: That would be the budgeted amount for the automobile allowance in Minister's Office.

MR. K. PARSONS: Okay.

Under Transportation and Communications, there's an extra \$10,000 budgeted from last year.

MR. CROCKER: Yeah, and the explanation for that: Last year the Minister of Fisheries and Aquaculture, as an example, would be responsible for one FPT meeting. The minister's office right now is responsible for four FPT meetings so that itself, with the expansion of the department, brings expanded travel unfortunately.

MR. K. PARSONS: Under Supplies you have \$2,000 budgeted last year and you spent \$2,000, but this year you're only going to spend \$900.

MR. CROCKER: Yes, that's based on zero-based budgeting.

MR. K. PARSONS: Last year under the total under the Minister's Office we're looking at a difference of \$29,000. What are you budgeting additional this year that there is going to be an additional \$36,300?

MR. CROCKER: Did you say a \$29,000 difference?

MR. K. PARSONS: Well it was different than what you spent last year, what you revised.

MR. CROCKER: Yeah, well, again, it would be –

MR. K. PARSONS: And then this year you're gone back up to even more than what you had budgeted last year.

MR. CROCKER: That would be, I guess, a combination of the travel allowance and the increase of the \$10,000 in the Minister's Office in the minister's T and C.

MR. K. PARSONS: Okay.

On the Executive Support, again the Salaries; there's quite a reduction there in the salaries. Again, this is the part where I'd like to know what salary reductions were there and the positions that were eliminated.

MR. CROCKER: Okay, so that would be from the departmental reorganization. It would be the CEO for Forestry and the secretary to the CEO for Forestry, the ADM of Aquaculture and the ADM's secretary. There was a manager of communications that was transferred from planning and admin to Executive Support.

MR. K. PARSONS: These positions that are eliminated, are there added duties to other departments?

MR. CROCKER: The structure of the new department would be: Wanda Wiseman last year would have been the ADM of Fisheries and she's now the ADM of Fisheries and Aquaculture.

MR. K. PARSONS: To the line with Transportation and Communications, again we're seeing \$139,500 and this year it's down to \$120,000.

MR. CROCKER: Yes, that variance is due to the reduction in discretionary travel.

MR. K. PARSONS: In section 1.2.02, Administrative Support, under Property, Furnishings and Equipment can you explain the increase that's going to cause the \$491,000 there now?

MR. CROCKER: Yes, the additional expenditure is this year's budget contained the purchase of a new vessel for the aquaculture industry. In 2.3.01, you'll see a reduction of approximately, I think, \$300,000. We were leasing and renting vessels, so what we're doing this year is we're going to be buying a vessel for the aquaculture industry.

MR. K. PARSONS: How many vessels did you lease last year?

MR. CROCKER: That was done through a contract from the Marine Institute – or, sorry, was it Memorial, Wanda?

MS. WISEMAN: The Marine Institute.

MR. CROCKER: The Marine Institute. It was a contracted service.

MR. K. PARSONS: Will there be an added number of vessels or a decreased number?

MR. CROCKER: We will have our own vessel now to do the bay management work.

MR. K. PARSONS: Okay.

MR. CROCKER: Actually, the vessel is a replacement for a smaller, older outdated vessel.

MR. K. PARSONS: Okay.

Under revenue, what is the \$28,000 that you're talking about?

MR. CROCKER: Revenue is from Newfoundland and Labrador Hydro, the reimbursement of the cost of a vehicle required for post-transmission line construction monitoring south of Bay du Nord Wilderness Reserve.

MR. K. PARSONS: Okay.

Can we go to section 2.1.01? Can you explain the decrease in the Salaries and the positions also? I'd like to know what the positions are.

MR. CROCKER: There's a JES adjustment required for 2017-2018. The management reorganization resulted in the elimination of three regional director positions.

MR. K. PARSONS: Where were those regional directors to?

MR. CROCKER: There was a regional director position in Grand Bank which was vacant, there was a regional director in Happy Valley-Goose Bay and there was a regional director in Corner Brook.

MR. K. PARSONS: Okay.

What does that mean for province wide now when it comes to regions, representation and stuff like that? How many regional directors do we have in the province now?

MR. CROCKER: In the Fisheries Branch?

MR. K. PARSONS: Yes.

MR. CROCKER: We don't have regional directors any longer.

MR. K. PARSONS: So that's eliminated altogether?

MR. CROCKER: Yes.

MR. K. PARSONS: Okay.

Under Transportation and Communications, we're down less again. Can you explain that?

MR. CROCKER: Yes, the variance is due to a reduction in discretionary travel, less need for vehicle usage for training and meetings in the field and other things such as reduction in the cost of phones, air mileage, freight, et cetera.

MR. K. PARSONS: Okay.

Under Purchased Services, there's a revised of about \$7,000 more and then it goes back to where we were last year basically. What's the cause of the discrepancy?

MR. CROCKER: The variance was due to higher-than-anticipated office lease costs. We're going to be able to go back there back this year to a little less than what we budgeted last year by consolidation of offices. One of the things the new department does and gives us an opportunity to do is consolidation of office space, because in many cases in communities around the province, we would have had maybe three, in some cases, maybe four footprints.

MR. K. PARSONS: Okay.

Under Grants and Subsidies there's nothing there at all this year. Why are you not budgeting anything under Grants and Subsidies? What were the Grants and Subsidies that you budgeted last year?

MR. CROCKER: Yeah, that was, last year as I'm sure you can remember, the elimination of the Special Assistance Grants. So there was \$10,000 budgeted last year for Special Assistance Grants to cover off any projects that were left from the previous fiscal year.

MR. K. PARSONS: Are there any talks of anything for harbour authorities or harbours to apply for anything in the Department of Fisheries? I think I asked you a question about that one day before on that.

MR. CROCKER: Unfortunately, no, not at this point in time.

MR. K. PARSONS: So you have no money allotted for any harbour authorities?

MR. CROCKER: Correct.

MR. K. PARSONS: Back in 2015-'16, there was how much money in that account? Do you remember?

MR. CROCKER: There was \$300,000.

MR. K. PARSONS: Three hundred thousand dollars?

So that's completely eliminated. Okay.

MR. CROCKER: That was eliminated in budget 2015-'16.

MR. K. PARSONS: Last year's budget. Okay, so \$10,000.

MR. CROCKER: And the \$10,000 was for projects that hadn't concluded or just as a safety.

MR. K. PARSONS: Okay.

We'll go to section 2.2.01.

CHAIR: Can I intercede here because we said from the beginning that we were going to go by subheads.

MR. K. PARSONS: Okay.

CHAIR: This should have been from 1.2.01 to 1.2.03.

MR. K. PARSONS: Okay.

CHAIR: I just noticed that Mr. Parsons has gone into 2.1.01.

Mr. Parsons, if you're finished with those subheads, I'll just pass them on and we'll come back and vote on them and then go to the next.

MR. K. PARSONS: Sure, no problem at all.

CHAIR: Mr. Petten, anything on ...?

MR. PETTEN: No, I'm good.

CHAIR: Okay.

Ms. Michael, on 1.2.01 to 1.2.02?

MS. MICHAEL: No, everything is fine.

CHAIR: Everything is fine?

MS. MICHAEL: Yes, wait now. No, everything is fine. I do want to ask something under 2.1.01.

CHAIR: Okay.

We'll vote on 1.2.01 to 1.2.02.

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Passed.

On motion, subheads 1.2.01 through 1.2.02 carried.

CHAIR: We have 2.1.01 to – actually, that one is on its own.

2.1.01; Mr. Parsons, anything further on ...?

MR. K. PARSONS: Yes. Under the Seafood Marketing and Support Services, Salaries, why is there a difference between what we allotted last year and what was actually revised, and we're back to basically where we were with budget on 2016.

MR. CROCKER: Yeah, there was a vacancy of a planning supervisor due to maternity leave.

MR. K. PARSONS: Okay.

Under Transportation and Communications, there is a small difference. What's the reason why there's ...?

MR. CROCKER: That number of the \$1,000 was based on zero-based budgeting.

MR. K. PARSONS: Okay.

What does that include?

MR. CROCKER: That would be – as an example, the \$200 that was spent in '16-'17 was fees for the North American Seafood Forum Conference in Norway. So this would be membership fees, seminars and conferences.

MR. K. PARSONS: Okay.

Under this whole Seafood Marketing and Support Services, basically we're doing the same as what we did last year when it comes to budgeting, yet we should – as we know with the fishery, is marketing is a major issue right now with all harvesters in the province especially when you're talking about changing from shellfish to groundfish. Why aren't we spending more money on the marketing aspect?

MR. CROCKER: Well, this particular piece of marketing support would actually be funding for the seafood shows we attend; the seafood show

in North America, China, Seafood Expo, Brussels, Seafood Expo, Asia. We haven't changed our – these are the seafood shows we need to be at in the world. So we wouldn't have changed our focus of the shows we attend.

MR. K. PARSONS: Okay.

Under the next section, 2.2.02, Licensing and Quality Assurance; this is related with fish buyers and processors licences. As you're familiar, myself and you and your department had some discussions on this a little while ago. I believe there is – I could be corrected, you can correct me if you like – a freeze on these licences.

MR. CROCKER: Well, no, there's not a freeze on licences. It depends on what type of licence you're looking for.

MR. K. PARSONS: Yeah. What I'm talking about is the one we discussed further about harvesters and the small licences because a lot of harvesters want to get into that kind of field now, as you're aware.

MR. CROCKER: Yeah. So there is a freeze. Groundfish, for example –

MR. K. PARSONS: Yeah.

MR. CROCKER: – there is a freeze on groundfish. We haven't issued a new groundfish processing licence in the province since 1992. So this supports the licensing board. Last year, for example, we had five meetings for licensing applications, because even though we don't do groundfish applications, we had a licence application, the board met two weeks ago. There was a new sea urchin licence that was applied for and received. There were other licences that were applied for and received, and there were other licences that were applied for and denied. There is a –

MR. K. PARSONS: Yeah.

MR. CROCKER: So the board met five times last year. There is a constant request for licensing and in different species.

MR. K. PARSONS: Oh, I know that. We went back and some harvesters, especially groundfish

and cod, are looking to be able to do some production themselves.

MR. CROCKER: Yeah.

MR. K. PARSONS: And there is a licence, and obviously there are regulations and everything that's in place.

MR. CROCKER: Right.

MR. K. PARSONS: What's being told is that there's a freeze on this. Is there any way of getting this off so people can apply? Now, whether they're accepted or not is up to –

MR. CROCKER: Well, right now –

MR. K. PARSONS: But the harvesters themselves believe there's a freeze.

MR. CROCKER: Well, right now when you look at groundfish, we wouldn't entertain new groundfish processing licences until we reach the (inaudible). Until we get to a point where the moratorium removes from groundfish, we wouldn't entertain new licences.

The reality is in 1992, when the ground fishery closed, there were approximately 250 licences. Even today we're dealing with –

OFFICIAL: (Inaudible.)

MR. CROCKER: Sorry, we're still dealing with 45 groundfish processing licences in the province.

MR. K. PARSONS: Yeah, you know the licences I'm talking about. These are not commercial licences.

MR. CROCKER: Yeah.

MR. K. PARSONS: These are just the small licences that are used for –

MR. CROCKER: Right.

MR. K. PARSONS: – your local markets and stuff like that.

MR. CROCKER: Yeah, and that opportunity is there but that opportunity, that's the –

MS. WISEMAN: The province does have various types of licences. What you're talking about is a buyer's licence I believe.

MR. K. PARSONS: Yes.

MS. WISEMAN: There is a freeze on buyer's licences. Most of the buyer's licences that are in place right now are really on lobster, and those are the ones that freeze.

The other type of licence you're talking about is the restricted buyer's licences, which they can apply for if they own a restaurant or they want to sell products. If they want to sell it to themselves they could still apply for those. We give those out. We gave out about 20 or 30 last year.

There are also other ways to get licences. Licence holders whose licences are inactive, they can be transferred. So there are options.

MR. K. PARSONS: Okay.

MR. CROCKER: (Inaudible) licence that you and I met on back in the winter was one of the ones that was approved at the last meeting of the licensing board.

MR. K. PARSONS: Okay.

CHAIR: Before I allow the hon. Member to go ahead, I must remind him that his speaking time has expired. I can come back but I wanted Ms. Michael now on 2.2.01 to 2.2.05.

MS. MICHAEL: Thank you, Mr. Chair.

If I could come back to 2.1.01 first, Minister, you talked about the three regional directors being gone. I guess I'm curious about this is under Regional Services and yet the directors for the regions are gone. What was their role and how is what they were doing taken up?

MR. CROCKER: Their role was they were reported to – our regional field staff would have reported to them. Now our regional field staff will report to the director directly. I guess the reasoning is some of the modernization in the department – and I'll go back to the fact that at one point in time we had 250 groundfish licences in the province. Today we have 45.

If you look at crab, for example, today we have just 25 crab plants and eight shrimp plants. I guess the concentration of the industry has come down from a point where it can certainly be serviced differently than it would have been when we had literally hundreds of processing facilities.

MS. MICHAEL: Right. When you say the director, you mean here in the department?

MR. CROCKER: The departmental director, yes.

MS. MICHAEL: Right, in St. John's.

MR. CROCKER: Yes, so that person will be reported to now by our field staff.

MS. MICHAEL: Okay.

Thank you.

And 2.2.01, with regard to the marketing – I've been several years now, many years, asking about the seafood marketing plan. I know that it's in your mandate to establish a council. Can you give us an idea of where that is, the seafood marketing council?

MR. CROCKER: Right. That's actually one of the things that we will look at with the Fisheries Advisory Council. Just to update that, we've appointed the chair of the Fisheries Advisory Council a number of weeks ago and we're very near to appointing the rest of the complement of the Fisheries Advisory Council which will happen in the near future.

If you look at seafood marketing, it's an extremely important function of us as a government to make sure we're doing it. This money does focus on selling our seafood around the world. China right now is 20 per cent, and growing, of where our seafood actually goes. As well, one of the parts of the Atlantic Fisheries Fund is a separate fund of \$30 million for seafood marketing that we can leverage.

One of the things I think is important when we talk about seafood marketing: We can work very well with the provinces in Atlantic Canada for seafood marketing. One example, just this year we were able to save approximately \$70,000 in

Boston by going into an Atlantic Pavilion, and ACOA, being an Atlantic Canadian project, came on board and helped us with that as well. There are many opportunities for marketing.

MS. MICHAEL: Great.

Thank you very much.

2.2.03, Fisheries Innovation and Development; you're going to get this question each time in Salaries. Could you tell us, I presume a position must have been eliminated there?

MR. CROCKER: Yes, management reorganization resulted in the elimination of a vacant director position. The director of marketing is now responsible for Innovation and Development as well.

MS. MICHAEL: Right.

Thank you.

I have no more questions for that section.

2.2.04, the \$10 million, I guess you're going to have to explain to us. I think there are some changes here. If you could explain to us where the \$10 million is coming from and what it's going to be covering.

MR. CROCKER: The \$10 million is –

MS. MICHAEL: Well, I know it's a federal and provincial split.

MR. CROCKER: Right, so the \$10 million is in anticipation of the conclusion of the negotiation and the framework of the Atlantic Fisheries Fund. We wanted to make sure that there was some money budgeted for this year so that we were in a position to immediately lever the federal funding, as it starts to become available, to make sure we're getting it into the hands of harvesters and processors.

MS. MICHAEL: What is your expectation about when all of them – because it's \$100 million in all, right?

MR. CROCKER: Right.

MS. MICHAEL: When is your expectation about how that is going to unfold?

MR. CROCKER: We're still in that negotiation, as recently as yesterday. We're anticipating to conclude that agreement in the very near-to-medium future at that latest.

The reason why this showed up this year was we wanted to make sure we had sufficient funding there so that we could actually lever some of that money this year. We haven't reached a final agreement but we're treating it as a 70-30 which is typical federal-provincial agreement. There would also be stakeholder or industry participation as well, but we just wanted to be sure that we are able to avail of that money in this fiscal year.

MS. MICHAEL: Right.

Minister, the description of the fund talks about funding support will be in key areas like research and development, innovative technology, marketing, science and infrastructure. Do you have any ideas around that? Is it just going to be open to people applying for grants? How exactly is it going to work?

MR. CROCKER: Again, it's subject to a negotiation, but I see it very much like our Seafood Innovation and Transition Program that the province had last year where we had \$2 million and we funded projects for harvesters, whether it's hook-and-line technology, cod pot technology, slurry systems.

One of the focuses that we need to do on the harvesting side as we go forward in this is to ensure that quality is job one from sea to plate. That's one of the things we see as a priority for this fund.

Also, when we look at our processing industry we've seen a large number of processors in the province want to avail of new modern equipment, whether it's filleting machines. One of the challenges that we have coming from 1992 to present is most of the equipment you would find in our remaining groundfish plants is antiquated to say the least. There is an opportunity here for us now to be able to help.

As an example, in our Seafood Transition Program, the under 40 fleet qualifies for an 80-20 cost-sharing ratio. The over 40 fleet is usually 60-40 and the processing sector is done on a 50-50 basis.

MS. MICHAEL: Minister, you have made reference to the \$2 million last year, just over \$2 million. Was that spent? Is it all gone or ...?

MR. CROCKER: Yeah, that was spent. Actually, our request last year for that fund was somewhere in the vicinity of \$6.7 million. The encouraging part of that is we see the harvesting and processing sector willing to step up to invest in a ground fishery or a transition. So, yeah, the requests were about \$6.7 million last year.

MS. MICHAEL: Would we be able to get a breakdown of where the \$2 million went?

MR. CROCKER: Yes. It's actually been published but we can certainly get you a copy of it.

MS. MICHAEL: Or we can look for it.

MR. CROCKER: Yeah.

MS. MICHAEL: Okay.

Thank you very much.

MR. CROCKER: Just to add, I guess, back to the Seafood Transition Program in our budget release, on this line we have \$3 million budgeted, but we would also be able to leverage that \$2 million. So we would have over \$5 million available this year to leverage federal funding.

MS. MICHAEL: Okay, besides, added to the \$10 million.

MR. CROCKER: Right. The \$2 million that we have for the Seafood Transition Program would also be money that we could leverage against federal funding.

MS. MICHAEL: Okay.

Where would you find that then in the Estimates, that \$2 million?

MR. CROCKER: The \$2 million would be under the seafood – I'm not sure if we're up to it yet or not.

MS. MICHAEL: Okay.

MR. CROCKER: It would be under the Seafood Innovation and Transition Program.

MS. MICHAEL: Okay.

Thank you.

MR. CROCKER: The current program.

MS. MICHAEL: The current program.

Thank you very much.

That was a good answer. Thank you. Nice detail there.

Coming to 2.3 –

CHAIR: We're going to vote on those subheads first.

MS. MICHAEL: Oh, all right. Sorry.

CHAIR: Are we finished with 2.2.01 to 2.2.05?

Mr. Parsons, anything further on –?

MR. K. PARSONS: If I could ask.

MR. CROCKER: Okay.

MR. K. PARSONS: Just the one we're at right now – it's section 2.2.03 – can you explain what the Grants and Subsidies are for, that \$2.2 million?

MR. CROCKER: That would go back to Ms. Michael's question. That \$2.2 million would be \$2 million for the Seafood Innovation and Transition Program.

MR. K. PARSONS: Okay, that's for this one.

MR. CROCKER: That one goes back, and the other \$200,000 is the Seafood development program.

MR. K. PARSONS: Okay.

Under section 2.2.04, the Fisheries Innovation Fund, you're talking \$10 million as part of the \$100 million Atlantic fund – correct?

MR. CROCKER: The Atlantic fund is \$330 million.

MR. K. PARSONS: Yes, but that's \$10 million of that and you're looking at – the federal are putting in \$7 million and the province \$3 million. Is that a 70-30 split is what is going to happen there?

MR. CROCKER: Well, that is what we see as the likely scenario. There could be a better scenario. There wouldn't be a scenario other than 70-30 from our negotiations that we've had to date. So we wouldn't look at a 60-40; we'd look at an 80-20. But 70-30, in all likelihood, is where the negotiations are going to go.

MR. K. PARSONS: Okay.

So the \$7 million, is that something that is going to be allotted by the federal government this year?

MR. CROCKER: It is available and that's why we were sure to make sure that we had money in our budget because it's very important at this point in time when we see the challenges in the fishery and the momentum, because even though we had the challenges that we do have, there is a certain momentum right now in the ground fishery – back to my previous point of the \$6.7 million last year in requests of the seafood transition program, we do see a willingness of harvesters and processors to want to invest.

So we wanted to make sure that we had the allocation in our budget this year. Right now, we have \$5 million this year that we could leverage federal funding to make sure that the harvesters and processors have an opportunity – if they want to invest, we're going to make sure that we have our portion of that investment.

MR. K. PARSONS: So the federal fisheries fund is basically what you're negotiating right now, it's a 70-30 split?

MR. CROCKER: We wanted to be sure that we had the money in this year's budget, but in all likelihood it would be a 70-30 split –

MR. K. PARSONS: Okay.

MR. CROCKER: – without giving away our negotiating (inaudible).

MR. K. PARSONS: Okay.

On this Fisheries Fund – and we talked about this before – the Premier talked about applications and there were absolutely no details worked out here at all. Have there been any applications, or is there a way that someone can apply for this, or how (inaudible)?

MR. CROCKER: Not at this point in time.

MR. K. PARSONS: There's nothing yet on that?

MR. CROCKER: We're working on concluding a framework agreement. The Seafood Innovation and Transition Program is available to be applied for today. That one is available, but we have a commitment from the federal government to flow money in this fiscal year from the new program.

MR. K. PARSONS: Okay.

So what section is that?

MR. CROCKER: We're just on 2.2.01 to 2.2.05.

MR. K. PARSONS: Okay.

I have one more question. I just want to know – I'm curious about this fund because, again, the ground fishery is about to start soon, the shell fishery is in an issue right now, we have quota cuts and everything else. I know there are harvesters out there wondering what money is going to be available due to all these cuts. What's the time frame you have put on it?

MR. CROCKER: What's the time frame?

MR. K. PARSONS: Yeah.

MR. CROCKER: Our time frame is to have money flowing in this fiscal year.

MR. K. PARSONS: Okay.

MR. CROCKER: If there are harvesters today wanting to invest, our Seafood Innovation and Transition Program is available today for application.

CHAIR: Shall 2.2.01 to 2.2.05 carry?

All those in favour?

MS. MICHAEL: Mr. Chair, (inaudible).

CHAIR: Oh, I'm sorry.

MS. MICHAEL: Could I ask one more question with regard to the fund, please?

CHAIR: Absolutely.

MS. MICHAEL: Minister, my understanding is you're negotiating around \$100 million that the government is going to give.

MR. CROCKER: The framework.

MS. MICHAEL: So when you talk about the 70-30 split, that doesn't mean only 70 per cent is coming from the feds, does it?

MR. CROCKER: No, so the total commitment under this portion of this program, if it is finalized as a 70-30, would be about a \$143 million commitment.

MS. MICHAEL: That's right.

Thank you very much.

MR. CROCKER: From the two levels of government.

MS. MICHAEL: Right.

Thank you.

Now I'm ready.

CHAIR: So we're looking at subhead 2.2.01 to 2.2.05. Shall it carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, subheads 2.2.01 through 2.2.05 carried.

CHAIR: We're at 2.3.01 and 2.3.02.

MR. K. PARSONS: (Inaudible.)

CHAIR: We skipped the seals. That was included from 2.2.01 to 2.2.05. That's what it was called.

MR. K. PARSONS: Okay, I'll ask my question on seals at the end.

MR. CROCKER: Yeah.

MR. K. PARSONS: No problem. Okay.

MR. CROCKER: If you want to ask the question on seals –

MR. K. PARSONS: Yeah, while we're here now I'd just like to –

MR. CROCKER: Yeah.

MR. K. PARSONS: – if you don't mind. Is it my turn or is it –

MR. CROCKER: I think it is, yeah.

MR. K. PARSONS: My turn? Okay, perfect.

Just looking at the revenue when it comes to seals, I know that we budgeted that we were going to get \$825,000. The revised on the revenue was \$260,000 and this year it's \$150,000. Can you explain that to me?

MR. CROCKER: That's a loan. There was an inventory loan provided in fiscal 2014-2015 for \$1 million. The outstanding balance on the loan is \$825,000. So we received \$260,000 last year and the anticipation is to receive \$150,000 back this year – correct?

OFFICIAL: I expect we will probably receive more than (inaudible).

MR. CROCKER: Yes, more than \$150,000 back from that loan. It was the inventory loan in 2014-2015 to a company and this is recovery.

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

CHAIR: 2.3.01 and 2.3.02, Ms. Michael, if you'd like to start this.

MS. MICHAEL: Thank you very much.

Again, could we have the explanation of the positions that are gone, the Salaries indicate – although it's not a lot, but ...

MR. CROCKER: There was one policy position was transferred to the Planning and Policy Division of the department which accounts for the reduction in the salary.

MS. MICHAEL: Okay, thank you.

Under Supplies, there's a major drop from last year's budget. Could we have an explanation? It's almost \$61,000.

MR. CROCKER: Yeah, that was lower than anticipated vehicle expenses. I guess one of the things a new department affords us is a much larger fleet, and we're going to be able to actually remove some of our more antiquated vehicles.

MS. MICHAEL: Okay, thank you.

Under Professional Services, the Professional Services last year were \$358,000 and the estimate this year is only \$8,000, so could we have an explanation. I think last year money went for Bay Management under this, right?

MR. CROCKER: That's the boat.

MS. MICHAEL: Yes.

MR. CROCKER: That was the \$300,000 that we would have used last year to contract out that work that the new vessel will afford us to be able to do on our own.

MS. MICHAEL: Okay.

MR. CROCKER: So the investment of the approximately \$300,000 in the new vessel will pay dividends year after year because we'll have our own capability.

MS. MICHAEL: Right.

So the \$358,000 was the Professional Services; this time you'll have the boat – and you already gave the cost, over \$300,000, right, for the boat? Approximately.

MR. CROCKER: We budgeted \$300,000 for the boat.

MS. MICHAEL: Okay, very good, thank you.

Under Property, Furnishing and Equipment there is a variation upwards in the revision and, this year, right down to \$50,000.

MR. CROCKER: The variation last year was due to unanticipated boat repairs. We actually had a boat that sank and we had unanticipated repairs. The other changes on that, if I'm reading this correctly, is in Supplies –

OFFICIAL: It's associated with the contract.

MR. CROCKER: Yes, it's associated with the contract for the vessel.

MS. MICHAEL: Okay.

Thank you very much.

I think I have another question here.

We've heard from the department that you are looking at having rules surrounding aquaculture – the rules around aquaculture need to be strengthened. There was a commitment a few years ago to revise the regulations, the Code of Containment, environmental guidelines, et cetera.

Are you working on these regulations now, Minister, in the department? When do we expect to see changes, a strengthening of the regulations?

MS. WISEMAN: The activity regulations have already been put in place by the federal government in collaboration with all of the provinces.

MS. MICHAEL: Okay. Are they in place now?

MS. WISEMAN: We can get a list for you if you like, yeah.

MS. MICHAEL: Please. It would be good to get a copy.

MS. WISEMAN: Yes, we can do that.

MS. MICHAEL: Okay.

MR. CROCKER: Just to add to that point, at a recent federal-provincial meeting there was a discussion around a federal aquaculture act. Believe it or not, the biggest challenge is that's happening at the federal agriculture table, not the fisheries table.

MS. MICHAEL: Right.

MR. CROCKER: The reality is aquaculture is farming; the only difference is you're farming in the water versus farming on land. A federal aquaculture act would likely come from the federal Department of Agriculture.

MS. MICHAEL: Right.

Minister, you probably won't have the answer to this but it might be something that your department is looking at. Even though the regulations, I would assume, would have environmental issues in there, I understand that this didn't happen – because I was looking up aquaculture. Actually, it was some other reason.

I understand the Environmental Assessment Agency does not have aquaculture listed, so there's no requirement under CEAA to do an environmental assessment with regard to aquaculture. I've been told that just as recently as last week.

MR. CROCKER: I'm not extremely well versed in the environmental file.

MS. MICHAEL: No, I realize. Yeah.

MR. CROCKER: But correct –

MS. WISEMAN: It really depends on whether or not aquaculture is land based or in the ocean and what type of activities are associated with the aquaculture that's being proposed. If it goes through an assessment, it may not go through a full assessment, but they'll do a review.

MS. MICHAEL: Which one gets covered? Is it the land based where it does fit into the list? I forgot the proper name. I know this from my work before.

MR. CROCKER: (Inaudible) has been developed. If you look at how our aquaculture industry has been developed in the province, typically what we've seen is the sea cage sites are first.

MS. MICHAEL: Right.

MR. CROCKER: That doesn't require an environmental assessment, sea cage sites. But when you move to the construction of a hatchery, that requires an environmental assessment.

MS. MICHAEL: Okay.

MR. CROCKER: I guess this leads to sort of the situation we find ourselves in where the current proponent is doing it simultaneously. But this is the first time it's been done this way in the province because, previously, the industry came in, brought their smolt in from New Brunswick or Nova Scotia, stocked their cages and later built a hatchery. It hasn't previously been done at the same time.

MS. MICHAEL: Okay.

Thank you.

We'll probably have further questions under Environment when we talk to Environment.

MR. CROCKER: Yes.

MS. MICHAEL: 2.3.02 – will I go on and finish that one?

CHAIR: Yes, 2.3.01 and 2.3.02.

MS. MICHAEL: Yes.

Okay, 2.3.02; well, basically, this is Loans, Advances and Investments.

MR. CROCKER: Right.

MS. MICHAEL: The amount is down from what was budgeted last year. Can I have an explanation, please?

MR. CROCKER: Yes, that variance was due to a delay in Northern Harvest's project that we're funding under the Aquaculture Capital Equity Program.

MS. MICHAEL: Right.

MR. CROCKER: We only distributed \$2.5 million of last year's commitment.

MS. MICHAEL: So the \$2.8 million, that's also still Northern Harvest?

MR. CROCKER: Yes, the \$2.8 million, again, is the investment in Northern Harvest's operation. Yes.

MS. MICHAEL: Okay.

Thank you very much.

Could we have an update on what Northern Harvest is doing, what it's using this for?

MR. CROCKER: The province's current investment with Northern Harvest is automated feeding systems for their Bay d'Espoir operations.

MS. MICHAEL: Right.

MR. CROCKER: That's this investment.

Northern Harvest has also announced a recent \$6 million investment in the expansion of the Stephenville hatchery. That is not covered in here, but where Northern Harvest is investing right now is the investment of \$6 million in the Stephenville hatchery. They're also investing in the automated feeding systems.

MS. MICHAEL: Right.

Minister, now government has announced that it's going to fund Grieg up to \$45 million. That's certainly not under this. Where would that show up if that's going to happen, or is that not a clear decision yet?

MR. CROCKER: At this point in time we haven't announced a commitment to Grieg. That's still a negotiation that we're continuing to do our due diligence on.

MS. MICHAEL: Okay.

Thank you very much.

That's all I have.

CHAIR: Mr. Petten or Mr. Parsons, anything on 2.3.01 and 2.3.02?

MR. K. PARSONS: I have a couple of questions just on the aquaculture itself.

In the budget documents you said there was \$5 million available on the wild fishery and aquaculture investments, but I don't see this anywhere in the Estimates under –

MR. CROCKER: The \$5 million number that was combined in the budget releases would be the \$3 million that we budgeted for back in the Fisheries Innovation Fund and the \$2 million for the Seafood Transition Fund. Because I believe the wording of that is we had \$5 million available to leverage federal funding.

MR. K. PARSONS: Okay.

The leverage that you're talking about; is that from the private sector funding or is it from that one?

MR. CROCKER: No, any private sector investment in here would be above what we've budgeted. Just as an example, the \$2 million Seafood Transition Program last year actually resulted in \$3.7 million in expenditures.

MR. K. PARSONS: Okay.

CHAIR: Subheads 2.3.01 and 2.3.02.

Shall they carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, subheads 2.3.01 and 2.3.02 carried.

CHAIR: We'll now be looking at subheads 2.4.01 and 2.5.01.

Mr. Parsons.

MR. K. PARSONS: Under licensing, again, the Salaries. I'd like to know what the Salaries are for in here. Is there just one person that's hired there? With the whole licence division it's \$161,000, yet we're paying a salary of –

MR. CROCKER: One hundred and fifty-six thousand dollars.

MR. K. PARSONS: One hundred and fifty-six thousand dollars is what we're paying in the ...

MR. CROCKER: Yeah, that would be two positions.

MR. K. PARSONS: Is it two positions?

MR. CROCKER: Two positions.

MR. K. PARSONS: Okay.

What are their positions and what do they do?

MR. CROCKER: Well, they would provide the support of actually the licensing process for all of our aquaculture sites around the province. Each individual site, when it comes to aquaculture, is a separate licence. There's quite a bit of work around the licensing in the aquaculture industry.

MR. K. PARSONS: Okay.

If I look at all of the Supplies, Purchased Services, and properties, they're a lot higher this year than it was – well, a lot lower, actually, than what it was last year. Why the decrease?

MR. CROCKER: That's a result of zero-based budgeting.

MR. K. PARSONS: Okay, move to section 2.5.01, if that's okay.

MR. CROCKER: 2.5.01 as well, yeah.

MR. K. PARSONS: Okay.

MR. CROCKER: Thank you.

MR. K. PARSONS: Looking at Salaries, it seems like the Salaries are up. Again, what are the positions? Is there a new position added here?

MR. CROCKER: There would be 10 positions there, four of which would be our aquatic veterinarians.

MR. K. PARSONS: Veterinarians, how many, 10?

MR. CROCKER: Four; we have 10 positions, four of which are aquatic veterinarians.

MR. K. PARSONS: Okay.

Again just to question the whole spending here on this department if you look at the line for Employee Benefits right to the Property, there's a reduction in spending except for on the properties there. Is there a reason for the reduction?

MR. CROCKER: Zero-based budgeting.

MR. K. PARSONS: Zero-based budgeting. Can you tell me what the Grants and Subsidy are going to be there?

MR. CROCKER: The Atlantic Canadian veterinarians college.

MR. K. PARSONS: That's it that I have on this section, but like I said before I started, I wanted to go to sections –

MR. CROCKER: Yeah.

MR. K. PARSONS: So if you want to –

CHAIR: Ms. Michael, anything on 2.4.01 or 2.5.01?

MS. MICHAEL: No, I'll pass (inaudible).

CHAIR: Okay.

Shall subheads 2.4.01 and 2.5.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 2.4.01 and 2.5.01 carried.

MR. K. PARSONS: Mr. Chair, I'd like to – the three sections that are related to Fisheries that are there at the end, if we could go through those sections then I'd be clued up with my fisheries.

CHAIR: Okay, so we're going to –

MR. CROCKER: Don't let him leave, Barry.

MR. PETTEN: (Inaudible.)

MR. K. PARSONS: I just thought that too.

CHAIR: Mr. Parsons, do you want to name out those sections you're –

MR. K. PARSONS: I'll stay here and support my colleague.

CHAIR: Do you want to name those sections you were –

MR. K. PARSONS: Sections 5.1.02 and 5.1.03 and section 5.2.01.

CHAIR: 5.1.02, 5.1.03 and 5.2.02?

MR. K. PARSONS: No, 5.2.01.

Is that okay with you, Lorraine?

CHAIR: Ms. Michael, is that okay with you?

MS. MICHAEL: Yes, it is.

CHAIR: So we're looking at sections 5.1.02, 5.1.03 and 5.2.01.

Okay, Mr. Parsons.

MR. K. PARSONS: Okay, I'd like to go to 5.1.02 first, I guess.

In this section, Minister, if you could give me an explanation of the Salaries and the positions also that these salaries would include.

MR. CROCKER: The salary adjustments are for JES in 2017-18 and the funding is for five positions.

MR. K. PARSONS: What are those positions?

MR. CROCKER: Those positions would be a director and the director's support staff. This is our division that would contribute to science meetings, for example. Tomorrow we have the Northern cod assessment meeting for inputs. So this is the division that would review the policy or the position, as an example tomorrow, that we will put forward on allowable catch for cod and this division would have been involved in shrimp and crab and all other species.

MR. K. PARSONS: Can you explain to me the Grants and Subsidies and the huge reduction from \$1.9 million to –?

MR. CROCKER: The \$1.8 million reduction would be the sun setting of the provincial involvement in CFER

MR. K. PARSONS: Can you explain it a little better; CFER?

MR. CROCKER: The Centre for Fisheries Ecosystems.

MR. K. PARSONS: Okay.

So is that money that – where is this money going to come up to do further –

MR. CROCKER: So CFER back in, I guess the summer of 2016, received substantial funding from the federal government. CFER still exists but it's no longer funded by the province, it's funded by the federal government; where the responsibility for fishery science does belong.

MR. K. PARSONS: Okay.

Let's go to section 5.1.03. This is the Fish Plant Worker Employment Support Program. Last year, we had budgeted \$500,000 and this year \$362,000 was actually spent, I looks like, and

\$500,000 again this year. Where was that spent to?

MR. CROCKER: This past year it was spent in Burnt Islands. There was a plant deemed permanently closed in Burnt Islands, so that's where the expenditure would have been this year.

MR. K. PARSONS: Okay, will these Grants and Subsidies be included for plants that are presently doing crab, shrimp and other species?

MR. CROCKER: It could be. The design of this program is for a plant that gets a designation of permanent closed. This year, I guess that opportunity would be available for a number of plants: Clarendville and New Ferolle.

It is just two right now?

OFFICIAL: (Inaudible.)

MR. CROCKER: There are just two right now that would be deemed – had the ability to be deemed permanently closed. So that's the removal of the licence.

MR. K. PARSONS: This is basically for plants that are going to be deemed closed permanently.

MR. CROCKER: Right.

MR. K. PARSONS: Okay, interesting.

Under Fish Plant Worker Employment Support Program is there somewhere else where there's going to be money spent?

MR. CROCKER: We do realize the challenges that we face in the fishery this year, whether it's in shrimp or crab, that there will be challenges and we've committed to – and we've had preliminary discussions with the federal government as well that if there are needs for adjustment programs for plant workers in this province, we will certainly be there to provide those adjustments.

MR. K. PARSONS: Okay, interesting

5.2.01, again I'm just wondering in Salaries.

MR. CROCKER: 5.2.01?

MR. K. PARSONS: I'm sorry, yes, 5.2.01.

MR. CROCKER: So that's outside of Fisheries. Now we're gone into –

MR. K. PARSONS: I'm sorry, what did I say it was?

MR. CROCKER: 5.2.01 is Compliance and Enforcement.

MR. K. PARSONS: Yes, it says provincial fisheries and aquaculture legislation.

MR. CROCKER: That would be inland –

OFFICIAL: (Inaudible.)

MR. CROCKER: Yeah, okay, go ahead, sorry.

MR. K. PARSONS: Okay.

MR. CROCKER: You can have that one.

MR. K. PARSONS: Apologize.

MR. CROCKER: I'll send you a little apology note later on.

MR. K. PARSONS: Thank you.

Okay, can you explain the Salaries, and I'd like to know the positions also in these.

MR. CROCKER: The funding here is for 12 positions and a provision for overtime. It falls under the director of compliance and enforcement. There's a regional compliance manager Avalon, director of enforcement and director of compliance and salary adjustments required for 2017, as per the JES adjustments.

MR. K. PARSONS: Under Transportation and Communications, there's a fair amount of reduction there. Can you explain that?

MR. CROCKER: Zero-based budgeting.

MR. K. PARSONS: Zero-based budgeting, okay.

And the same as the other ones there: Supplies, Professional Services and ...?

MR. CROCKER: That's correct.

MR. K. PARSONS: The same. Okay.

What Purchased Services are going to be increased from last year, that you budgeted last year for this year? Last year you budgeted –

MR. CROCKER: That variance was due to higher than anticipated costs of lease space.

MR. K. PARSONS: Okay.

I have some general questions that I'd like to ask, just one in particular. You stated there are 25 crab plants, is that correct?

MR. CROCKER: Yes, there were 24 last year, 25 this year.

MR. K. PARSONS: Okay, and there's eight –

MR. CROCKER: Shrimp plants.

MR. K. PARSONS: – shrimp plants. Okay, I just wanted to know that.

Also, under the advisory council, you mentioned a little while ago, \$100,000 was allocated last year?

MR. CROCKER: Yes.

MR. K. PARSONS: Was any of that money spent?

MR. CROCKER: No, it wasn't.

MR. K. PARSONS: None spent?

MR. CROCKER: No.

MR. K. PARSONS: Okay.

And you also said the advisory council will be up soon?

MR. CROCKER: Yes.

MR. K. PARSONS: And there's no money to date been spent on the advisory council at all?

MR. CROCKER: So the chair would possibly have the ability to claim, but we haven't received a claim from the chair yet.

MR. K. PARSONS: Okay.

I have one other question for you. The Seafood Innovation Transition Program that was announced in the budget, \$2 million.

MR. CROCKER: Yes.

MR. K. PARSONS: Can you explain that?

MR. CROCKER: Yes, that's the program we introduced last year. It was funding for harvesters and processors. It's the one I – to Ms. Michael's questions earlier. It's the 80/20, the split for harvesters under 40. Typically a 60/40 split for harvesters over 40, 40 to 65 and a 50/50 contribution rate for processors. So last year we would have helped out and contributed to hook and line; electronic jigger; slush and slurry system; onboard handling, whether it's simple as boxing systems and boxing equipment.

On the processing side, we would have invested in modernization of filleting equipment, some other projects. We did a cod quality improvement project along with the Marine Institute and Quin-Sea, that was done in Conche, to test our abilities to getting fresh round cod to market, and ways of making sure how product was packaged to actually get it to market in a way that we could get a grade A price.

MR. K. PARSONS: And all that money was spent last year?

MR. CROCKER: Yes.

MR. K. PARSONS: Okay, all right.

MR. CROCKER: There was \$6.7 million in requests.

MR. K. PARSONS: Six point seven ... okay.

CHAIR: Thank you, Mr. Parsons.

Ms. Michael. We're on 5.1.02, and 5.1.03 and 5.2.01.

MS. MICHAEL: Thank you, Mr. Chair.

Yes, I think all of the questions I have had been asked and answered, but I just want a fuller clarification with regard to the \$1.8 million with regard to CFER. I understand the federal government now is taking it over. So that will include the *Celtic Explorer*. It will still be operating, will it, as part of CFER?

MR. CROCKER: No, the federal government, I think – I'm not exactly sure, I know they did look at the possibility of leasing the *Celtic Explorer* or using some of their own equipment.

MS. MICHAEL: Okay, so we're not sure what –

MR. CROCKER: I'm not sure what their plan is.

MS. MICHAEL: Right. Okay, but CFER is in charge of that.

MS. WISEMAN: They haven't leased the *Celtic Explorer* this year because they have a lot of work to do with just analyzing data.

MS. MICHAEL: I didn't hear everything you said, Ms. Wiseman. Could you just – the microphone wasn't on.

MS. WISEMAN: Sure. What I said was that they didn't lease the *Celtic Explorer* this year because they still have a lot of data they're analyzing.

MS. MICHAEL: Okay.

MS. WISEMAN: But they do have – I'm not sure what their future plans are.

MS. MICHAEL: Okay. Thank you very much.

That's fine, Mr. Chair.

MR. CROCKER: (Inaudible) the result is the federal government, through the federal procurement, actually have a vessel under construction for acoustics that will be located on the Atlantic coast.

MS. MICHAEL: Okay.

Thank you.

CHAIR: Mr. Parsons.

MR. K. PARSONS: (Inaudible) was that used last year at any – and where was it used and what did it do?

MR. CROCKER: Last year it was used. It was used in 3Ps.

MR. K. PARSONS: To do cod or –?

MR. CROCKER: To do a groundfish survey in 3Ps last year. I guess one of the successes from last year was a realization of the abundance of redfish in 3Ps and halibut on the South Coast.

MR. K. PARSONS: Okay.

CHAIR: 5.1.02, 5.1.03 and 5.2.01, shall the subheads carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 5.1.02, 5.1.03 and 5.2.01 carried.

CHAIR: 3.1.01 to 3.1.03.

Mr. Petten.

MR. PETTEN: Thank you, Mr. Chair.

Under Salaries in 3.1.01, how many positions are included in this large figure?

MR. CROCKER: Yes, there are 65 positions. There's an allowance for overtime of \$32,000 and there's an allowance for other earnings at \$8,500.

MR. PETTEN: Okay. So there was some elimination of positions from last year to this year?

MR. CROCKER: There was reorganization. So contained in this number now is a director of ecosystems, sustainability and research; ecosystems ecologist III; contractual III; disease

inspectors; supervisor of forest fire management. These are positions that already exist; the creation of supervisor of disease and fire control, and there's some adjustment here for JES as well.

MR. PETTEN: Okay.

You'll provide us with a list of what positions have been no longer within all divisions anyway, right?

MR. CROCKER: Yes, we're going to, yes.

MR. PETTEN: Okay.

Transportation and Communications, why such a big variance?

MR. CROCKER: One of the things the new department allows us to do is around helicopter time. As an example, previously, before the department was combined, we would have had forestry using helicopter time, Crown Lands using helicopter time, wildlife using helicopter time, and all going up the Northern Peninsula, as an example.

Now we're going to be able to reduce our helicopter time by utilizing the information gathered for the entire department versus working in silos.

MR. PETTEN: Okay.

I guess the same question applies under Purchased Services. Would that be connected, \$429,000 budgeted last year; it went down to \$268,000.

MR. CROCKER: Yes, that's vehicle repairs and maintenance.

MR. PETTEN: Vehicle repairs and maintenance. So there are less vehicles?

MR. CROCKER: With the size of the vehicle fleet now we're able to retire, again, some of the older, more antiquated vehicles.

MR. PETTEN: Okay.

3.1.02 – how do you do subsections, Mr. Chair?

CHAIR: Yes, we're doing 3.1.01 to 3.1.03.

MR. PETTEN: Okay.

Grants and Subsidies, under 3.1.01, what's included here?

MR. CROCKER: Okay.

Canadian Council of Forest Ministers, Canadian Institute of Forestry, FPInnovations, Newfoundland and Labrador, Lumber Producers' Association, Labrador Innu, Metis Forest Management Agreements and forestry research grants.

MR. PETTEN: Okay.

3.1.02, I guess the first question is Salaries, obviously. Why the drop? I guess there were positions eliminated there as well.

MR. CROCKER: Okay. So there was the elimination of two regional compliance managers, the manager of administration, the director of ecosystems management, regional ecosystem director, ecosystem planner, but there was a creation of a district ecosystems manager. The salaries in this division would include funding for 130 positions, an allowance of \$205,000 for overtime and \$750,000 for other earnings.

MR. PETTEN: Under those subheadings Transportation, Supplies, Professional Services – well, not so much Professional Services but Purchased Services, there's a fluctuation there. I probably know the answer to some of this now. Transportation and communications, is that less this year because there are less vehicles?

MR. CROCKER: Yeah, and it's based on zero-based budgeting.

MR. PETTEN: Right. Okay, that was the other part.

What about Supplies, is that a result of zero-based budgeting as well? That's a fairly substantial drop from last year's budget.

MR. CROCKER: There was a variance in Supplies last year again of less fuel and less travel. We anticipate, with the alignment of the

new department, that we will achieve further savings.

MR. PETTEN: Okay.

Under Purchased Services, for this division, what would be your purchased services, I guess, is the question.

MR. CROCKER: That would include helicopter time, maintenance, forestry road maintenance and other repairs to forestry roads.

MR. PETTEN: Okay.

Under Property, Furnishings and Equipment you have \$60,000 budgeted last year, you only used \$28,000 and this year it's down to \$22,000.

MR. CROCKER: Yes, variances due to less than anticipated expenditures as reduced discretionary spending was utilized to offset higher than anticipated expenditures in other areas.

MR. PETTEN: Okay.

Those two sections (inaudible).

CHAIR: Ms. Michael, 3.1.01 to 3.1.03.

MS. MICHAEL: Yes, 3.1.01, under Professional Services, there is a major drop there, both from what was budgeted last year – well the big thing is what was budgeted, so it's a \$200,000 difference. What was included before that isn't included now I guess that's the question.

MR. CROCKER: There was some duplication of services with Crown Lands and less use of vehicles.

MS. MICHAEL: I missed the first part. It's my own fault; I didn't have the bud in my ear. Could you say it again, please?

MR. CROCKER: The variance is due to anticipated vehicle repairs due to less travel, and no purchase of digital photography this year due to a backlog in work, and anticipation to begin capturing photos in the next fiscal year.

MS. MICHAEL: Would the digital photography have been one of the bigger items there?

MR. CROCKER: One of the bigger expenditures.

MS. MICHAEL: Right.

MR. CROCKER: One of the advantages with the Crown Lands amalgamation is we can now share that service as well with Crown Lands.

MS. MICHAEL: Right, thank you.

I think that's all, Mr. Chair; my other questions were asked.

CHAIR: Thank you, Ms. Michael.

Mr. Petten wanted to go back on 3.1.03.

MR. PETTEN: Under 3.1.03, I just have a couple of quick ones, actually. Purchased Services, why a million dollars less this year?

MR. CROCKER: That's the rightsizing of the silviculture division to reflect the size of the current industry, and as well the Wooddale Provincial Tree Nursery is now going to become not only a forestry asset. The tree nursery in Wooddale is now going to become a centre for agriculture and forestry development.

MR. PETTEN: Okay.

Property, Furnishings, is that what you consider a rightsizing of the budget, from \$125,000 down to \$70,000?

MR. CROCKER: Yes.

MR. PETTEN: Okay.

Under your Supplies there is \$238,000 less than under the revised amount, down to \$313,000.

MR. CROCKER: The revised was \$551,000, is that the line?

MR. PETTEN: No, Supplies line – yes, \$551,000 in revised.

MR. CROCKER: Yes, so that was bridges and culverts, and the increase would have been due to the Thanksgiving day rainstorm. We had severe damage to forestry roads.

MR. PETTEN: Okay, that's it.

CHAIR: So we're looking at 3.1 –

MS. MICHAEL: (Inaudible.)

CHAIR: Absolutely, Ms. Michael, go ahead.

MS. MICHAEL: Minister, just interested in the status of silviculture and the money that we spend on it. Are we still proceeding in the same way as we have been, or has there been a reduction?

MR. CROCKER: Well, there has unfortunately been a reduction over the years as we went from three paper mills to one. The Wooddale tree nursery at one point in time would have produced about 16 million seedlings a year. Right now, it's producing somewhere about seven to eight million seedlings a year. That's one of the reasons that we're going to, this year, repurpose that asset to look at more development of the agriculture industry.

We have 38 greenhouses at Wooddale able to produce 16,000 seedlings, and we see a tremendous opportunity with that facility to help advance our agriculture centre.

MS. MICHAEL: Okay, thank you very much.

That's all.

CHAIR: Shall subhead 3.1.01 to 3.1.03 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.1.03 carried.

CHAIR: Subhead 3.2.01 and 3.2.02.

Ms. Michael, if you'd like to start.

MS. MICHAEL: Thank you, Mr. Chair.

Once again, Salaries is the first big question here, Mr. Minister. If you could give us the breakdown here; there's quite a variance.

MR. CROCKER: Yes, it's lower than anticipated salary costs associated with Insect Control Program delivered during the year, and the adjustment in the salary of 402 includes zero-based budgeting and a JES adjustment. And in that division, we're funding 19 positions, with an overtime allowance of \$50,000.

MS. MICHAEL: Okay. It's still quite a drop from what was budgeted last year. It's \$300,000.

MR. BALSOM: Yes, this reflects a monitoring program and the large budget was budgeted in anticipation of a control program, which we did not require. We will be budgeting now on a monitoring budget basis, knowing that there is no operational program for 2017 either. I guess we're lucky in that respect with the Insect Control Program. And going forward, we will be looking at the Control Program on a contingency basis, if one is required.

MR. CROCKER: So what happens is we do a fall egg/larvae survey. So what we find in the fall will determine the budget required for the fiscal year in the survey.

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

Under Transportation and Communications, last year – it's not a big difference, but \$77,000 less spent than budgeted.

MR. CROCKER: I guess that would be a benefit of good fortune in the pest area. The variance is due to changes in the monitoring and pest population results.

MS. MICHAEL: Right.

Thank you.

Under Purchased Services, the budget was \$111,000. The revision was up quite a bit. It was \$514,000 – \$408,000 more than budgeted.

MR. CROCKER: Right. Just a moment ago I talked about the fall egg survey. We have an expenditure associated with a new provincial insect and disease control laboratory.

MS. MICHAEL: Okay. Thank you.

Under 3.2.02, I'm just curious about what was it that got purchased last year that wasn't anticipated under Property, Furnishings and Equipment?

MR. CROCKER: That's the \$204,000 number?

MS. MICHAEL: Yes, that's correct.

MR. CROCKER: Due to a purchase of woodland fire pumps. It was necessary to replace the units in inventory which were no longer operational. In addition to the woodland fire pumps, an automatic weather station was a required purchase for the provincial network of weather stations.

MS. MICHAEL: Okay.

Will I go on, Mr. Chair? I just finished 3.2. You don't want me to go on to 3.3?

CHAIR: No, we'll go back to Mr. Petten.

Thank you, Ms. Michael.

MS. MICHAEL: Okay. That's what I thought.

CHAIR: Mr. Petten, 3.2.01 and 3.2.02.

MR. PETTEN: Yes, I just have a couple of questions there.

I had a couple of questions to ask.

CHAIR: Go ahead.

MR. PETTEN: Just to be clear – I know Ms. Michael just asked that question, but I wanted to just confirm – under 3.2.01, there's \$300,000 less in Salaries as we see here, correct? Did you say 19 positions were cut from that?

MR. CROCKER: No, there are 19 positions in place.

MR. PETTEN: In place.

MR. CROCKER: That money supports 19 positions.

MR. PETTEN: Right. How many positions were eliminated, do you know? There obviously was a fair –

MR. CROCKER: It's not eliminated; it's done on the basis on the survey in the fall if the positions will be required, depending on the eggs, the larvae that are found in the survey. We would have to ramp up. If we found that there was an issue, God help us, with the spruce budworm, there's allowance to ramp up, if need be, but we didn't find that in last fall's survey.

MR. PETTEN: Okay.

So you adjust the Salaries –

MR. CROCKER: It reflects what's found in the fall survey.

MR. PETTEN: Got you.

Under the same subheading 3.2.01, the Grants and Subsidies, I know it's only \$6,000. What is it? What's included?

MR. CROCKER: Spray Efficiency Research Group.

MR. PETTEN: Perfect.

What about under Fire Suppression and Communications? What are the Grants and Subsidies there? What's that?

MR. CROCKER: That's at 3.2.02?

MR. PETTEN: 3.2.02, yes, the Grants and Subsidies line.

MR. CROCKER: Okay.

Canadian Interagency Forest Fire Centre, the Partners in Protection and Northeast Forest Fire Protection Commission.

MR. PETTEN: Okay.

CHAIR: 3.2.01 and 3.2.02.

Shall the subheads carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion subheads 3.2.01 and 3.2.02 carried.

CHAIR: Next we'll go to 3.3.01 to 3.3.06 inclusive.

Mr. Petten.

MR. PETTEN: Thank you.

Under 3.3.01 you have Salaries there now and there's a decrease. How many positions are included in this \$489,000?

MR. CROCKER: Eight.

MR. PETTEN: Eight positions?

MR. CROCKER: Eight positions.

MR. PETTEN: Okay.

Has there been any elimination? It doesn't appear to have if I look at the numbers.

MR. CROCKER: No, no movement. There are some JES adjustments but –

MR. PETTEN: Right.

Why such a spike in Transportation and Communications last year and now it's gone back again this year? It went up by \$130,000, now it's back down to –

MR. CROCKER: The variance is due to a delay in mail out of black bear applications. The 2015-'16 postage billing would have been not submitted in time to meet the March 31 deadline in that fiscal year. So we ended up sort of a double count in last fiscal year.

MR. PETTEN: Okay.

Under 3.3.02, Endangered Species and Biodiversity, Salaries are \$90,000 less. Was that an elimination of a position?

MR. CROCKER: There was an elimination of a senior management wildlife officer.

MR. PETTEN: Did you say management?

MR. CROCKER: Yes and there is some salary adjustment required for JES as well.

MR. PETTEN: Okay.

Thank you.

One other question – well, two: Supplies and Purchased Services, I notice Supplies has dropped down only \$7,000 from an original budget of \$20,000 last year and Purchased Services has gone in reverse.

MR. CROCKER: The variance is due to less-than-anticipated supply expenditures during the year. Then, this year's would reflect zero-based budgeting.

MR. PETTEN: So this year Purchased Services, zero-based budgeting, or Supplies, or both?

MR. CROCKER: Right. The full the operating budget doesn't really change. Some of the money is just moved around to reflect the priorities. As you can see, I think Purchased Services was increased from \$7,000 to \$17,000.

MR. PETTEN: Yes.

MR. CROCKER: It's sort of a reversal there of Supplies and Purchased Services.

MR. PETTEN: Okay.

3.3.03, Stewardship and Education; under Salaries on this one here there's a decrease of \$157,000 from last year.

MR. CROCKER: Yes, there was attrition management reduction resulting in \$72,000 and through the reorganization there was the elimination of a wildlife biologist.

MR. PETTEN: Did you say wildlife biologist?

MR. CROCKER: Yes, which was a management position.

MR. PETTEN: I have a question for you now; it's not in these lines, but of interest. How many wildlife biologists are within the Wildlife Division?

MR. CROCKER: We'd have to get the chart because we also have biologists now with the consolidation of the department. We have forestry biologists now that will be doing some of that work as well, but that will be reflected in the chart we can provide you.

MR. PETTEN: Okay.

Another question: I'm curious how many people are in the Wildlife Division, but I guess that might –

MR. CROCKER: There are approximately 40.

MR. PETTEN: Forty? Okay.

Under Purchased Services under 3.3.03, there's a \$35,000 drop this year. Well, obviously it was an increase from last year, I guess, really in the revised. What was that revised back in?

MR. CROCKER: The variance was due to a SNP animal care evaluation expenditure.

MR. PETTEN: Under 3.3. –

MR. CROCKER: Oh, by the way, that's Salmonier Nature Park.

MR. PETTEN: Okay.

Under 3.3.04, Habitat, Game and Fur Management: How many positions were eliminated here under Salaries?

MR. CROCKER: There was an attrition management reduction partially offset by salary adjustments required for 2017-18 adjustment, and there was a senior wildlife biologist.

MR. PETTEN: There was one position eliminated and one through attrition, you're saying?

MR. CROCKER: Yes.

MR. PETTEN: So it was a vacant position basically not filled and there was a wildlife biologist eliminated.

MR. CROCKER: Elimination, yes.

MR. PETTEN: Okay.

Transportation and Communications: Why such a drop?

MR. CROCKER: The variation was due to additional classification survey work was required by Habitat, Game and Fur needed in order to maintain scientific rigour to our evaluations of roadside moose hunting zones. It can be reducing MV, moose vehicle collisions. So that piece of work is now completed.

MR. PETTEN: Yeah, with the work completed, you no longer needs that money budgeted. Is that correct?

MR. CROCKER: Yes.

MR. PETTEN: Okay.

Under 3.3.05, Research, a fairly significant drop in Salaries there as well, over \$300,000 less. How many positions would be –?

MR. CROCKER: The reduction in Salaries reflect the removal of funding for one position, partially offset by salary adjustments required for '17-'18. Under the reorganization there was a senior wildlife biologist that had been vacant. There were three, one of which was vacant but there was also the creation of director of research and a manager of research.

MR. PETTEN: So there were three positions eliminated.

MR. CROCKER: And two created.

MR. PETTEN: You still have \$300,000 less.

MR. CROCKER: There were four, sorry. There was one position that was there, it was held vacant. The person has been in Alaska for a number of years.

MR. PETTEN: Okay.

So there was the elimination of four.

MR. CROCKER: Four, with the creation of two.

MR. PETTEN: Under Transportation and Communications, I know it's pretty well on par with last year's budget but the revised amount was a lot less.

MR. CROCKER: Yeah, the variance is due to the deferring survey of moose management areas eight and 27 to the 2017-18 year.

MR. PETTEN: Okay.

Mr. Chair, is that where –

CHAIR: 3.3.01 to 3.3.06.

MR. PETTEN: Okay.

Under 3.3.06, Cooperative Wildlife Projects, I see it looks like a flatline budget item but there was \$70,200 last year, there's nothing in the revised to the same figure now. What is that? What does that include?

MR. CROCKER: It's one position.

MR. PETTEN: Just one position.

Okay. That's all good on this section.

CHAIR: Ms. Michael, 3.3.01 to 3.3.06 inclusive.

MS. MICHAEL: Thank you.

3.3.02, it's basically a general question with regard to the Species Status Advisory Committee. Can we have some details on that committee? How often do they meet?

MR. CROCKER: That might be one where we can get you the details on.

MS. MICHAEL: Okay, that would be fine.

Just to say, Mr. Chair, I'm assuming as always, whenever either party makes a request we all get the information.

MR. CROCKER: Certainly, yeah.

MS. MICHAEL: Thank you.

3.3.04, again a general thing: Could we have some updates on the moose management plan?

MR. CROCKER: Right now, the survey I guess – maybe I'll turn this one over to you Steve, to talk about the moose management plan and the areas that we've done recently.

MR. BALSOM: Ms. Michael, I think it would be best for me to get you some information on that because, again, it's a new field for myself and I'm getting more of an understanding of all the work that we're doing this year. I'd like to supply you with that, if that's okay.

MS. MICHAEL: That would be fine.

Thank you very much.

MR. CROCKER: If you look at the overall – talk about the health of the moose population in the province. The moose population in the province is still strong at over 100,000 animals. There are some changes district by district, and the information we can get you will provide you a better idea of, sort of the shift that – you may see one area that's going down but another area that's remained strong.

MS. MICHAEL: Right, because the population information and all of that would be part of that. So that would be fine. Okay.

Thank you very much.

MR. CROCKER: The Member for Cape St. Francis wants to know where to apply.

MS. MICHAEL: I'm finished, yes.

Thank you.

CHAIR: 3.3.01 to 3.3.06.

MR. K. PARSONS: Can I ask a question. The reduction in Salaries, I'm just wondering about –

MR. CROCKER: Sorry, what number?

MR. K. PARSONS: In section 3.3.05, Research.

MR. CROCKER: Yeah, okay.

I'm good.

MR. K. PARSONS: I'm just wondering, is that related to wildlife officers, the Salaries there?

CHAIR: 3.3.01 to 3.3.06.

MR. CROCKER: No.

Shall the subheads carry?

MR. K. PARSONS: No. Okay.

All those in favour, 'aye.'

Who's included in the research group?

SOME HON. MEMBERS: Aye.

MR. CROCKER: This section of the department would be the section that came from the Department of Environment.

CHAIR: Against?

MR. K. PARSONS: Of what?

Carried.

MR. CROCKER: This is the section that would have come from the Department of Environment.

On motion, subheads 3.3.01 through 3.3.06 carried.

MR. K. PARSONS: Okay.

CHAIR: 4.1.01 to 4.1.03.

MR. PETTEN: Wildlife officers, which division would they fall under?

Mr. Petten.

MR. CROCKER: Right now, I guess there would be two categories. There would be the compliance officers and there would be the Fish and Wildlife Division.

MR. PETTEN: Thank you, Mr. Chair.

MR. PETTEN: Right.

I guess I'm going to ask a general question before I get to the line by line, because I couldn't find this. Natural areas, what is the budget for natural areas?

MR. CROCKER: So that would all now fall under Enforcement, yes.

MR. CROCKER: The budget for natural areas is \$985,500.

What was that? Sorry, Keith.

MR. PETTEN: Where do I find that? I'm not seeing it.

MR. DEERING: 5.2.02.

MR. CROCKER: It's in the – the budget would range from everywhere from Salaries right on down through the lines.

MR. CROCKER: 5.2.02, Mr. Petten.

MR. PETTEN: So it's combined with the rest of ...

MR. PETTEN: Right.

MR. CROCKER: Yes, well, so it's employees, Professional Services, Purchased Services.

How many less wildlife officers do we have now?

MR. PETTEN: Okay.

MR. CROCKER: There has been no change.

So when I look at Salaries, the broad question is that's salaries from natural areas, from Crown Lands administration?

MR. PETTEN: No change?

MR. CROCKER: No change.

MR. CROCKER: No, that would be land stewardship. That wouldn't include Crown Lands.

MR. PETTEN: Okay.

MR. PETTEN: Right, so we got – I guess I’m going to get to the question I’m trying to figure out. So natural areas is operating under the same administrative area as Crown Lands? Natural areas – they’re all in the one umbrella?

MR. DEERING: So you’re correct, there are a number of things that are embedded in this budget and one thing that is not. Crown Lands administration is actually 4.6.02, but natural areas is blended in with the former Land Resource Stewardship budget. So those numbers that you see here does include natural areas.

MR. PETTEN: It does include natural areas?

MR. DEERING: It does, correct.

MR. CROCKER: So in this budget you’ll find \$466,800 for Mistaken Point.

MR. PETTEN: \$466,000 – how did you guess it was about Mistaken Point?

MR. CROCKER: Because.

MR. PETTEN: I never imagined you’d guess that.

So I’m totally clear, it is combined with Crown Lands? That’s what I’m a bit confused about here.

OFFICIAL: This is where he’s running into trouble.

MR. PETTEN: Yes, I’m not totally clear on that.

MR. CROCKER: Yeah, it might be (inaudible).

MR. PETTEN: It’s written there, right. I mean it’s Crown Lands administration, natural areas, land management programs.

MR. DEERING: So, yes, I think, Mr. Petten, in next year’s Estimates book you’ll probably find that this area would be blended again with 4.6.02. But if you go to 4.6.02, this references where all the Crown Lands administration piece actually sits right now. At this point, the numbers that you see, even though Crown Lands administration is in the description, natural areas

is the only new addition to the former Land Resource Stewardship budget.

MR. PETTEN: That’s my question, where I’m confused, why is Crown Lands administration still in this if it should be over in 4.6.01.

OFFICIAL: It’s just an error.

MR. CROCKER: It’s an error in the presentation. Is that fair, Phil?

MR. IVIMEY: Yeah.

MR. CROCKER: Yeah, it’s –

MR. PETTEN: I’m confused. It’s confusing me. I don’t know if anyone else here, maybe I’m the only one, but I’m totally confused.

MS. COMPANION: The Crown Lands administration that’s in the description here at the top part with the Land Resource Stewardship should probably not be there for the Crown Lands administration.

The only thing that’s here is the Land Resource Stewardship and the natural areas and all the Crown Lands that’s in the numbers that Keith had identified.

MR. PETTEN: Because you have a land management programs there too, right? Land management falls under Crown Lands too.

MR. DEERING: If I could just make one clarification.

The director responsible for the Land Resource Stewardship division is also responsible for 4.6.02. Even though the description for the work that he’s responsible for includes Crown Lands administration, the Crown Lands administration piece is actually covered in 4.6.02.

All of this work comes under the umbrella of this particular division now; however, the numbers for Crown Lands administration are still in 4.6.02.

MR. PETTEN: Natural areas basically doesn’t have its own line, it’s just part of the bigger administrative piece within lands, land resource.

MR. CROCKER: That wouldn't be the conclusion I would draw. It's under 4.1.01 in Land Resource Stewardship.

MR. PETTEN: Yes, I'm still probably fairly confused. Just as well to be honest, isn't it.

So you say it's \$466,800 for Mistaken Point?

MR. CROCKER: Yes.

MR. PETTEN: But where would I find – if I were to look there now to find out what the budget is for natural areas, because we have more natural areas than Mistaken Point.

MR. CROCKER: The deputy minister just suggested, if you wish, we could certainly give you a technical briefing on how this is structured.

MR. PETTEN: Yeah, that probably would be helpful because that is fairly confusing, I have to say.

MR. CROCKER: Right, so just to identify the funding again. The headquarters is \$399,000, Cape St. Mary's is \$119,000 and Mistaken Point is \$466,000.

MR. PETTEN: Yeah, some kind of briefing on that would be helpful because it's very confusing.

MR. CROCKER: Yes, no problem.

MR. PETTEN: Okay.

MR. CROCKER: Probably, if you wish, we could offer a briefing on the structure of the entire department. We talked earlier about the structure of the reporting mechanism and stuff.

MR. PETTEN: Sure.

Mr. Chair, which sections are we going –

MR. CROCKER: We're doing 4.1.01 to 4.1.03 inclusive.

MR. PETTEN: To 03?

MR. CROCKER: Yes.

MR. PETTEN: Okay. I'll go to 4.1.03 and hope I don't as confused as I just was that time.

MR. CROCKER: 03?

MR. PETTEN: Yeah, I want to ask a question regarding Operating Accounts, what is included in those categories?

MR. CROCKER: Keith, if you could take that?

MR. PETTEN: So there are three of them basically.

MR. DEERING: This whole line item is our Land Consolidation Program. This program is a program where we buy privately owned agriculture land and lease it back to farmers in the form of agricultural leases. Some of this land could be currently unused for farming activities or currently used and being rented.

A large focus of this program has been on the Avalon Peninsula where agricultural land is getting harder to come by. We've had a very successful track record over the last 10 or 15 years since we've had this program in putting more privately owned land back into agriculture production.

So the first area, Professional Services, is a provision that we have for legal fees. We have a privately attainted lawyer who does all of the real estate transactions for us. The big part of this budget, of course, is the Property, Furnishings and Equipment, which basically is the fund that we have for actually purchasing the land itself.

This past year, we would have had approximately five real estate deals that we would have concluded; most of which would have been on the Avalon Peninsula. That's essentially what we will get for that sort of acreage.

MR. PETTEN: Okay. I am good, Mr. Chair.

Thank you.

CHAIR: Ms. Michael, 4.1.01 to 4.1.03 inclusive.

MS. MICHAEL: Thank you.

I'll just start with the last one first since we were just hearing about that. I did have a question about whether or not the legal work was being brought in-house, and you've just told me that it has. Where would that show in terms of a line item, under Professional Services? There's no difference basically in the Professional Services line under 4.1.03.

MR. DEERING: Yes, that is correct. The Professional Services piece is the line item for our legal consultant.

MS. MICHAEL: Okay, so really the cost remains the same?

MR. DEERING: Yes.

MS. MICHAEL: Okay, thank you very much.

I'd like to go back to the Natural Areas question, Mr. Minister, but not in the way that we're dealing with it before. Number one, wondering – because this is not part of structure; it's more programmatic. The Wilderness and Ecological Reserves program, does that still exist within the work of Natural Areas?

MR. CROCKER: Yes.

MS. MICHAEL: Yes, it is. Okay.

I understand that we're expecting a Natural Areas System Plan and we were told that it was going to be finalized – where do things stand with that plan?

MR. CROCKER: We are working on finalizing of the plan. We know it has taken 20 years, but we are working on finalizing that plan. I'm hoping to be the person who finalizes after 20 years.

MS. MICHAEL: Okay, that would be very good to see.

How long do you expect to be in your position so I'll know –

MR. CROCKER: Well, it's been ongoing for 20 years, so ...

MS. MICHAEL: Okay.

Regarding the Wilderness and Ecological Reserves Advisory committee, do they meet regularly? Is that an active –?

MR. CROCKER: They are actually. I had the opportunity just recently to sit down with the committee. The committee right now is going through, I guess, a repopulation. The committee has some opportunities that are being advertised through the IAC, but we're confident that we're going to be able to maintain a sufficient number of the current members to make for a good transition to the newer members.

There is certainly a strong interest from the current members, from many of them, to remain a part of that committee. So they do meet regularly and their role is to advise the minister, and it's certainly a role that we will respect and take their advice.

MS. MICHAEL: Right.

I guess, Minister, if we went online we'd be able to find the makeup of all these various advisory committees?

MR. CROCKER: You would, actually. If you wanted to go online to see the vacant positions that this department or any department have, they're on the government webpage.

MS. MICHAEL: Right, thank you very much.

You may have answered this earlier and I may have missed it, but were there any positions eliminated in the Natural Areas section?

MR. CROCKER: No. There were some GIS and salary adjustments, but there were no positions eliminated. There were actually positions added, because we're in the process of adding three new positions at Mistaken Point.

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

I have no more questions on those three.

CHAIR: 4.1.01 to 4.1.03 inclusive.

Shall the subheads carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye,

CHAIR: All those against, ‘nay.’

Carried.

On motion, subheads 4.1.01 through 4.1.03 carried.

CHAIR: 4.2.01 and 4.2.02 inclusive.

Ms. Michael.

MS. MICHAEL: Thank you very much.

In 4.2.01 my main question, I think, is under the Grants and Subsidies. There is a huge drop in the Grants and Subsidies – that’s 4.2.01, 10, Grants and Subsidies –of about \$750,000. If we could have an explanation.

MR. CROCKER: Yes, please, Keith.

MR. DEERING: So this, I guess it does look like a drop in the budget, but it was actually a forecasted drop. This represents the – well, actually this is our second-last year of our Cranberry Industry Development Program.

MS. MICHAEL: Yes.

MR. DEERING: Which was a five-year program.

MS. MICHAEL: Right.

MR. DEERING: When we started the program it started out slow, we had a couple of big years, and now it’s starting to taper off into our last two years.

MS. MICHAEL: Right.

MR. DEERING: So this current fiscal year, the provincial portion of that was \$500,000.

MS. MICHAEL: Right, okay then. When I think about it, you did explain that last year, now that I think about it.

Thank you very much.

MR. CROCKER: (Inaudible.)

MS. MICHAEL: Sorry, Minister?

MR. CROCKER: It was the design of the program – when the program was developed, it was designed in that way.

MS. MICHAEL: That’s right, yes. Thank you very much.

4.2.02, under the Marketing Board, we have a Review Board. Do they make regular reports to the minister?

MR. CROCKER: They’re activated when called upon. So that the farm review board would be acted upon when they receive a request to do a review, and that is reported to the minister.

MS. MICHAEL: Right. Again, I think that’s information that would be available online too, wouldn’t it?

MR. CROCKER: I would think yes, so –

MS. MICHAEL: The applications that they get.

MR. CROCKER: – if a proponent, whether it be a farmer or a concerned citizen, would have an issue that they would ask for a review –

MS. MICHAEL: Right.

MR. CROCKER: – that would be the role of the Review Board.

MS. MICHAEL: Right, thank you.

4.3.02.

CHAIR: We’re just doing 4.2 –

MS. MICHAEL: Oh, I’m sorry, yes. Well, they’re all the questions I have for 4.2.

CHAIR: Thank you.

Mr. Petten, 4.2.01 to 4.2.02 inclusive?

MR. PETTEN: Revenue under 4.2.01, it’s not a big amount, obviously, but what does that ...?

MR. CROCKER: So the variance is due to lower than anticipated sale of seed potatoes.

MR. PETTEN: Perfect.

And under Professional Services, again, it's not big amounts, but it's a drop from last year's budgeted amount, so ...

MR. CROCKER: The variance is due to lower than anticipated professional and technical requirements.

MR. PETTEN: Lower than anticipated ...?

MR. CROCKER: Did you say Purchased Services or Professional Services?

MR. PETTEN: Professional Services.

MR. CROCKER: Yes, due to lower than anticipated professional and technical requirements.

MR. PETTEN: Okay.

One other question, under 4.2.02, the Marketing Board, under your Supplies it went up – again, it's not big money, but it's noticeable, I guess. It went up to \$10,000, back down to \$2,000?

MR. CROCKER: Yes, the variance is a result of unexpected supply purchase required to address cost of production issues in the supply management sector.

Keith can elaborate on that.

MR. DEERING: So one of the other functions, in addition to addressing complaints from the public and working with farmers to resolve farm-community interface issues, the Farm Industry Review Board also participates in our three supply-managed commodity boards for dairy, chicken and eggs. From time to time, they'll be asked for advice on things like cost of production issues for these three sectors. From time to time, they will be required to spend money to engage expertise to collect data and prepare reports.

MR. PETTEN: Thank you.

I'm good.

CHAIR: Mr. Parsons?

MR. K. PARSONS: I'm just interested in the revenue there for seed potatoes. I was wondering, were the producers not producing enough potatoes last year or was there a problem there? What was the issue when it came to the amount of seed that was available?

MR. DEERING: One of the issues we had this year, Mr. Parsons, is that one of our largest potato producers and seed potato producers actually folded up and shut down. That represents the reason why there were less sales in seed potatoes this year. Obviously, it could be substantially more than this, and we hope it will be in a few years, but unfortunately we had a significant sized potato producer actually shut down.

MR. K. PARSONS: Okay.

Local products and local things are what we're all about. I know personally, myself, if I see local potatoes or anyone, I go local. Maybe there's something we should be doing to increase the number of productions, especially for potatoes, something that we can really produce anywhere in the province. It's just interesting to –

MR. CROCKER: (Inaudible) is that we produce one in six potatoes that we eat, so that's a disappointing number.

MR. K. PARSONS: I know, yes.

CHAIR: 4.2.01 and 4.2.02.

Shall the subheads carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, subheads 4.2.01 and 4.2.02 carried.

CHAIR: 4.3.01 to 4.3.04 inclusive.

Mr. Petten.

MR. PETTEN: Thank you very much.

Under 4.3.01, under your Salaries it's \$1.6 million. There doesn't appear to be elimination of positions but I wanted to know the number of positions which are included in this amount.

MR. CROCKER: In this line?

MR. PETTEN: Yeah.

MR. CROCKER: There are 23 positions. There's an allowance for \$25,000 for overtime and \$7,000 for other earnings.

MR. PETTEN: Okay.

Grants and Subsidies: what does this amount include? It's \$4,000 across the board.

MR. CROCKER: In this Grants and Subsidies, two of the larger amounts would be \$50,000 for provincial 4-H and \$135,500 for the Newfoundland and Labrador Federation of Agriculture.

MR. PETTEN: Okay.

Under your Allowances and Assistance, what's included in this amount? It's \$20,000 across the board.

MR. DEERING: Allowances and Assistance includes the delivery of various producer seminars. Some are planned; some are kind of ad hoc. When a producer makes a request to us to do some specialized training event, we will contemplate that and if we can do it, we'll do it under this particular line.

MR. PETTEN: Okay.

MR. CROCKER: (Inaudible) just recently some producers in the Stephenville area requested a seminar. We were able to arrange the seminar I think it was just this past Friday, maybe. We would put off a seminar in that area.

MR. PETTEN: Okay.

Under 4.3.02, Grants and Subsidies, I know there's a variance there. It was less in the revised amount from last year. What is the variance?

MR. CROCKER: That was a variance due to lower government premiums than anticipated.

This is the Agriinsurance and Livestock Insurance program.

MR. PETTEN: Is it just lower premiums?

MR. CROCKER: Yeah, lower government premiums than we had anticipated.

MR. PETTEN: Okay.

4.3.03, Agricultural Business Development – initiatives I should say. The Grants and Subsidies, why is the decrease of – the budget year over year is \$500,000 but revised is \$400,000.

MR. CROCKER: Yeah, the variance of the \$500,000 reduction is associated with the planned phase-out of the funding associated with the former agriculture and agrifoods development program.

MR. PETTEN: That's no longer?

MR. CROCKER: This was a program that – Keith, it was last year's budget, right?

MR. DEERING: Yes.

MR. CROCKER: Yes.

MR. DEERING: The former agriculture and Agrifoods Assistance Program was a program that was really aimed at doing much larger-scale projects that were more or less off limits to most farmers in this province. The projects generally were worth at least \$1 million and the producers themselves had to come up with a 50 per cent cost-shared portion of it.

What we were finding over the last several years was that we were not getting full subscription to the program. I guess, last year, a couple of years ago, we decided to sunset that program out over several years and put the remaining money into the Provincial Agrifoods Assistance Program, which in fact is our most popular program.

I guess originally, before this infusion of additional money into this program, the PAAP was worth about \$2.25 million a year. The money that you see in this year's budget actually represents a \$1 million increase to the conditions and guidelines under that budget.

MR. PETTEN: Okay.

MR. CROCKER: I guess the realities of the PAAP; it's more available, more accessible to new entrants and smaller-scale operations where this one was tailored to larger.

MR. PETTEN: Bigger operations.

MR. CROCKER: Our focus is not only new entrants, but one of the things is making the industry attractive to new entrants.

MR. PETTEN: Okay.

4.304, Growing Forward, Salaries; I know it dropped in the revised but it's gone up. What's the reason for that fluctuation?

MR. CROCKER: The savings was due to vacancies during the year.

MR. PETTEN: Right.

MR. CROCKER: There were some salary adjustments required for JES in '17-'18.

MR. PETTEN: Okay.

Under your Grants and Subsidies, under the same section, there seems to be a fairly substantial variance across the board there as well.

MR. CROCKER: Yeah. On line 10 the variance is due to estimated program savings of \$1.5 million, but we were able to carry the funding forward into this year for the Growing Forward 2 Framework.

MR. PETTEN: Okay, so the savings from last year you added on for this year.

MR. CROCKER: Yes. One of the realities of this program – this is the last year of the program. We're going to be focused on actually getting that money out the door this year simply because this is the last year of program. If it expires, we won't be able to avail of the federal money.

CHAIR: Ms. Michael, 4.3.01 to 4.3.04 inclusive.

MS. MICHAEL: (Inaudible) questions, but my first one is in relationship to the Growing Forward 2 Framework. There was no discussion about the possibility of this continuing, it's just expired and that's it?

MR. CROCKER: Actually, the Growing Forward 2 Framework expires March 31, 2018.

MS. MICHAEL: Right.

MR. CROCKER: But it's anticipated that the next framework agreement at the FPT table is being negotiated as we speak. The agriculture ministers from across Canada will be in St. John's the third week of July and it's anticipated that at that time hopefully we can announce the new framework agreement.

MS. MICHAEL: Oh, good. That's good news.

Minister, I'll ask this one first, 4.3.03, the Agriculture Initiatives: "Appropriations provide for Provincial initiatives to ensure continued sustainability and environmentally sound development of the agrifoods industry, including land development."

Is that referring to land development that's done by producers or is government involved in land development?

MR. CROCKER: Government is involved in land development – Keith, feel free to jump in if I'm wrong – but if a farmer identifies, or a producer identifies land they want to clear, the government will subsidize up to \$3,000 an acre to help the farmer clear that land to make it suitable for production.

MS. MICHAEL: Right. So that would be there then for the more intensive push you're looking at with regard to Crown lands.

MR. CROCKER: Right.

MS. MICHAEL: If somebody identifies land then if clearing is needed.

MR. CROCKER: Yes.

MS. MICHAEL: Okay. That's something that we wanted to check on.

In the Budget Speech, more than once there's reference to food security which I think is an extremely important issue for us in the province and a couple of times it's linked to one of the reasons – not reasons but one of the relationships is with the greater access to Crown lands is concern about food security.

Minister, I'm not aware of any in-depth discussion or planning that's going on around food security. It's a real concern that I have. It's great that we put money into the cranberry industry and I've never said no to that. I think it's great and it's really good to see it succeeding. Now I know we're looking at things like the growing of canola, though I don't think there are any commitments around that yet, but those things really do not relate to food security. So is there any discussion and planning going on?

MR. CROCKER: Yeah, there is.

I think if you go back to the budget and even *The Way Forward* update, we talk about a program this year where we're actually going to go out in a region of the province where we have some very, very good soil and we're actually going to bring the land – as a pilot project – to the state where it can be ready to be planted and encourage. Obviously, we are, we're going to encourage the growth of crops that contribute to food sustainability.

One of the things as we negotiate the new framework agreement is many of the provinces in the country are in a way different position than what we are so one of the difficulties in this negotiation is provinces want to talk about maintenance and maintaining their industry, whereas our push for our priority is really our industry, it's in an infancy stage.

MS. MICHAEL: Yes.

MR. CROCKER: So our priority will be to grow an industry that's 10 per cent today. So there's lots of opportunity, but it absolutely presents challenges.

MS. MICHAEL: Right.

I'm not saying this should happen, but I'm interested in what I'm going to say. With the

push with regard to more Crown lands becoming available and making that land that can be used agriculturally, is priority given to people who come forward to people who have that notion that what they're going to be doing is going to help with our food security issue?

MR. CROCKER: Yeah, we will certainly apply that lens. When somebody – I guess there are many ways to look at food security, but we will certainly apply the lens, realizing that, as an example, root crops are somewhere that we see as a priority.

Not dismissing the fact that you mentioned canola, for example. Our supply manage sector in the province does quite well. We're self-sufficient in everything supply managed, but the reality is the growing of crops like canola and winter wheat and cattle corn that go into the dairy industry, that's a sustainability issue as well because we're importing.

MS. MICHAEL: Yes, it is.

MR. CROCKER: But, no, there certainly has to be a focus on things like root crops.

MS. MICHAEL: I totally agree with you on the canola. Even I as I said it, I knew that we (inaudible) with regard to canola. So in that sense it's different than the cranberry, for example.

MR. CROCKER: Right.

MS. MICHAEL: Thank you very much.

They're all the questions that I have.

CHAIR: Mr. Parsons?

MR. K. PARSONS: I have a couple of questions.

Keith, the first one, you mentioned assistance program, that's for the small farmers. I know we dealt with a few in my district before. Is there a – I know on the larger ones it's 50/50. What's the ratio when it comes to small farms? Is there a budget on a certain amount of money they can request?

MR. DEERING: This particular program is also 50/50.

MR. K. PARSONS: Okay.

MR. DEERING: But we have a little bit more flexibility than we would with the federal-provincial program, the Growing Forward program and the things that we can do with this program. The Growing Forward program is actually up to 75/25 and the producer's contribution is 25 per cent.

In a national multilateral framework agreement there are a few more constraints in terms of how the money is spent. It's more focused on innovation and business risk-management programs and things like that.

Under the Provincial Agrifoods Assistance Program we're able to do more land development activities, fund farm equipment and things like that.

MR. K. PARSONS: That's another question, okay.

MR. DEERING: Yeah.

MR. K. PARSONS: So most of it is going towards equipment for farms, farm equipment, tractors. Is there any of that included in extension to barns and stuff like that? Is that the same?

MR. DEERING: Absolutely. These are things that are ineligible activities under the Growing Forward framework.

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

I have a question, you said \$3,000 per acre when you're clearing property and that's on Crown land. Is that how that works? Is that something new that's there for Crown land?

MR. CROCKER: There would have to be a lease in place to avail of that.

MR. K. PARSONS: Okay because that would be an issue for anyone who's trying to go through Crown Lands, you have to apply for the land first and then – is there a limit to the

number of acres that a person can apply for is it just ...?

MR. DEERING: There is a limit, obviously, to the amount of money that's in the program.

MR. K. PARSONS: Yeah.

MR. DEERING: Believe it or not, our applications just went up on our website yesterday, I guess, for this new fiscal year. We expect that we'll be fully subscribed in terms of the numbers of applications submitted perhaps by the end of May.

MR. K. PARSONS: Okay.

MR. DEERING: So, obviously, we have some prioritization to do and making sure we reach every corner of the province that we can with this program.

We don't want to spend it all on land development either.

MR. K. PARSONS: No.

MR. DEERING: There's no notional cap but, generally speaking, most folks are not looking for any more than \$20,000, for instance.

MR. K. PARSONS: Okay, so six or seven acres of land.

MR. DEERING: Yeah.

MR. K. PARSONS: Obviously, there's going to be a limit on it because of the amount of money that's available.

MR. DEERING: That's correct.

MR. K. PARSONS: Minister, you also mentioned about root crops and stuff like that, you talked about land that was prime. We call it prime land. Is that something that government is going to do themselves or are they going to base it on private industry to develop that piece of land? If it's Crown land, how do we go through it?

MR. CROCKER: As we've said, I think it was in *The Way Forward*, there is one piece that we're going to do a pilot project on to make the

land ready to plant, to see what expression we can get from new entrants. So this is one area, a way of trying to grow that industry and that focus will be on root crops.

MR. K. PARSONS: Okay.

MR. CROCKER: And to what extent it can be on new entrants, respecting the fact that we do have to respect our current growers.

MR. K. PARSONS: Okay.

Just a general question on Growing Forward, you said that it's going to be called Growing Forward 3, the next program that will come out I would imagine. I'd say I'll be pretty close on that one.

Are you looking for additional funding this year with the availability of people you're hoping to – I mean you're talking about food security going from 20 per cent, you're opening up all this land. Are there any negotiations that you have to be able to increase the amount that the pot is going to be?

MR. CROCKER: The position we've taken, obviously, is to ensure our priorities are met in that. The federal budget didn't really indicate a big increase in what would be in that envelope. Obviously, it's a national envelope. We actually do quite well under that program, because (inaudible) –

MR. K. PARSONS: No, that's great.

MR. CROCKER: – in Canada are treated the same way. So we get the same funding as Nova Scotia, New Brunswick or PEI, who would have larger industries.

MR. K. PARSONS: Yeah.

MR. CROCKER: But the main focus for us is to make sure we're able to get it into our priorities.

MR. K. PARSONS: That's a five-year program, right?

MR. CROCKER: It is.

MR. K. PARSONS: Okay, right.

Thank you.

CHAIR: 4.3.01 to 4.3.04 inclusive.

Shall the subheads carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, 4.3.01 through 4.3.04 carried.

CHAIR: 4.4.01 to 4.6.02 inclusive.

Ms. Michael, please.

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

4.4.01, under Supplies, last year there was about \$207,000 more spent than had been budgeted. What caused that variance?

MR. CROCKER: The variance is due to higher than anticipated demand and costs associated with pharmaceutical supplies required to deliver the program.

MS. MICHAEL: Okay.

MR. CROCKER: As you can see, we did increase the – using the zero-based budgeting, there was a budget increase over the budget of the previous '16-'17.

MS. MICHAEL: Right, and it's hard to see that when it's zero based this year but it wasn't before.

MR. CROCKER: Right.

MS. MICHAEL: Thank you.

Under Professional Services, there was \$50,000 budgeted but not spent, and this year you're going down to \$25,000.

MR. CROCKER: Yes, the variance was due to no recruitment of locums during the year.

MS. MICHAEL: Okay, thank you.

Purchased Services is going up a bit. It was revised downwards last year from the budget, but we're going up to a bit more this year over even what was budgeted.

MR. CROCKER: Yes. The variance was due to savings associated with a reduction in vehicle repairs and animal fostering costs.

MS. MICHAEL: Okay.

MR. CROCKER: Again, the increase was due to rightsizing and zero-based budgeting.

MS. MICHAEL: Okay.

Under Revenue, Minister, there seemed to be unexpected rise in that last year. What would that be?

MR. CROCKER: The variance was due to a higher than anticipated revenue as a result of burns done in the division's incinerator.

MS. MICHAEL: Okay. Which incinerator?

MR. CROCKER: We have an incinerator on Brookfield Road.

MS. MICHAEL: Right. Okay.

Thank you.

MR. CROCKER: It's (inaudible).

MS. MICHAEL: Right.

4.5.01, what was that revenue that came in provincially? It wasn't budgeted but \$12,500 came in from somewhere.

MR. CROCKER: Yes, it's a payment from Newfoundland Eggs Inc. for infrastructure investment at Deadman's Bay cranberry farm; one-time revenue.

MS. MICHAEL: Okay, thank you.

4.6.01, again my question is under the Revenue. Revenue last year was budgeted at \$150,000; only \$40,000 came in, this year up to \$55,000.

MR. CROCKER: Yes. The variance is due to lower revenue from the sale of maps, air photos and other related products.

MS. MICHAEL: Okay.

4.6.02, there is a big variance in the Professional Services.

MR. CROCKER: That was due to lower than anticipated consultant costs.

MS. MICHAEL: What would the consultant costs in this area be related to?

MR. CROCKER: Keith.

MR. DEERING: Under the Crown lands program we are often required to retain the services of assessment experts to value Crown lands and things like that for purchase and sale.

MS. MICHAEL: Okay. So that goes up and down in relationship to how much Crown lands are being sought, I guess.

MR. DEERING: Yes.

MS. MICHAEL: Thank you very much.

They are all the questions I have, Mr. Chair.

CHAIR: Thank you.

4.4.01 to 4.6.02 inclusive.

Mr. Petten, go ahead, Sir.

MR. CROCKER: He's stealing your time, b'y.

MR. PETTEN: You thought you were going to sit down. You can't do that.

CHAIR: The hon. Member is a little quick.

MR. CROCKER: I'm sorry, 4.4.01?

CHAIR: Yeah, 4.4.01 to 4.6.02.

MR. CROCKER: Okay, thanks.

CHAIR: Mr. Petten.

MR. PETTEN: Under 4.5.01, Salaries, the revised amount was \$118,000 less last year but it went up by \$138,000 this year.

MR. CROCKER: Yeah. The variance is due to lower than anticipated salary expenditures under R & D related to temporary positions and used to offset salary overruns in the production and marketing division. The salary adjustment this year, which brings it back to the \$578,000, is JES.

MR. PETTEN: Okay.

Lands, 4.6.01; the plan to move to Corner Brook, is that included in any of these figures?

MR. CROCKER: That part of the department would be better reflected in 4.6.02.

4.6.01 is the regional structure: St. John's, Gander, Corner Brook, Happy Valley-Goose Bay. We also operate satellite offices in Clarenville and Grand Falls.

MR. PETTEN: The anticipated move to Corner Brook –

MR. CROCKER: Yeah.

MR. PETTEN: – there will be leased space required.

MR. CROCKER: No.

MR. PETTEN: Is that reflected anywhere in the budget here now for 2016-17?

MR. CROCKER: No, there'll be no additional space required in Corner Brook. We'll go into our existing footprint in all likelihood in Herald Tower where agrifoods is currently located, because the new addition is agrifoods –

MR. PETTEN: So there's currently leased space within the department enough to house Crown Lands?

MR. CROCKER: Yes.

MR. PETTEN: Okay.

That's already been part of your budget?

MR. CROCKER: Yes.

MR. PETTEN: Okay.

Under 4.6.01, Salaries.

MR. CROCKER: The variance of the downward pressure was a delay in recruitment, and the slight increase this year over last year, again, was JES.

MR. PETTEN: So you say recruitment?

MR. CROCKER: There was a delay in recruitment.

MR. PETTEN: Okay.

MR. CROCKER: For the savings in '16-'17, but the \$11,000 increase in '17-'18 is related to JES.

MR. PETTEN: Another question, when it comes to this move to Corner Brook, where would the costs be for employees for moving expenses and whatnot?

MR. CROCKER: Obviously, we don't know which positions are moving to Corner Brook. So we're not sure how many people. We're doing our best to accommodate them in the current structure. That would be found through the department, no different than we would find savings for retirements or departures in other ways.

When somebody leaves a department or retires, severances and that have to be found in the existing structure.

MR. PETTEN: So as of today you don't know how many people will be actually ...?

MR. CROCKER: We're working with the –

MR. PETTEN: Yeah, the answer to my question, there's nothing officially budgeted. Really, there's nothing officially budgeted for the move.

MR. CROCKER: Yes. Relocations are not something that government has budgeted for because relocations happen all the time. Again, no different than if you have a retirement in the

department. We don't budget for retirements, but as you would understand, that's something that we find within the department. You see numbers back through Estimates tonight where you see the revised was up because of a retirement or attrition.

MR. PETTEN: Minister, what about the digitalization of all of our Crown Land records? I know they're being undertaken.

MR. CROCKER: Well, no, actually it is an undertaking that we've undertaken. We will start next week digitizing the records. We've made it a priority of the department and we're hoping – our plan is to have all the records fully digitized by the end of August this year.

MR. PETTEN: Is there a fee? Is there a cost associated with that which is included here?

MR. CROCKER: No, we'll be doing it in-house.

MR. PETTEN: In-house? Oh.

Under your Land Management, 4.6.02, I notice the Salaries are \$66,000 less. That was the elimination of a position?

MR. CROCKER: Yes, there was a lands supervisor position and there are also some salary adjustments as related to zero-based budgeting. There's a variance in it from last year, a variance due to vacancies within the division during the year and delays in recruitment.

MR. PETTEN: I was looking, actually, at last year's, for this Land Management and Development Division when it was under Municipal Affairs and the description is identical. Budgeted Salaries for 2016-2017 in last year's Estimates was \$597,000. This year it showed the budgeted amount was \$1.017 million and it landed at \$951,000, but they're mirror images of –

MR. CROCKER: We'll get it for you, b'y.

MR. PETTEN: I'm just curious. Is there something else included? Obviously, it seems to be, if you look at it. It was just out of curiosity because you're trying to compare where it's

moved, but this description and the dollars and cents is just – there's no difference in verbatim, word for word, but the Salaries are twice as much.

MR. CROCKER: We could probably provide you with more clarification, but the Land Use Planning portion of this division stayed with Municipal Affairs.

MR. PETTEN: This is not Land Use Planning.

OFFICIAL: It was a part of it. We'll have to get that from last year.

MR. CROCKER: We'll have to get it for you.

MR. PETTEN: The exact same wording here as is on this.

MR. CROCKER: I don't have last year's documents.

MR. PETTEN: I'm familiar with planning, right.

MR. CROCKER: Yeah, but I don't have last year's document in front of me. We'll certainly get you the information.

MR. PETTEN: Once I saw it, it jumped out when I was kind of thinking of ...

MR. CROCKER: Tony is going to have a crack at it.

MR. GRACE: Midway through last year we took a portion over to Crown Lands, in August, with Land Use Planning. What the Land Use Planning group does is it looks after a lot of the municipal planning. It helps with all the municipal planning within Municipal Affairs and it was thought it was a better fit to go into Crown Lands.

After the moving of Crown Lands to Fisheries, Forestry and Agrifoods, it was decided that branch of, I think it is nine individuals, would go back into MA.

MR. CROCKER: Does that help?

MR. PETTEN: No, it's gone the other way. The Salaries have actually doubled but the

description has not changed. If they were cut in half, that explanation would make sense but it's gone the other way.

MR. CROCKER: We will get you the answers, Sir.

MR. PETTEN: That's good.

Under 4.6.02, under your Purchased Services, it's \$60,000 less.

MR. CROCKER: Yeah, so the variance is due to lower-than-anticipated purchased expenditures during the year: copier costs, equipment rentals and vehicle repairs and maintenance. The number of \$352,000 is reflected from the zero-based budgeting.

MR. PETTEN: Okay.

Minister, where would the revenue come from here? It's really a substantial amount. Is that revenue for land sales or ...?

MR. CROCKER: Yes.

MR. PETTEN: \$8.5 million?

MR. CROCKER: Yes.

MR. PETTEN: Okay.

That's anticipated. It was budgeted last year.

MR. CROCKER: Yeah, so anticipated it was \$8.6 million and we sold \$8.59 million.

MR. PETTEN: I know your colleague said last week he had \$16 million in Crown Land sales so I was just trying ...

MR. CROCKER: I think what he would have been referring to was from the time we took government to present.

MR. PETTEN: Okay.

MR. CROCKER: I wasn't there but ...

MR. PETTEN: Okay, that would make more sense.

There are a few other questions I have. Yeah, I think I pretty well hit the points I wanted to hit there, but a few general questions.

Is this our last section, Mr. Chair?

CHAIR: No, there's one more.

MR. PETTEN: There's one more?

CHAIR: Yeah.

MR. PETTEN: Okay.

CHAIR: 4.4.01 –

MR. K. PARSONS: Can I ask a question, Mr. Chair?

CHAIR: Absolutely.

Mr. Parsons.

MR. K. PARSONS: I've been waiting to ask this question. Under revenue under 4.4.01, I want to know what you're burning. You said there's an increase of \$200,000. What was the ...?

MR. DEERING: We do, from time to time, have to incinerate livestock that has been dispatched or deceased and analyzed in our Foreign Animal Disease Lab. As well, we also collect, in this particular line item, a significant amount of revenue for our vet services from farmers.

MR. K. PARSONS: Okay.

MR. DEERING: Actually, what this significant increase represents as well is we had one of the largest dairy producers in Canada on the West Coast of Newfoundland who for a number of years was using his own veterinarian for his on-farm requirements. He opted instead last year to choose to use our provincial veterinarians. When we get a new customer like that who has 1,300 head of cattle to look after, the fees and all that go up dramatically.

MR. K. PARSONS: Okay.

Why didn't you increase it in this year's budget as expected revenue this year?

MR. DEERING: Well, it's a little bit unpredictable in terms of how much we will collect from each particular one. I mean we still have some farmers who will choose to use private vet services for much different reasons. It's quite possible that it will be higher than \$830,000, but that's a crystal ball-type exercise when it comes to what these folks prefer sometimes.

MR. K. PARSONS: It's just my curious mind, that's all.

MR. DEERING: Yeah.

MR. K. PARSONS: Okay, thank you.

MR. PETTEN: I thought that too, but (inaudible).

CHAIR: 4.4.01 to 4.6.02 inclusive.

Shall the subheads carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, subheads 4.4.01 through 4.6.02 carried.

CHAIR: Subheads 5.1.01 and 5.2.02 only.

Mr. Petten.

MR. PETTEN: They were done I thought, Mr. Chair.

CHAIR: 5.1.01 and 5.2.02 only.

MR. PETTEN: Okay, thanks.

Under 5.1.01, Salaries, a decrease of \$355,000 –

MR. CROCKER: Yes.

MR. PETTEN: – so how many positions were eliminated?

MR. CROCKER: There was a Clerk I position transferred from FLR to NR. There was a manager position, director of fish planning services and a director of policy and planning. A manager of communications was transferred from planning admin to executive support.

MR. PETTEN: So how many positions were eliminated, though?

MR. CROCKER: Two, or is that my –?

OFFICIAL: Two and one was created.

MR. CROCKER: And one was created. So there was the net loss of one.

MR. PETTEN: Okay.

Under Purchased Services, why the \$100,000 variance last year and it's back again, so it was \$100,000 more last year in Purchased Services.

MR. CROCKER: The budgeting to cover the lease cost associated with Fortis Tower, partially offset by savings from the expenditure to the Fisheries Advisory Council, so that falls into planning.

MR. PETTEN: Okay.

What would Grants and Subsidies be there? I know it's only a small amount.

MR. CROCKER: Grants and Subsidies there would be primarily the junior forest wardens.

MR. PETTEN: Okay.

What's the other section, Mr. Chair?

CHAIR: 5.2.02.

MR. PETTEN: Okay.

I guess under Salaries there as well.

MR. CROCKER: 5.2.02?

MR. PETTEN: Yeah.

MR. CROCKER: Okay.

MR. PETTEN: Under Fish and Wildlife Enforcement, Salaries, why the \$120,000 less if the positions were eliminated?

MR. CROCKER: Again, it was a delay of recruitment and challenges with staffing in Happy Valley-Goose Bay and other areas. This year's reflection is the reorganization – the director of inland fish and enforcement of savings, and there are some savings here from zero-based budgeting.

OFFICIAL: You are not at the right one.

MR. CROCKER: I am not at the right one?

OFFICIAL: 5.2.02.

MR. CROCKER: It is getting late.

CHAIR: 5.2.02.

OFFICIAL: (Inaudible.)

MR. CROCKER: Mr. Petten, I was right, Sir.

MR. PETTEN: You were. But that don't happen very often with her.

MR. CROCKER: No, buddy.

No, it is not very often you can get a deputy minister on the wrong page, let me tell you.

MR. PETTEN: She's usually on her game, yes.

I don't think I have anything else. I have a few other general questions I want to ask you before we finish up, but on these two sections I'm good.

MR. CROCKER: Okay.

CHAIR: Ms. Michael, 5.1.01 and 5.2.02 only.

MS. MICHAEL: I think all the questions I wanted to ask have been asked in those two sections.

CHAIR: Okay.

MR. PETTEN: Do you want to do the vote first? I had a few questions to ask.

CHAIR: These are just general questions?

MR. PETTEN: Yes, you can go ahead there.

CHAIR: Okay.

Before we get to just general questions, 5.1.01 and 5.2.02, shall the subheads carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 5.1.01 and 5.2.02 carried.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Estimates of the Department of Fisheries and Land Resources, total heads, carried.

CHAIR: Shall I report the Estimates for the Department of Fisheries and Land Resources carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: Mr. Petten, if you have a few questions and some closing remarks.

MR. PETTEN: Yes, I do.

Minister, you referenced a pilot project undertaking a large-scale land development on priority areas of interest.

MR. CROCKER: Yes.

MR. PETTEN: Is there anything budgeted for that this year? Is that for root crops or ...?

MR. CROCKER: That will come out of our provincial agriculture program.

MR. PETTEN: Your what?

MR. CROCKER: We would use our provincial agriculture program to do that.

MR. PETTEN: Okay.

MR. CROCKER: Because that, obviously, it's a contribution just in a different form to a farmer.

MR. PETTEN: Okay.

What revenue is expected from Mistaken Point this year?

MR. CROCKER: Anticipated revenue?

MR. PETTEN: Yeah. Where will the revenue expected from Mistaken Point this year go to? Will that go in general revenue or into Mistaken Point itself?

MR. CROCKER: Yeah, that would go to general revenue.

MR. PETTEN: Okay.

Is the Crown Lands move still scheduled for July 1?

MR. CROCKER: Yeah, July; that's the plan.

MR. PETTEN: Okay.

I think that's pretty well it. Two other things I want to ask you now and then I'm done. It's been a long day. I had Estimates this morning too.

The details you offered to provide, the technical briefing, plus the other details, could we expect to get them in short order or ...?

MR. CROCKER: Certainly in 2017 – no ...

MR. PETTEN: Good answer.

MR. CROCKER: I'll leave it in capable hands. I'm sure the deputy minister will get that to you in short order.

MS. COMPANION: We'll get you the information on the list of positions shortly. We'll send it to you in the next couple of days.

MR. PETTEN: And also some kind of technical briefing (inaudible) confusion.

MS. COMPANION: Absolutely.

The minister of I are out for a couple of weeks, but we'll make sure when we're all back –

MR. PETTEN: Yes.

MS. COMPANION: – we'll get you in for a briefing, and we'll include you, Ms. Michael. The executive will do a good briefing for you.

MR. PETTEN: Also we were wondering could we have your Estimates binder.

MS. COMPANION: Yes.

MR. PETTEN: I don't want the laptop; I'll just take the binder.

MR. CROCKER: No, I do not have a laptop.

MS. COMPANION: We got your binder.

MR. CROCKER: We got you a binder.

MR. PETTEN: Perfect.

On that note, I want to thank each and every one of you for your time and thank you, Minister, for your answers to questions.

MR. CROCKER: Any time, Barry – or Mr. Petten.

MR. PETTEN: Barry is good.

Thank you very much.

CHAIR: A few closing remarks, Ms. Michael, or any questions?

MS. MICHAEL: Closing remarks – I was going to ask for the binder also and that's been taken care of.

Once again, thank you very much, Minister, to you and your staff. We got good answers to the questions that we asked and the willingness to continue making sure we're informed is much appreciated.

Thank you very much.

CHAIR: Mr. Parsons, a few closing remarks?

MR. K. PARSONS: I have a couple of general questions too that I want to ask. It's going back to the fishery

MR. CROCKER: Knew that.

MR. K. PARSONS: They are just general questions.

I want to know in the seafood development program, is there any funding available this year under that program?

MR. CROCKER: The seafood development program, yeah, \$200,000 that's consistent with last year.

MR. K. PARSONS: Okay.

I also want to ask a question: Are there any money being allocated at all this year under seals, for a seals program or anything at all. The only thing I saw under seals was –

MR. CROCKER: In years previous, including I guess last year, there was a request from one of the processors for some funding. At the end of the day, they didn't avail of it. We did put a package together for him. This year there hasn't been a request.

We will be participating in a National Seal Products Day in May. So we will contribute some money to that, not a large amount. At this

point in time, we haven't received a request for assistance from any seal processor.

MR. K. PARSONS: Is the department interested in doing any marketing when it comes to seal products? We know seal oil right now is at a premium. We know that even seal meat today is becoming more – people want more of it. What is the department doing about any marketing when it comes to seals?

MR. CROCKER: We work closely with the Canadian Sealers Association and we recognize the challenges there. One of the challenges with marketing when it comes to seals, there are not a lot of places left in the world where we can market it. The US is closed to us. The European Union is closed to us. Really, all we have left right now is the Asian market. I guess to some extent we're satisfying that with oil because, unfortunately, right now the demand is oil, meat and pelts.

Today in the province, we have I think approximately 90,000 pelts in stock in storage. So the fur side of it is really not the business of the future, but with that being said, in some way seal has to be slow and steady because we've seen it coming back. We're back to hopefully a harvest of 100,000 this year. Our two producers are doing relatively well. They're comfortable in what they're doing but still face a lot of challenges.

We've been clear with the federal government, as they move towards – if there's going to be a free trade agreement with China, we want to make sure that at no point in time seals are left out of that agreement with China because the reality is China is practically our last market.

MR. K. PARSONS: Well, I'm more or less concerned about the Canadian market. I saw recently, just in British Columbia, where a guy put it on his menu as one of the new items to see and the thing was sold out completely.

MR. CROCKER: Yeah.

MR. K. PARSONS: People flocked to get it. I think if marketing was done locally, in Canada we could probably do a lot more with the seal industry.

I see a lot of people, even in Newfoundland it seems like the seal boots and coats and hats are increasing.

MR. CROCKER: Absolutely.

MR. K. PARSONS: We should have some money allotted to the Canadian market. Ontario and Quebec and the rest of Canada, I'm sure if the availability of seal fur and oil and meat were more available – like BC was just something that came out of the blue. He tried it on his menu and the next thing it's global.

MR. CROCKER: I'm just going to go off on a separate tangent for a second. I had this discussion yesterday in Ottawa. We have strong support right now from Nova Scotia and Quebec for action on seals because we see a massive opportunity in redfish in the Gulf and the South Coast, but we're already seeing the grey seal, the parasite is infecting groundfish.

As you know, the grey seal doesn't have the value of our harp. So Nova Scotia has long pushed the federal government for a cull of grey seals, and we would support that. Listen, any opportunity we have to expand the seal industry – because it's extremely important. I think the seal harvest opened today, and if you look around the bays there are seals everywhere. We never saw that before.

MR. K. PARSONS: Two boats went off Flatrock this morning and came back fully loaded.

MR. CROCKER: Exactly. The scary part of that, the troubling part, is those seals are eating something.

MR. K. PARSONS: What research is getting done on this? Is there any –?

MR. CROCKER: DFO is actually doing a seal survey.

MR. K. PARSONS: They're doing a study, yeah.

MR. CROCKER: The first time in five years.

MR. K. PARSONS: That's a count.

MR. CROCKER: Yeah.

MR. K. PARSONS: But we have to get DFO to do one on what seals are eating and the effect they're having on –

MR. CROCKER: I hear you, but we know what they're eating.

MR. K. PARSONS: They don't.

MR. CROCKER: They're eating fish.

MR. K. PARSONS: Yeah.

MR. CROCKER: My predecessor said I haven't seen one at KFC yet.

MR. K. PARSONS: No.

MR. CROCKER: A long time ago he was the predecessor.

MR. K. PARSONS: Okay. I'd just like to see more money put into some kind of marketing, especially when it comes to the seal industry. We see a lot of harvesters out there now with the reduction in shrimp, crab, cod not ready to come back on the table as a – for revenue.

MR. CROCKER: It's certainly a valuable industry.

MR. K. PARSONS: And I believe the Canadian market could generate a good bit of money when it comes to the seal industry.

Anyway, I'd like to thank everybody. Thank you for great answers, I really appreciate it.

Thank you very, very much.

CHAIR: Before we close off, just a couple of housekeeping duties.

First of all, the Chair would entertain a motion to accept the minutes of the Committee meeting at May 9, 2016.

I need a mover.

MR. FINN: So moved.

CHAIR: So moved by John Finn.

Secunder?

Seconded by Kevin Parsons.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, minutes adopted as circulated.

CHAIR: Just to announce, the next meeting of the Resource Committee will be on May 1 at 6 p.m. We will be having our meeting with Tourism, Culture, Industry and Innovation.

I, too, want to thank the minister and his staff of the Department of Fisheries and Land Resources and to the Resource Committee and staff as well, and to our Table Officer this evening.

The Chair now would entertain a motion to adjourn.

Moved by Derek Bennett.

All those in favour, 'aye.'

Carried.

On motion, the Committee adjourned.