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**Proceedings of the Standing Committee on  
Resources**

May 9, 2017 - Issue 4

Department of Advanced Education, Skills and Labour

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## **RESOURCE COMMITTEE**

Department of Advanced Education, Skills and Labour

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Chair: Brian Warr, MHA

Vice-Chair: Kevin Parsons, MHA

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

Clerk of the Committee: Sandra Barnes

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Appearing:

### **Department of Advanced Education, Skills and Labour**

Hon. Gerry Byrne, MHA, Minister  
Genevieve Dooling, Deputy Minister  
Glenn Branton, Chief Executive Officer, Labour Relations Board  
Debbie Dunphy, Assistant Deputy Minister, Corporate Services and Policy  
Rob Feaver, Director, Student Financial Services  
Bren Hanlon, Departmental Controller  
Gordon MacGowan, Executive Assistant  
Walt Mavin, Director, Employment and Training Programs  
Donna O'Brien, Assistant Deputy Minister, Regional Services Delivery  
John Tompkins, Director of Communications

### **Also Present**

Ivan Morgan, Researcher, Third Party Office  
Jenna Shelley, Student Researcher, Official Opposition Office  
James Sheppard, Researcher, Official Opposition Office

The Committee met at approximately 9:05 a.m. in the House of Assembly.

**CHAIR (Warr):** Good Morning.

Welcome, I guess to the final chapter of our Estimates Committee meetings for Resource. Before we get underway, just some housekeeping duties and they are the minutes of May 8. I'd certainly ask someone to move the minutes of that particular meeting.

**MR. DEAN:** So moved.

**CHAIR:** So moved by MHA Dean.

Thank you.

On motion, minutes adopted as circulated.

**CHAIR:** I'd like to welcome everybody this morning. Before we get underway, I'll ask probably Mr. Brazil on the Committee side to introduce themselves, and then I'll turn it back over to the minister to introduce his department as well.

Mr. Brazil.

**MR. BRAZIL:** David Brazil, MHA, Conception Bay East – Bell Island.

**MR. SHEPPARD:** James Sheppard, Research, Official Opposition.

**MS. SHELLEY:** Jenna Shelley, Research Student, Official Opposition.

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

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

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

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

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

**CHAIR:** My name is Brian Warr, and I'm the MHA for Baie Verte – Green Bay.

Minister Byrne, we'll turn it over to you for your opening remarks. You have 15 minutes, and you can ask your staff as well to introduce themselves.

Thank you, Sir.

**MR. BYRNE:** Mr. Chair, I thank you again for leaving the best for last. I will try not to use my full 15 minutes because I think that questions would be more valuable and more pertinent, but I do want to say thank you to the Committee for the opportunity to appear before them on Estimates.

Before I begin, I would like to introduce this esteemed and august cast of characters that have assembled with me, beginning with myself, Gerry Byrne, Minister of Advanced Education, Skills and now Labour. Since the last Estimates meeting the Labour portfolio has been added to my portfolio, and that's been very, very interesting and quite a task but still, at the same time, it's something I've really enjoyed taking on as well.

With me, Mr. Chair, colleagues, is Genevieve Dooling, my Deputy Minister of Advanced Education, Skills and Labour. Gig, if you could take now and just walk through – we'll ask everyone to introduce themselves, Mr. Chair, with your indulgence.

**MS. DOOLING:** I'm Genevieve Dooling, the Deputy Minister of Advanced Education, Skills and Labour.

**MR. HANLON:** Bren Hanlon, Departmental Controller, Advanced Education, Skills and Labour.

**MS. DUNPHY:** Debbie Dunphy, Assistant Deputy Minister of Corporate Services and Policy.

**MS. O'BRIEN:** Donna O'Brien, Assistant Deputy Minister of Regional Services.

**MR. MAVIN:** Walt Mavin, Director of Employment and Training Programs.

**MR. TOMPKINS:** John Tompkins, Director of Communications.

**MR. MACGOWAN:** Gord MacGowan, Minister Byrne's Executive Assistant.

**MR. FEAVER:** Rob Feaver, Director of Student Financial Services.

**MR. BRANTON:** Glenn Branton, CEO of the Labour Relations Board.

**MR. BYRNE:** Thank you very much, Mr. Chair, for this opportunity again.

As you can tell, we have a very esteemed group of individuals that will be able to – any questions that I may require some additional assistance with in terms of providing a full and complete answer I'll occasionally call on officials to be able to do so with your indulgence.

I want to say thank you again to the Committee. Each and every one of us I'm sure and confident are very much aware that the Department of Advanced Education, Skills and Labour touches the lives of Newfoundlanders and Labradorians on many levels every day, whether that's through skills training, student financial assistance, labour relations or various social and economic supports. The objective of this department is to help people. We are guided by the philosophy that we should do everything possible to meet our commitments in *The Way Forward* to enable people to live independent and fulfilling lives.

We want to ensure that only the best of services and programs are offered to Newfoundlanders and Labradorians to help them achieve employment and independence. Given the width and breadth across the department with an expansive responsibility for social and economic development, resources are shared across divisions, always guided by the goal of being more responsive in the development and delivery of programs and services.

I would like to take a moment to highlight some notable developments over the past year. For example, the former Labour Relations Agency was incorporated into the department, a natural link in my opinion given the department's focus on learning, working and supporting individuals and employers in building a strong workforce and a more diverse economy.

I'd like to say that the addition or the inclusion of the Labour Relations in to the department has been a tremendous asset and they and their skills of that particular team have advanced the department's overall acumen and capacity tremendously, and I truly appreciate the fact of the professionalism that they have brought to us and with us.

We launched, Mr. Chair, *The Way Forward* on immigration in Newfoundland and Labrador just recently. This is the province's new Immigration Action Plan. It's based on engagement, partnership and collaboration, and details the steps all Newfoundlanders and Labradorians can take to increase immigration and improve immigrant retention.

We also announced two minimum wage increases, Mr. Chair. The first of which has already come into effect, which will bring our minimum wage raise to \$11 per hour by October of this year. This brings us in line with other Atlantic Canadian provinces. We also held a series of consultations throughout the province to identify the most appropriate way for Newfoundland and Labrador to index its minimum wage. Workers, employers, labour and business organizations, and anti-poverty and student advocacy groups all provided their input through this consultation process.

In *The Way Forward* the provincial government committed to modernizing the College of the North Atlantic so its network of campuses throughout the province can be better served as economic generators and community hubs to support entrepreneurship, innovation, research and development. We engaged the College of the North Atlantic to conduct an uncompromising review of its critical issues and future opportunities. CNA's leadership did this in great detail, providing a frank and honest examination, as well as outlining a clear plan for modernization. We will continue to work closely with CNA to ensure that the next steps in its modernization plan are taken and they effectively address the critical issues identified.

We also convened the Council on Higher Education, which will identify opportunities for increased collaboration and sharing of resources between Memorial University of Newfoundland and the College of the North Atlantic. Areas of

interest include international recruitment and retention, administrative processes, research, contract training, the marine and agricultural sectors as the two in particular and opportunities to expand training in Labrador.

In consideration of some of the specific budget highlights, the Department of Advanced Education, Skills and Labour is responsible for \$870.7 million of the provincial budget. This is about 10.5 per cent of the entire provincial budget. Through cost-saving measures such as zero-based budgeting and adopting a new management structure, this represents a savings over previous years of \$5.3 million.

*Budget 2017* investments include \$316 million to Memorial University, not including its medical school; \$56.4 million of which is provided with the expectation the Board of Regents will maintain the tuition freeze for Newfoundland and Labrador students; \$89.1 million has been granted in aid to the College of the North Atlantic, including \$11.6 million provided with the expectation that the College maintain the tuition freeze for Newfoundland and Labrador students; \$223.8 million is being allocated for Income Support; \$5.6 million to student financial assistance; and our new federal assistance first approach is guided by the principle of maximizing all federal assistance available before provincial assistance kicks in. This will allow an additional \$2 million in federal government student loans and assistance to be released over the previous model which will benefit approximately 1,100 additional students.

Mr. Chair, \$14.1 million for employment preparation and maintenance programs has been offered, including for persons with disabilities; \$6.7 million for high school and post-secondary student employment programs are on top; as well as \$2.2 million in provincial funding to the Office of Immigration and Multiculturalism to implement the Immigration Action Plan. This is effectively doubling our investments to support immigration. This is also in addition to \$1.5 million in federal funding for the plan. The plan will support engagement and collaboration initiatives, including partnering with stakeholders to increase immigration by 50 per cent and welcoming approximately 1,700 immigrants annually by 2022.

As a government, we have been required to find efficiencies wherever possible throughout our programs and services due to the fiscal situation. Regardless of the fiscal situation we are facing, it is just responsible and reasonable to do so. We will continue to find ways to do things better and more efficiently while still providing the best services to residents of Newfoundland and Labrador.

Mr. Chair, I thank you for allowing me this opportunity to make these opening remarks and I'd be very happy to take questions concerning the department's budget Estimates.

**CHAIR:** Thank you, Mr. Byrne.

Just before we get started, for those who are answering questions, just state your name. If Minister Byrne passes a question on to someone else, just state your name, wait for your tally light to come on and go ahead with your answer. Just with –

**MR. BYRNE:** If I may interject, Mr. Chair, I know it is the norm to be able to give a binder, the information, to members of the Committee as soon as possible. I'd like to do it right now so that you can follow along, if that's okay.

**CHAIR:** So while Minister Byrne is doing that, we'll be calling the subheads by branch. If you don't get enough time to ask your questions in the first 10 minutes, we'll come back.

I'll ask the Clerk to call the first subhead, please.

**CLERK (Barnes):** Okay.

1.1.01 through 1.2.03 inclusive.

**CHAIR:** 1.1.01 to 1.2.03 inclusive.

Mr. Brazil, please.

**MR. BRAZIL:** Thank you, Mr. Chair.

I welcome the minister and the officials from AESL. No doubt, I see some familiar faces there. I know the commitment and I know the skillset of not only the senior officials in the department but a lot of the front-line workers. So I have a unique, I would think, appreciation for the valued work of the department, and

particularly the benefits it has for the citizens of this province.

While I do, sometimes I may probe to get a little bit more information because I've sort of been out of the loop for a few years. The fact that the minister has done, very eloquently, due diligence in outlining exactly what the department does, but also in providing the Estimates binder makes it a little bit easier for us to be able to stick to asking key questions for clarification purposes as part of the process.

So I do ask, if it's not outlined in the binder, if we can, over the next period of time, get an organizational chart with the staffing and particularly any – the key thing here because I know there's been some reductions that have been taking place in the department, particularly at senior levels in management, if we could have then what has changed, even those who have gone out of it and who has picked up their responsibilities. That way it would make an even flow in my understanding and the Opposition's understanding of how the services are still being provided. I do ask that if you could provide that over the next number of days, please.

I'll take it line for line, just for clarification points. Some may be minor amounts for just clarification of what is covered; others may be relevant to a debate on who is now offering a particular program or is that program still being offered by the department.

I'll just start quickly with 1.1.01, Minister's Office. Minister, just under Salaries, I noted the revised is down somewhat; just a quick explanation as to what the change there was.

**MR. BYRNE:** Mr. Chair, with the Salaries there were two events. There was a revision up from last year, but in terms for this particular year compared to last year: zero-based adjustment requirements for 2017 and '18 to pay three individuals, which now include the minister, the executive assistant and the secretary. Last year, we did have severance pay and leave entitlements for my administrative assistant, my secretary, who retired. That's one of the reasons why the revised estimates from last year were a little higher than what they are this year.

**MR. BRAZIL:** Okay, thank you on that.

Could I just ask the subheads that you called for?

**CHAIR:** 1.1.01 to 1.2.03.

**MR. BRAZIL:** Okay. I'm going to Executive Support. Under Transportation and Communications, I noticed from the budget, in 1.2.01, of \$75,400 originally, \$60,400 was spent. Now, we're into \$49,100. What are the changes there? What's the anticipated drop in travel?

**MR. BYRNE:** Which subheading are we at, Mr. Brazil?

**MR. BRAZIL:** 1.2.01, under Transportation and Communications.

**MR. BYRNE:** Yes, understood, thank you.

In Transportation, there is less than anticipated travel for certain executive members related to federal-provincial-territorial meetings. The decrease is partially due to departmental zero-based review of the FPT travel requirements. Nine FPT trips are planned for the deputy minister and one for the ADM for 2017-'18, including immigration, LMDA negotiations, post-secondary FPT meetings, as well CAMET and several others.

While my duties – I just point this out – as the Minister of Labour have somewhat advanced or increased my personal travel requirements to attend federal, provincial and territorial meetings, we've tried to, through zero-based budgeting, reduce the amount of support that I receive during the course of those meetings to be able to trim costs.

**MR. BRAZIL:** Fair enough.

Mr. Chair, that's all I have in that subhead.

**CHAIR:** Thank you.

Ms. Michael, 1.1.01 to 1.2.03 inclusive.

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

Good morning, Minister, and good morning to your officials and other staff, and thank you for

the binder. You'll understand if we don't use it completely during this because we do have our own notes –

**MR. BYRNE:** Understood.

**MS. MICHAEL:** – and we will be checking things afterwards. If at any point I do ask something that is totally, clearly spelled out there, tell me, unless it's pertinent to going forward with my questions.

Thank you very much, Minister.

In 1.2.01, I know you gave us an overview with regard to positions, Minister, but could you explain the salary line? I'm assuming this was part of some of the restructuring.

**MR. BYRNE:** Yes, you can tell, there has been a drop in the salary line. Savings result from partial year vacancy of the ADM of Corporate Services – I'm delighted to have Deb Dunphy back – and the deputy minister's secretary. There's been a full-year vacancy of contract positions in Communications and, in the downscale, hired for a certain decision on the manager of Communications for a partial year.

A portion of the ADM's salary, while acting in a dual role – as you are aware, my post-secondary ADM was also acting president of the College of the North Atlantic. In that dual role, there was a split and some of the salary was charged to CNA, approximately \$45,000 of which, so I think that may explain that.

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

And just for my own information then, because we will use this, we have downloaded the salary report from the website that is put up by Finance, I understand. I'd like to know, to your knowledge, and I'm sure you don't check this out on a daily basis, but is this up to date?

**MR. BYRNE:** To my knowledge, it is up to date, but I will ask my deputy minister to certify that.

**MS. MICHAEL:** Okay, good. I'm glad to see it, but here all of the positions under Executive Support are permanent positions now. Is that correct?

Right, great. Thank you very much.

**MR. BYRNE:** Thank you.

**MS. MICHAEL:** I don't have any more on that section.

Under 1.2.02, could we come down to Purchased Services? There's a big change here. The Purchased Services last year were budgeted, approximately, at \$2.9 million, revised down by approximately \$205,000 and the budget for this year is \$360,000 below the budget for last year.

**MR. BYRNE:** Yes, thank you for that question.

Basically, in terms of Purchased Services within this particular line item, lease savings is what's driving these particular savings.

**MS. MICHAEL:** Which savings, I'm sorry?

**MR. BYRNE:** Lease savings.

**MS. MICHAEL:** Oh, okay.

**MR. BYRNE:** Yeah. For example, there were lease savings of approximately \$30,000 which was a prior-year decision; the movement of the Document Processing Unit into the Petten Building. There was lease savings of \$120,000 approximately, which was integration of smaller offices into larger employment centres. There was a decrease of \$72,500 due to departmental zero-based review of some of the lease requirements. There were decreases in lease costs related to Metro Place for six months of \$136,800. Which I think are very important because, of course, leases are not necessarily front-line services, they're ways to save money without reducing the overall service footprint.

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

Under the Salaries in this subhead as well, there's a difference of \$63,700 in the budget line from last year to this year.

**MR. BYRNE:** Yes, thank you for the question.

In that particular item there was a zero-based increase of \$64,000. I just want to make sure that I'm reading that correctly.

Yeah, there was a zero-based increase of \$64,000 to rightsize the salary plan, offset by attrition management of the previous government of \$42,900, and management restructuring reduction of \$85,500 for the manager of financial policy and external relations also did occur. So the consequence was the savings that you see in that particular line item.

As well, there was an additional savings related to just simply a partial vacancy of a Clerk III position. That brought the revised revision down. It created a revision of \$20,000 from the 2016-'17 original budget.

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

Under 1.2.03, again in Salaries, do we have an elimination of positions in this area as well?

**MR. BYRNE:** There is a forecasted adjustment. I believe your question is in this year's Estimates it's down by about \$440,000 from the 2016 figure.

**MS. MICHAEL:** Correct.

**MR. BYRNE:** There is a forecast adjustment as a result of the attrition management plan that was brought forward and, of course, that was instated by the previous government. That resulted in a savings or will result in a savings of \$33,400. There was a comprehensive salary plan to rightsize the overall spending pattern which was part of the departmental zero-based review. That provided a \$200,000 savings, and there was also a management restructuring which was the reduction of two director positions for a budgetary difference of \$206,700.

**MS. MICHAEL:** Minister, do you have the details of those director positions and how the work of those positions has been redistributed?

**MR. BYRNE:** We do. In actual fact – I'd ask my deputy minister to speak to that now because it may be useful. We can actually probably supply material sooner rather than later if that's possible, Deputy.

**MS. DOOLING:** Absolutely. Thank you, Ms. Michael, for the question.

What had happened here, as the minister has alluded to previously, the former Labour Relations Agency was pulled into the Department of Advanced Education and Skills during the year. They had a strategic planning and policy shop, as did the department proper.

As well, there was a quality assurance division that we had. So what we did was we took those three, because there was a director for policy in the department, a director in the former Labour Relations Agency and a director of quality assurance. Through the management restructuring opportunity, we collapsed those three small divisions into one division. So we had an elimination of two directors' positions, one being a policy director, to avoid duplication and one being the quality assurance because that work was assumed by the remaining director of policy, and as well by senior management for quality assurance.

That's how the work was absorbed within the department. It was actually collapsing three small divisions into one.

**MS. MICHAEL:** What is the name of the new division?

**MS. DOOLING:** It's strategic planning, policy and quality assurance would be the new name of the division.

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

**MS. DOOLING:** You're welcome.

**MS. MICHAEL:** That's very helpful.

Again under 1.2.03, under Purchased Services, obviously there's a major change here. We're gone from \$322,800 down to \$10,400. What was this about?

**MR. BYRNE:** That is a significant change down by \$312,400 from the 2016-'17 original budget. This is indeed a zero-based budget review decrease due to office lease budgets being transferred to Labour Standards Division, which is \$225,000, the Labour Relations Board, \$75,600, with savings of \$11,800.

So it's really a change in ownership and controllership of those funds. The Labour Policy



and Labour Standards have been relocated to the Confederation Building now.

**MS. MICHAEL:** So that's what I was going to ask, this must have to do with the restructuring?

**MR. BYRNE:** Yes.

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

I think that's all I have, Mr. Chair.

**CHAIR:** Thank you, Ms. Michael.

Can I have the Clerk recall the first set of subheads, please?

**CLERK:** 1.1.01 through 1.2.03 inclusive.

**CHAIR:** 1.1.01 through 1.2.03 inclusive.

Shall the subheads carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.2.03 carried.

**CHAIR:** Can I have the Clerk call the next subhead, please?

**CLERK:** 2.1.01.

**CHAIR:** 2.1.01.

Mr. Brazil.

**MR. BRAZIL:** Just directly on Salaries there, the decrease of \$600,000 from what was budgeted to less than \$400,000 from the revised. Is that a number of staff gone? Is there a change in the structure? Can you just explain the loss there, please?

**MR. BYRNE:** Thank you for the question.

This is a result of management restructuring, as you anticipated. There was a management

restructuring reduction of five positions: the manager of Income and Social Supports; there were two regional manager positions for Employment Services; manager of Corporate Services; and a Client Services manager. The reduction of those positions we're able to achieve savings of \$440,900.

The forecast adjustment, the attrition management plan of government as well, is responsible for \$350,000 from previous years, and comprehensive salary plan right-sizing as part of the departmental zero-based review results in \$228,000 in savings.

**MR. BRAZIL:** Do you anticipate any impact on being able to deliver the services from a decision-making point of view with regional managers being out of the queue?

**MR. BYRNE:** We don't anticipate any change in service levels. We've been able to consider previous workloads, changing work patterns, changing demands, and we feel very confident that there will be no impact on services to clients.

Deputy, are there any additional points you would like to add, or is that summarizing it?

**MS. DOOLING:** I think that's correct, Minister.

What we've done in a number of areas, if a manager was responsible for Employment Support and in the small areas, plus we had a manager of Income Support in the regional, we've had the individual now take both programs to administer. This is actually a really good opportunity, because we can see the natural links between people coming in to apply for Income Support and rather than leave them on the caseload, it gives us an opportunity to work with those clients to try to prepare them for the employment piece as well to move them off the caseload.

So, in fact, it was very strategic because you have the one manager who is looking at both programs now to try to use the Income Support client caseload as an opportunity to enhance their skills and to move them to employment.

**MR. BRAZIL:** Yes, it makes sense.

The numbers, what are you anticipating the numbers for intake of Client Services officers seeing here? Are we talking an increase? Is there a trend on the decrease? The collaboration of the two, is it now you're going to get a different type of client coming through the door?

**MR. BYRNE:** In terms of our intakes, I'll be candid and say there was an anticipation of certain increases in client intake, which did not actually occur. It did not materialize as we were prepared for it.

Would Donna be able to speak to some of the – our change, our delta in client intake.

**MS. O'BRIEN:** Thank you, Minister.

In terms of our intake process related to the Income Support program, as the minister identified, we were prepared and expecting an increase in that caseload given some changes in the economic environment; however, that has not materialized. We continued to see a reduction in our Income Support caseload.

In terms of attachments to Employment Services, we're focusing our attention now in terms of supporting Income Support clients to move towards the labour market and preparing them for employment.

**MR. BRAZIL:** Okay, great.

Is there any way over the next few days I could get the numbers on what the clientele, the numbers of clients were in 2015-16 and anticipated 2017? Just for a comparable process, I appreciate that.

**MS. O'BRIEN:** Mr. Brazil, that information is available on our Intranet site. So I'll certainly make copies of that and provide them to you.

**MR. BRAZIL:** I appreciate that. Thank you.

Under Transportation and Communications, I've noticed it's up a little bit. I'm assuming now there's going to be a different approach or more hands on by managers or front-line staff to be able to go where clients are in some way, shape or form, or promote the services that are being offered?

**MR. BYRNE:** Yes, within the previous fiscal year there were – discretionary travel was certainly monitored and reduced wherever possible just to get to the baseline to this. For example, the use of video conferencing, telephones, skype and other things were fully utilized. It's still down. In the current fiscal year compared to budget of last year, we are down by approximately \$23,000. The decrease is due to, again, departmental zero-based review of recent travel requirements.

The closure of offices in 2016 and 2017 did necessitate some level of increased transportation, which we anticipated. That was the intent, was that we would not leave clients without the capacity to have face-to-face meetings with the ASL case officers and staff. While we were able to achieve significant savings through office consolidations, there would be naturally a bump in certain travel requirements to allow staff to be able to meet expectations of clients.

**MR. BRAZIL:** I appreciate that.

One last question in that subhead there: Purchased Services. Give me a little bit more detail on Purchased Services.

**MR. BYRNE:** The estimates are down compared to last year just in terms of the budget itself. The revised budget, we anticipated – last year we budgeted \$374,000. Those purchases did not materialize.

But where Purchased Services do come in, they were revised down by \$54,000 in '16-'17 with the eight office closures, and the discretionary purchases were quite limited and the decrease due to departmental zero-based review. So we'll continue.

There was a conclusion that was reached that in terms of Purchased Services we would still need \$367,000. If that changes, if that is not used, of course, we'll report it accordingly.

**MR. BRAZIL:** Can you give me a little bit more detail? What kind of purchased services are we talking here?

**MR. BYRNE:** Funding is provided mostly under Purchased Services for leasehold

improvements. For example, there were \$24,000 in certain leasehold improvements; there are Managed Print Services where our Managed Print Services accounted for \$130,000. I believe that's the Xerox, is it?

**OFFICIAL:** It is and the printers and that.

**MR. BYRNE:** That's the Xerox contract from several years ago.

Video conferencing services at \$55,000, security guard services at certain of our locations at \$32,400. We do require shredding services given the confidential nature of a lot of our documentation. Shredding services come in at \$38,300. We do incur banking fees. Banking fees are \$3,600, business insurance at \$10,000 and general purchased services at \$74,400.

For example, I mentioned security guard services. There is one full-time security guard provided through contract with a local company at one of our St. John's employment centres. This is a pretty high-traffic area, which I think it's a prudent and responsible decision to take to offer some security to staff, given the circumstances that sometimes may or may not evolve at a location such as that.

**MR. BRAZIL:** So these are standard purchased services? Any unique ones that you would expect? You just outlined, obviously, a security guard would be unique in government processes, no doubt.

**MR. BYRNE:** Yeah.

**MR. BRAZIL:** Anything new that may be on the horizon that you've budgeted for?

**MR. BYRNE:** None that I'm aware of. I'll ask my deputy minister to certify that.

**MR. BRAZIL:** Okay, I appreciate that.

**MS. DOOLING:** No new ones, per se. When you look at the budgeted amount for '16-'17, Mr. Brazil, compared to '17-'18, you'll actually see a small decrease. That decrease by combing every expenditure under that line item.

**MR. BRAZIL:** Fair enough.

That's the only questions I have for 2.1.01.

**CHAIR:** Thank you, Mr. Brazil.

Ms. Michael.

**MS. MICHAEL:** All of my questions have been asked.

Thank you.

**CHAIR:** Okay, can I ask the Clerk to recall the subhead, please.

**CLERK:** 2.1.01.

**CHAIR:** 2.1.01.

Shall the subhead carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subhead 2.1.01 carried.

**CHAIR:** Can I ask the Clerk to call the next set of subheads, please.

**CLERK:** 3.1.01 through 3.2.07 inclusive.

**CHAIR:** 3.1.01 to 3.2.07.

Ms. Michael, if you'd like to start this round, please.

Thank you.

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

So we're looking at Income Assistance Minister, if we could just have an explanation for the small decrease in the Salaries. It looks like it could be a position, but maybe it isn't.

**MR. BYRNE:** Yes, thank you for the question.

It's down by \$59,900 from the 2016-'17 original budget. There was a zero-based adjustment to rightsize the salary budget by \$40,000. That was

offset by management restructuring which was the reduction of one position, which was approximately \$100,000.

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

It's only down by \$59,900 so –

**MS. DOOLING:** It's the net of the two.

**MR. BYRNE:** Sorry, it's the net of the two.

**MS. MICHAEL:** Oh.

**MR. BYRNE:** Deputy, would you like to explain that further?

**MS. DOOLING:** Absolutely. Thank you, Ms. Michael.

Actually, what had happened was there was \$40,000 more put into this line item to rightsize the budget, then, of course, we take away \$99,000 for the removal of one management position, so when you net the two –

**MS. MICHAEL:** Okay.

**MS. DOOLING:** – that's when you come up with the \$59,900. I hope that clarifies it.

**MS. MICHAEL:** It certainly does, yes.

Thank you very much.

**MS. DOOLING:** You're welcome.

**MS. MICHAEL:** Minister, I'm interested in the decrease in Income Assistance. I remember last year, of course, I know there's been an ongoing decrease. Have you done an analysis because it's down quite a bit? The budget this year would be down \$7 million from last year's budget. Have you done an analysis of why we're seeing this drop in Income Assistance?

**MR. BYRNE:** One of the major drivers of the reduction is not a reduction in actual assistance to clients. You may recall there was a decision taken in last year's budget to work with the Department of Health and Community Services on medical transportation assistance for Income Support clients. As you are aware, this is non-emergency transportation assistance for Income

Support clients who are attending to more routine medical matters. That funding of \$6.4 million was indeed transferred to the Department of Health to better utilize.

The Department of Health and Community Services has more capacity to be able to understand the health needs –

**MS. MICHAEL:** Excuse me, Mr. Chair. I hate to do this, but I do have a hearing problem and the external noise that is coming, I really can't focus on the minister. Even though I have an earpiece in, I have to ask for order.

**CHAIR:** Thank you, Ms. Michael.

I'd ask all Members to co-operate with the request.

Thank you.

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

I appreciate it. I'm sorry to have to do that.

**MR. BYRNE:** No, I appreciate that very much and I will try to be a little louder and to project a little more clearly as well.

**MS. MICHAEL:** Thank you.

**MR. BYRNE:** The Department of Health and Community Services has capacity to be able to understand individual clients. They are the experts in the delivery of health care. They understand not only routine but complex health issues within the clientele.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** They are in a stronger position to be able to work with clients to effectively manage, not only their medical appointments but their transportation regimes to those medical appointments.

The work already done by the Department of Advanced Education, Skills and Labour with this program has indeed resulted in some significant efficiencies with minimum impacts on clients themselves. What will happen, as the Department of Health and Community Services continues to work with clients, that department

anticipates that further savings could occur as well without any negative consequences on clients.

Just to use by way of example; if there were multiple medical appointments at a medical facility then instead of having multiple medical trips, if they could be integrated into a single appointment for a single travel, it would be more beneficial to the client – obviously, less time, less travel, but also reducing expenses as well.

**MS. MICHAEL:** Minister, are you saying that the decision – for example, there were decisions around bus passes that those decisions weren't made by your department, they were made by Health?

**MR. BYRNE:** No, there was a policy decision that was taken – as we are aware, Income Support is to provide for the regular and more routine, daily requirements and activities of an Income Support client. Part of that would be their own transportation for general activities, recreation, buying groceries and other things. What we recognize, and this has been a feature of the program since its inception, is that when exceptionalities occur, when travel becomes less routine and more frequent, the travel costs cannot be assumed to be borne exclusively by the client.

For example, if in the course of a month if there are eight trips for a medical appointment, we recognize that at eight trips per month that the client themselves from their regular benefits, that would start to significantly impact on their ability to be able to provide for other services, other transportation needs, other things that they would need to purchase.

So what we've done is we've adopted a policy that already existed within AESL, a policy on distance and frequency. That policy was in place before and we've actually harmonized it throughout the entire province. That being that if a trip to a doctor is 30 kilometres distant or more, certain provisions can be taken and as well as eight trips per month, then the medical transportation assistance can be provided.

If Donna O'Brien, my assistant deputy minister, could step in at this point in time and provide

any further clarification to that program I think it might be appreciated by the Committee.

**MS. O'BRIEN:** I apologize for my voice; I must be getting a cold this morning.

In terms of the medical transportation, I did want to also make a point of clarification that we did, as a department, also establish a \$3,000 – from an expense perspective. If we have clients with very high needs, travel expenses that exceeded \$3,000, we began to have conversations with those clients on how we could find the most efficient way for them to receive their medical services, but in a more cost-effective way.

I do want to point out and clarify there have been no clients that have been negatively impacted in terms of having needs above that \$3,000 limit whose needs have not been met to this point. So we're working with individual clients to make sure they get the services they need in the most cost-efficient manner possible.

**MS. MICHAEL:** \$3,000 is a high amount of money for people on income support. I'm just making the comment.

Minister, just so I get it straight, you may have it in the briefing book –

**MR. BYRNE:** No, it's not – I should clarify, there's not a deductible. I'm trying to think of the word. It's not a \$3,000 deductible, if expenses – so from zero to \$3,000 would be covered. If there are additional costs above and beyond \$3,000, we'd have to look at those cases individually, but we try to establish a range that these costs should be considered.

One of the things I think would be interesting for the Committee to know is there are 8,000 individuals or 8,000 cases – and Donna, you can clarify this – that receive medical transportation assistance in the province, approximately 500 of which utilize just about half of the entire budget. There are clients that are very, very extensive users of the medical transportation budget.

You can think that through. There are approximately 8,000 clients. Caseloads or clients, Donna?

**MS. O'BRIEN:** Pardon me?

**MR. BYRNE:** Caseloads or clients?

**MS. O'BRIEN:** Clients.

**MR. BYRNE:** Clients – 8,000 clients that utilize medical transportation, some additional benefit, of which approximately 500 require 50 per cent of the entire budget.

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

In the Revenue – Federal, what is the explanation for the loss of federal funding down to \$45,000?

**MR. BYRNE:** That's the Innu, I think, isn't it, Gig?

**MS. DOOLING:** It is.

**MR. BYRNE:** Yeah. So the department did indeed receive less in federal revenue, but was related to the establishment of the Innu agreement.

**MS. MICHAEL:** Okay, that's what I thought.

**MR. BYRNE:** The Innu agreement has been, of course, devolved.

**MS. MICHAEL:** Right.

**MR. BYRNE:** So the projections have been reduced by \$767,000 to reflect this. In addition, the caseload is lower than projected at budget time. The budget caseload was approximately \$22,867 but the average caseload to date was somewhat lower.

**MS. MICHAEL:** Thank you.

I thought that's what it was but I wanted to clarify.

**CHAIR:** Ms. Michael.

**MS. MICHAEL:** Yes.

**CHAIR:** If I could just ask you to hold your thoughts. The clock is – and I'll just pass it to Mr. Brazil.

**MS. MICHAEL:** Sure.

**CHAIR:** Thank you.

Mr. Brazil.

**MR. BRAZIL:** Thank you, Mr. Chair.

Just on the note about medical transportation, I'm just curious, with the recent changes have you had many complaints? Have you gotten – I've gotten an onslaught of them now, and that could be unique to my district because I have a unique set up.

**MR. BYRNE:** With medical transportation, of course, there are always – you do have circumstances where clients come forward and express that their situation needs to be reflected and we try to deal with each and every one of those cases on a case-by-case basis.

In terms of what has been stated as a change in policy, I'd like to point out that in fact, there has been a long-standing policy within the department, within the Income Support division, to consider distance when allocating access or eligibility for the medical transportation assistance. It was not necessarily harmonized. That policy was not harmonized throughout the entire province.

For example, in Central Newfoundland it has been a long-standing policy that a 30-kilometre distance to a medical service is what would be required for consideration of supplementary benefits of access to medical transportation benefits.

So, in essence, while there have been some concerns that now other regions are being integrated into an existing policy, what we have done, in the interest of fairness to create a level playing field, and the information I have, that I've been able to see, is that it dates back to at least 2005-2007, that era, probably earlier, that there has always been a distance parameter placed on access to medical transportation assistance and now that has become harmonized.

So it would be fair to say that which was required of one individual in one part of the province really should be expected of all individuals, all recipients in all parts of the province.

**MR. BRAZIL:** Yeah, fair enough.

The challenge I have and my clients have, or my constituents, is the uniqueness. I understand an intake worker is going based on the data and the policy in front of them, but if you're on Bell Island and the ferry service and somebody punches in to Google and it says it's only 17 kilometres to your doctor's appointment, then the policy is still not relevant. Because if you take in the additional costs of cab fares to the ferry, the ferry itself, from Portugal Cove in, eight trips, and I've got clients who at points until – and I give credit, we manage to be able to look at it on a case-to-case basis and get some decisions here. We're actually spending more on their medical transportation than their income support as part of it.

**MR. BYRNE:** Uh-huh.

**MR. BRAZIL:** So, I do encourage and I do appreciate the fact that there are unique one-offs – and one-offs might be a thousand clients out of the 8,000 unfortunately, but there are one-offs there that need to be considered. I still think that has to be relevant because every situation may have unique nuances to it as part of it.

**MR. BYRNE:** Well, I appreciate that.

Maybe Donna O'Brien might be able to provide some perspective on some of the circumstances the Income Support division has faced and how they've responded and give a general reference to the type of clients or the number of clients that would be involved in a review based on special circumstance.

Donna, would you be able to jump in?

**MS. O'BRIEN:** Mr. Brazil, to make sure we do have equity and consistency across, we've established units of work that specialize in medical transportation services because we certainly recognize there are unique circumstances with individuals. I can assure you, on an individual basis, we look at every single case that has a unique circumstance.

In terms of the actual numbers, when we look at the number of appeals we've heard, like through internal review or the appeals board, they're

relatively low by comparison to the number of individuals that are receiving those services.

I can assure you that on an individual basis – and if there are particular situations to which you are aware that you feel have not been getting the appropriate response, then I would certainly accept that list. We'll work through that if we need to.

**MR. BRAZIL:** No, I appreciate it. It's the opposite. I want to compliment that there was some confusion at the beginning because it was a new process. But since going through the internal review process and even sometimes intervening with the medical intake worker, from the clientele I'm dealing with – it might be different in some other region, but I think the uniqueness of travelling via ferry, no matter where you are, that comes in one category and they understand some of the restrictions.

My only question is about – and it may have been a long-standing number – the number of eight appointments within a month. How did you arrive at that? Are there a number of uses, the cost per travel? What would be the number?

**MR. BYRNE:** This was based on previous experience by the department in terms of what would be considered a normal capacity or reasonable capacity for an income support client to be able to sustain a financial expense within the regular benefits, there was a determination that was taken by the department that the frequency of that number would represent a responsible and reasonable approach to take.

I'm going to ask Donna O'Brien to step in again, but before I do I just want to point out there is – Ms. O'Brien did raise a valid point which is if there is any client above and beyond the personal attention that's provided by case officers, CSOs to an individual client, if any client has any concerns, who feel as though their case was not being appropriately held, there is an appeal mechanism, as you are aware, and that is – it's a quasi-judicial process which allows a client to ensure that their case is properly heard by an independent third party. I believe what Ms. O'Brien referred to is that the actual number of appeals was quite low.

Ms. O'Brien, would you be able to identify, just further elaborate on that, the frequency element. We've established that the distance component was based on a pre-existing policy. It was established that 30 kilometres was sort of a norm in many areas of the province prior to this particular policy decision. The frequency issue, how was that arrived at? The second thing I think the Member would like to know is, what is the actual number within the appeals process that was heard last year?

**MS. O'BRIEN:** In terms of the frequency, as the minister provided earlier, in the central region of the province that policy had been, I will say, strictly enforced in several communities in the province. In the analysis portion that led to the decision around making some decisions relating to the medical transportation services, that was certainly a factor. Sixty kilometres in terms of the – in terms of the frequency piece, it was looked at what the average number of visits was made by individual citizens and eight seemed to be the balance that helped to standardize that process across the province.

**MR. BRAZIL:** Okay. I appreciate that.

I'm going to move to 3.1.02, just a quick question before my time is up. On the National Child Benefit Reinvestment here, Allowances and Assistance, I know last year \$450,000 was budgeted, \$309,000 was used and now it's up to \$380,000. Can you tell me why there wasn't as much uptake from what was budgeted to what was actually revised and spent?

**MR. BYRNE:** I'm going to defer that to you, but it was basically a case of just less uptake in the particular offering.

**MS. DOOLING:** And that's absolutely correct, Minister. It was less uptake in the child care budget throughout the year, just people applying. So there were fewer applications that actually came in to the department. Obviously, families are having fewer children these days, so obviously the caseload and the applications for this benefit have been decreasing over time.

In 2016 we had 268 applications, whereas in '15 there were 345. So it's just a natural trend of

fewer children being born and to we're not having larger families. It's as simple as that.

**MR. BRAZIL:** Are there any applying that get turned down because they don't meet the criteria or borderline? Is there an ability for us to change the criteria so that there is another group that would qualify for it that may be in need of it, or is this a national standard that we follow across the board?

**MR. BYRNE:** I'll ask Donna to jump in there again, but just on that point – and I appreciate the question because it is intriguing to me as well in terms of the uptake to the program.

I just want to recite these numbers for you for your benefit. In 2011 there were 591 applicants with expenditures to the program of approximately \$600,000; 2012, there was a reduction of approximately 60 applications. So it went from 590 in 2011, to 2012 to 527. In 2013, the number of applications was reduced to 412. Then by 2015 it went down to 345 applications. Now in 2016, last year we saw 268 applications being received for support from the program.

So we went, actually, from 2011 to 591 applications down today to 268 applications in the previous year. It is an intriguing point.

**MR. BRAZIL:** Yes. I'm just curious to see if we relaxed the criteria, would that help other families.

**MR. BYRNE:** Donna, would you be able to jump in there?

**MS. O'BRIEN:** The criteria and the funding are to provide private child care services for families with children in receipt of income support who need child care services outside of the regular. They are required to utilize regulated child care where it is available, but where it is not available then private child care services. So it's very specifically focused on supporting families with children on income support who have children under the age of 12 requiring child care services.

The fact is there are fewer and fewer families with children under the age of 12 who can avail of that service. It's a factor of that. So it's very specifically focused on families with children to



assist to alleviate child poverty by assisting them in making an attachment to employment.

**MR. BRAZIL:** Okay.

Ms. Michael, if I could just throw one thing directly related to that.

Would the cuts to transportation for AES clients have any impact on that? I've had a couple of inquiries from some clients who say at one point transportation was supplied, like to some of the after school programs or daycare programs that are no longer supplied. And it might be relevant more to the Department of Education.

**MR. BYRNE:** In terms of the medical support, I'm just trying to dig deeper into the question and into the circumstances.

**MR. BRAZIL:** It's more to after school AES clients, some of them are supplied transportation for their kids to go.

I think Donna has the answer there.

**MR. BYRNE:** Okay.

**MS. O'BRIEN:** I'm speaking because of where I used to work.

The transportation services for children accessing after school programs, things of that nature, regulated after school programs, is the responsibility of Education and Early Childhood Development under the child care services. So that query probably is best asked of that particular department.

**MR. BRAZIL:** I did ask that.

**MS. O'BRIEN:** I see.

**MR. BRAZIL:** And was told it was being cut to, particularly, some daycare providers as part of the transportation connection and that they did notice, they had a couple of complaints from certain daycare providers that their enrollments had gone down because the clients had said: I can't afford to take a taxi, drop my kids off, pick them up after because they don't have vehicles themselves.

It may be something we can have a further discussion, myself and the minister, to see if there's an alternative.

**MR. BYRNE:** The question is relevant and valid, but the evidence I present to you is actually part of what I conveyed earlier, which is that this has been a circumstance which has been increasing. As I say, in 2011 there were 591 individuals or cases that were approved; by 2012 it was 527; by 2013 it was 412; by 2014 it was 421, a slight increase of nine; then in 2015 it dropped again to 345.

So the evidence would not suggest that this is directly attributable to a recent action or a recent policy decision; it seems to be consistent with a demographic trend.

**MR. BRAZIL:** Yeah, if we can have a personal discussion on a particular issue in my district later on, I'd appreciate it. I appreciate Ms. Michael for giving me that time.

**CHAIR:** Thank you, Mr. Brazil.

Thank you.

Ms. Michael, we'll turn it back to you.

3.1.01 to 3.2.07 inclusive.

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

I will start. I have one – it's not so much a question but a request under 3.1.01. Could we have the breakdown – because I know the department does have it; it could be in the briefing book and if so, tell me – of people and families under income assistance, the number of lone-parent families, children, et cetera. I know it's a statistic that you keep.

**MR. BYRNE:** We do. We can provide you with very, very specific information; for example, the number of cases.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** Cases, of course, are different. It's always sometimes confused me. When we talk about cases versus people, it's important to talk about the same language. Cases, of course,

would be a family unit that's in receipt of Income Support.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** And that would be different, but it would be a good characterization or a good description of the program itself. We also break it down into the number of people receiving income support. We have information on the number of clients who are actually working while in receipt of income support.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** We can do a pretty broad-based description or analysis for you.

**MS. MICHAEL:** That would be great. That's what we're requesting.

Minister, does that include also age, like seniors, for example?

**MR. BYRNE:** Donna, would you be able to answer the question as to whether or not we can – yes, we can, I think. But, of course, as you're aware, and I'll just put in this caveat, once a senior is eligible for the Guaranteed Income Supplement and the Old Age Security benefits, then the income support system is no longer in play.

**MS. MICHAEL:** Yes, I'm aware of that.

**MR. BYRNE:** But we can indeed produce some age demographic.

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

All right, so going to 3.1.03, the Mother/Baby Nutrition Supplement, it looks like the uptake last year was lower than expected. The budget was \$219,500, but we are maintaining that same budget line. I guess the question is an explanation of that. Not that I'm opposed.

**MR. BYRNE:** Well, we're always hopeful.

Donna, is there anything you'd like to add? You're quite right. While we could have what is sometimes referred to as rightsizing the budget, there was a decision to maintain the budget to be able to act on any possibilities or eventualities.

Donna, is there something that you might be able to add on that?

**MS. O'BRIEN:** If you'll note, Ms. Michael, in 2015 there were 198 issuances of the Mother-Baby and in 2016, 191. That was a very small variance. As a result of that, while we can't anticipate births – we're hopeful that there will be more births in the province and, therefore, we did our due diligence to maintain that level in the event that those numbers increase a little bit.

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

How are low-income mothers informed? Is there a special program when they become pregnant to know about the supplement?

**MS. O'BRIEN:** Yes, we have a number of ways to get that message out. Certainly in public health clinics, public health nurses are well aware. Physicians' offices – if any of you have been to a physician lately, you would likely see the posters that are there. The *guide to government services for poverty reduction*, that information guide, provides information relating to the Mother-Baby Nutrition Supplement. There's a 1-800 number that's available through all of those media in relation to making application – and it's not just for families who are in receipt of income support. It's for families who are in low income, and that's a very important point of this particular initiative.

**MS. MICHAEL:** Right, yes. Thank you very much, that's helpful.

Okay, 3.2.01, Employment Development, Employment and Training Programs. I have a general question first. There used to be a section, skills and labour market research, which is not now here. Is that now under the Workforce Development and Productivity Secretariat? That's a guess on my part.

**MR. BYRNE:** I'm reminded by my deputy it is indeed; you are quite correct in your assumption.

**MS. MICHAEL:** Okay. So that would be under 4.1.01 now.

**MR. BYRNE:** Yes.

**MS. MICHAEL:** Yes, okay, thank you.

Coming to the subhead in 3.2.01, there is a change in the Salaries, a drop of \$394,200. Is that related to the question I just asked?

**MR. BYRNE:** I think I'm on the wrong tab there, which –

**MS. MICHAEL:** 3.2.01.

**MR. BYRNE:** No, I am on the wrong tab, sorry.

In the interest of time, Deputy, would you take over that?

**MS. DOOLING:** Absolutely.

Ms. Michael, it's not directly related to the labour market piece. We'll get to that later and we can certainly explain that, but there has been a reduction of salaries in the employment and training program budget itself due to a restructuring. There were four management positions there that were eliminated and that work was picked up by a number of other management positions that remained in that division.

**MS. MICHAEL:** Those positions that were eliminated, did that result in actual people losing jobs?

**MS. DOOLING:** In this particular case, the four individuals, they did apply under the restructuring policy but they were not successful in obtaining another position within the department.

**MS. MICHAEL:** So they're no longer in the system?

**MS. DOOLING:** They are no longer with the department.

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

**MS. DOOLING:** You're welcome.

**MS. MICHAEL:** Under Purchased Services, there's been a small reduction. Was that just downsizing or the zero-based budgeting, from \$50,000 down to \$40,000?

**MR. BYRNE:** You're ahead of me, Ms. Michael, so I'll just ask –

**MS. MICHAEL:** There's something wrong with your –

**MR. BYRNE:** Yes, my correlation has a little quick problem. Deputy, would you –?

**MS. MICHAEL:** We're still on 3.2.01.

**MS. DOOLING:** Ms. Michael, if you would repeat the question for me, I'd appreciate it, please.

**MS. MICHAEL:** Sure.

**MS. DOOLING:** Thank you.

**MS. MICHAEL:** Purchased Services, there's a decrease of \$10,000, from \$50,000 down to \$40,000.

**MS. DOOLING:** Yes, absolutely.

This was part of our zero-based budgeting exercise. We had some promotional items there that we've reduced some of that, as well just some of the ordinary supplies that go in as well. So we had less take up from the budget to projected revised in '16-'17 by about \$20,000, then what we decided to do was go through all of the actual expenditures in that category –

**MS. MICHAEL:** Right.

**MS. DOOLING:** – and through the zero-based then we have identified about \$10,000 that we weren't spending. So why be out borrowing money and paying interest –

**MS. MICHAEL:** Exactly.

**MS. DOOLING:** – on those sorts of things. So it's just simply right-sizing the budget.

**MS. MICHAEL:** Okay.

Thank you very much.

**MS. DOOLING:** You're welcome.

**MS. MICHAEL:** Okay. Moving on to 3.2.02, Employment Development Programs; these are programs to support and assist "Income Support clients and other unemployed and

underemployed residents.” So people who are non-EI eligible, I take it.

Could we have a list, a breakdown of the number of participants and the numbers also of the employers who are involved in the programs? Because I think the two main ones are Linkages and Employment Transition, is that correct, the main two programs in this area?

**MR. BYRNE:** Yes, you’re correct. In terms of grants and subsidies for employment supports, there is Linkages. The current budget for Linkages is \$1,604,000. This is, of course, delivered by not-for-profit agencies and community groups throughout the province.

**MS. MICHAEL:** Right.

**MR. BYRNE:** There were 40 organizations approved supporting 166 clients in that particular initiative. There’s also the Newfoundland and Labrador Works, the JobsNL Wage Subsidy Program, which is of course designed to assist employers in creating employment and help people find their employment opportunities. There was \$659,000 invested in this, and there were 139 contract agreements that were funded through the JobsNL component of this particular program.

There are also grants to agencies. There was funding of just about \$4.1 million, a little slightly higher than that, and funding that’s provided to support the provision of career and employment counselling and other interventions to clients. There were 22 organizations last year that received funding, and they have recorded to us that they assisted 4,400 individuals. There are also a number of initiatives under the Poverty Reduction Strategy, total budget of just about three-quarters of a million dollars. There were several initiatives under that as well.

**MS. MICHAEL:** Okay. Minister, I’m going to assume the initiatives and the agencies are listed in the briefing book.

**MR. BYRNE:** If they’re not, we can get you full disclosure of those agencies and not-for-profit organizations.

**MS. MICHAEL:** Thank you.

Under the Grants and Subsidies there has been a drop in the amount of money by \$370,500. Could we have an explanation of that?

**MR. BYRNE:** There was funding of \$170,000 that was moved to Allowances due to anticipated increase in the Adult Basic Education support requirement. There was some funding there. There were also forecast adjustments for minimum wage requirements, the increase in minimum wage. There were also forecasted adjustments in the Linkages program for \$200,000.

**MS. MICHAEL:** Okay.

Thank you.

**CHAIR:** Thank you, Ms. Michael.

**MS. MICHAEL:** Mr. Chair, could I just ask one question on minimum wage?

**CHAIR:** Sure.

**MR. BYRNE:** Sure.

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

Minister, when you were doing your opening presentation you talked about the consultations, of course, which we are aware, on indexation of minimum wage. Will you be producing results, or what came out of those consultations?

**MR. BYRNE:** Yes. Thank you very much for that question because we will be doing a report on what we heard. It will be a synopsis, I think as complete a synopsis. We won’t sort of boil it down and pare it down to minimum detail; we’ll actually provide a significant body of detail as to what we heard. It’s my intention to be able to publish that very soon.

**MS. MICHAEL:** Okay.

Thank you very much.

**CHAIR:** Thank you, Ms. Michael.

I’ll turn it back over to Mr. Brazil. When Mr. Brazil’s 10 minutes have concluded, we’ll break just for five minutes for a washroom break.

Mr. Brazil.

**MR. BRAZIL:** Thank you, Mr. Chair.

I'll just ask the minister, too, if I could have a copy of that list of the agencies funded also when you (inaudible).

**MR. BYRNE:** Yes. The assumption is, Mr. Chair, that whatever information any MHA, any Member of this Committee would ask for, it would be shared with all.

**MR. BRAZIL:** Perfect, I appreciate that.

Under 3.2.03, Labour Market Development Agreement, I want to move right down to Professional Services. I noted that we're more than doubling those for this year. Can you just outline exactly what professional services will be contracted for that?

**MR. BYRNE:** Sure. In terms of Professional Services, there is an increase due to a zero-based review of the requirements of Oracle Business Intelligence Applications, the OBIA, reporting tool. The total budget for this is \$464,400. This is a reporting tool which allows enhanced labour market program and service reporting, as well as information for community grant reporting for government.

This is an interesting one. Madam Deputy, is there someone in particular that may be able to speak further to this?

**MS. DOOLING:** Mr. Brazil, what we intend to do there is build on to the system we currently have in our LaMPSS, so that we can generate reports out of it to make sure we are meeting all the due diligence that's needed. There's about \$460,000 that's there in the budget so we can do that piece of work in the coming fiscal year.

**MR. BRAZIL:** Okay. Would that be a one-time shot, so next year you go back to the normal \$200,000 for Professional Services?

**MS. DOOLING:** I anticipate that it would be; it's just building the reporting tool now so that we have enhanced data.

**MR. BRAZIL:** Okay, fair enough.

Under Purchased Services, I notice we are down \$160,000, \$170,000; what do you anticipate was in previous years that wouldn't be needed now?

**MR. BYRNE:** In Purchased Services, there is a fairly significant reduction of \$236,000 for the 2016-17 budget. The decrease is due to, again, a departmental zero-based review which resulted in \$136,000. That was able to be achieved in part by the moving of staff into government buildings. Of course, you have better supply management, capacity there. There was also an additional funding allocated to Professional Services to cover reporting under the LaMPSS tool, which is \$100,000.

Would you like to explain, Gig, the additional professional reporting under LaMPSS?

**MS. DOOLING:** Mr. Brazil, this goes back to basically just moving the \$100,000 from Purchased Service into Professional Services to help pay for that system enhancement that we would need. So all I'm doing is moving money between two categories. As well, we saved \$136,000 by actually ending some of the leases we had with outside organizations for renting space. We brought those individuals, those staff members into the Confederation Building.

**MR. BRAZIL:** Okay. It makes sense.

**MS. DOOLING:** Yes.

**MR. BRAZIL:** I want to move to Allowances and Assistance where there's a substantial difference here of nearly \$8 million. Just explain why you anticipate there's going to be less payout on Allowances and Assistance.

**MR. BYRNE:** In Allowances and Assistance, it's revised up from – in terms of the total, there's an additional federal stimulus funding that was announced for this program in 2016, \$4,500,000. That's a split between the Allowances and Grants and Subsidies, but the decrease is due to – Estimates are down in total by \$6 million, and that's decreases due to the zero-based review. There was a shift in demand away from Skills Development and Employment Assistance into Employment Assistance Services.

**MR. BRAZIL:** Yes, I think you answered the other one, but that's –

**MR. BYRNE:** Oh, I'm sorry. We're moving between the two – so in terms of the Grants and Subsidies, is that what you're –?

**MR. BRAZIL:** No, the Allowances and Assistance. Grants and Subsidies you just answered, that's good.

The Allowances and Assistance, where it's down \$8 million; I'm curious why you think there will be less of an intake, or is there a change in policy or a different approach.

**MR. BYRNE:** Perhaps Walt or Deputy, would you like to sort of dig down on that because I want to make sure I'm clear on that?

**MS. DOOLING:** Simply, what we're doing here, Mr. Brazil, is we're moving some of the Allowances and Assistance, because there are different programs under Allowances and Assistance, into the Grants and Subsidies. So there's a significant amount of money, if you looked down on the next line in Grants and Subsidies, that's up compared to last year, from \$19 million to \$25 million.

As well, if you look at '16-'17 numbers, we were very successful in negotiating an increase in some of our LMDA funding with the federal government to the tune of about \$4.5 million. That's one time, that \$4.5 million, that extra funding, one time, but we're going back to the table now with the federal government to negotiate those agreements again. So we anticipate, but we don't know at this point in time, that there will be an increase as well.

This is simply moving money around between the two categories.

**MR. BYRNE:** So this is actually kind of instructive to us all, I think.

So, Deputy, could you just very quickly explain the differences between Allowances and Assistance and Grants and Subsidies because there's obviously some overlap. It might be helpful to myself and to the Committee just to get complete clarity on that.

**MS. DOOLING:** Absolutely.

This would be in your binders as well, so I'd ask if you were going to read anything in there, this would be something that's worthwhile because there is significant funding coming here under these categories.

So Allowances and Assistance, this is the funding for the Skills Development; there's almost \$53 million there. Then, of course, we're all familiar with the Job Creation Partnerships; that's the JCPs we all talk about. So there's about \$5 million there. We have the Self-Employment Assistance that benefits our individuals, that's about \$5 million; and then some of our apprenticeships supports. So there is significant funding under Allowances and Assistance.

If you look at the Grants and Subsidies, this is our funding for items like our Labour Market Partnerships. There's about \$2 million there; our Employment Assistance services, about \$8.5 million under that category; some of our wage subsidies, almost \$9 million there; as well as some JCPs, self-employment and some research and innovation, \$1.9 million. As well as some of our Opening Doors Program, there's about \$100,000 there to help individuals attach to the workforce.

So you'll see a further breakdown once you review your binders in what actually makes up the Allowances and Assistance compared to the Grants and Subsidies.

**MR. BRAZIL:** Fair enough.

Just curious, do you have much push back from the feds when you want to move money around, or do you have pretty well freedom when you come in, when you put your budget lines in? I know the amount is pretty well the standard, but I would think, from a department point of view, if you had that freedom without having to go back and delay the process. I'm just curious, do you have that?

**MS. DOOLING:** There is some flexibility within the agreements to move money around. Obviously, in keeping with the main agreements that the federal government has so that we are

spending the money for the intention for which it's given.

But there is some flexibility that's very important to all provinces, not just Newfoundland and Labrador, because the economy in BC or Alberta could be very different from what it is in Newfoundland and Labrador. The federal government does appreciate that and they have allowed some flexibility within the agreements.

**MR. BRAZIL:** That's good to hear because, again, uniqueness and the one-offs every now and then and the change in the economy may dictate how you move things in. So that's good that freedom is there and they recognize that. Perfect.

I want to go to 3.2.04 for my last question before we take our break. Under Grants and Subsidies, it's down from what was revised but up from the budget line. Can you just explain the rationale there or the findings?

That's on line 10, Grants and Subsidies, 3.2.04.

**MR. BYRNE:** Yes. Gig, just take that away because I'm misreading what I'm ...

**MS. DOOLING:** Absolutely.

There are a number of things happening between the budget in 2016 to the projected revised. If I could explain that first and then I'll go to the Estimates for '17-'18, if that's suitable for you, Mr. Brazil.

**MR. BRAZIL:** Yeah, sure.

**MS. DOOLING:** Again, we were successful in getting some additional federal stimulus funding from the federal government in '16-'17. That was about \$736,000 so, obviously, we'd want to take that. We took the \$736,000 from the federal government.

There was also some carry-over funding from '15-'16 in the amount of almost \$600,000 that we carried as well. That was offset by some additional savings to be carried forward in budget '17. It's a combination of things, some new money and some carry-forward money.

Now, when we look at the '17-'18 Estimates, they're up by just over \$450,000. That, again, is just prioritizing some of our Grants money from the Allowances and Assistance. You have some movement there. We did that to support some classroom enhancements at CNA as part of their modernization plan.

**MR. BRAZIL:** Perfect.

Thank you, Mr. Chairman –

**MR. BYRNE:** I apologize. I'm getting cockeyed myself here now.

**MR. BRAZIL:** Yeah, time for a break.

**CHAIR:** Okay, we'll just take a break. I'd like to have everybody back by 10:40 a.m.

**MR. BRAZIL:** Perfect.

**CHAIR:** Thank you.

#### Recess

**CHAIR:** Thank you.

We're back on, Ms. Michael. You go right ahead, Ms. Michael.

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

I'm going directly to 3.2.05. This is an interesting one because this addresses major permanent layoffs and worker displacement to lessen the impact on, and adjustment of, older workers. Here I just would like to get an idea. The revision for last year was \$1,939,800, down slightly from the budget, but I'm more interested in the details about where this money goes. Where there any particular workplaces that caused layoffs, just some sense of the breakdown of these grants and subsidies?

**MR. BYRNE:** Thank you very much for the question.

The program itself is application-driven. It's responsive to needs throughout the entire province. There were a number of applications that were assessed last year. There's an annual intake and basically one announcement per year. The historical pattern has been that one

significant announcement is made with the successful recipients or applicants for the particular program. Last year's program was not made to a specific labour market circumstance, or to a layout, per se.

There were a number of different initiatives from the throughout the entire province. For example, there were three separate applications from the Northern Peninsula area, if I recall correctly, related to utilizing older workers to increase their outfitting guiding capacity to assist in the outfitting industry. While it was three separate applications, it was really a unique and I think a helpful circumstance because it took the talents and skills of some older workers that were seeking to get employment, using their traditional or their solid skills base, which formerly, they could not get employment in, it actually integrated them. So if you like, Ms. Michael, we could provide you with a full list of the successful applicants as well.

**MS. MICHAEL:** That would be great to have that list, thank you so much.

I note that the federal revenue went down in the revision last year by \$82,500, but this year it's gone down to \$853,800. It seems like the money is gone, or is that –?

**MR. BYRNE:** No, it's again somewhat of an interesting circumstance. You may recall this is a federal-provincial program.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** It's a 100 per cent funded federal initiative – or sorry, it's a cost-shared initiative, but the bottom line is that in 2015, you'll recall there was a federal election and a provincial election.

**MS. MICHAEL:** I do recall that.

**MR. BYRNE:** Yeah. And the money did not flow in that particular fiscal year, so two years' allocation was combined into one year and that's why it is a little bit bumpier ride there.

**MS. MICHAEL:** That's right, so it's 50-50 because of the two going into one year.

**MR. BYRNE:** Yes, that's correct.

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

Okay, going on to 3.2.06, this is Employment Assistance Programs for Persons with Disabilities. First of all, could we have a list of the recipients and employers involved in the various programs here?

**MR. BYRNE:** We can. I'll just confirm if there are any privacy concerns which we would have to – because the assistance for persons with disabilities, I just want to –

**MS. MICHAEL:** I wouldn't want individuals, obviously.

**MS. DOOLING:** Ms. Michael, this training service program is to assistant individuals –

**MS. MICHAEL:** Right.

**MS. DOOLING:** – with their post-secondary studies, so we'd need to just be cognizant that we weren't giving the names of the individuals, and I'm sure you appreciate that.

**MS. MICHAEL:** No, but we could have the numbers?

**MS. DOOLING:** The numbers themselves?

**MS. MICHAEL:** Yes.

**MS. DOOLING:** Certainly we can give any of the numbers out, absolutely, the numbers of the individuals. In '16-'17 there were 126 individuals that were supported through the training services program. We also introduced last year – and this was announced in last year's budget – a grant for high-need students so if their needs weren't fully met through the Canada Student Loan Program, they could come into the province and they could avail of the high-grants needs program.

There were 45 individuals that were supported through that part of the program, Ms. Michael, last year, through the high-grant needs and we estimate that in '17-'18, under the training service program, that there'd likely be about, I would think, 90 students that would continue on



with their program because they would get multi-year funding from the province.

So our commitment last year was any individuals that were receiving this service, as long as they continue with their program and they do not delay their course of study, we would fund them for their full program. So you'll see the number of individuals will go down each year because people are graduating from the program.

**MS. MICHAEL:** Right.

So both the Allowances and Assistance and the Grants and Subsidies are for individuals.

**MS. DOOLING:** The grants are for our community partners. We can certainly provide you with a list of those.

**MS. MICHAEL:** Please.

**MS. DOOLING:** Yeah.

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

I think that's all I had under that. Under 3.2.07 a slight drop in the Allowances and Assistance. This is the services for youth and students, a slight drop in the Allowances and Assistance, but a big drop in the Grants and Subsidies.

Again, could I have an explanation of the difference between the Allowances and Assistance and the Grants and Subsidies and also the reason for the big drop in the Grants and Subsidies?

**MR. BYRNE:** Sure.

In terms of the Allowances and Assistance, one of the big items there was the tuition vouchers. There was a lower than anticipated demand or expectation on the tuition voucher program. I think you're very familiar with that one.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** It's a program that provides school-age peers to be able to tutor other peers.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** There was a lower demand there.

On the Grants and Subsidies, this program is for the student and youth employment and internship programs. It was valued at \$727,000. The Student Summer Employment Programs for post-secondary students valued at \$1.7 million, and the graduate employment program at \$500,000. The student employment program for high school, level I, II and III is valued at \$780,000 and as well, the Service Agreements for Youth and employment, SAYS, is valued at \$2.5 million.

**MS. MICHAEL:** Okay.

Why has the Grants and Subsidies line diminished by almost \$500,000?

**MR. BYRNE:** Working with our federal partners, of course, as you're aware, the amount of federal student summer job assistance for Newfoundland and Labrador has increased substantially. As a result, basically meeting demands or uptake from Newfoundland and Labrador students, we were able to achieve those savings.

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

I think that's the end of my questions, Mr. Chair.

**CHAIR:** Thank you, Ms. Michael.

Mr. Brazil, anything else?

**MR. BRAZIL:** No, I'm good on that section. We can adopt that.

**CHAIR:** Okay.

Can I ask the Clerk to recall the subheads, please?

**CLERK:** 3.1.01 through 3.2.07 inclusive.

**CHAIR:** 3.1.01 through to 3.2.07.

Shall the subheads carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, ‘nay.’

Carried.

On motion, subheads 3.1.01 through 3.2.07 carried.

**CHAIR:** Can I ask the Clerk to call the next set of subheads, please?

**CLERK:** 4.1.01 through 4.1.05 inclusive.

**CHAIR:** 4.1.01 through to 4.1.05 inclusive.

Mr. Brazil, please.

**MR. BRAZIL:** Under Salaries, how many positions were lost and what particular positions would they have been?

**MR. BYRNE:** Under the Salaries, which is revised down by \$250,000 compared to last year’s budget, there were savings due to vacancies of a program and policy development specialist. That was a salary cost of \$65,800. There’s a policy development specialist of \$78,000, and two other positions for a combined value of \$106,000. So those were vacancies.

**MR. BRAZIL:** Are there any positions that are combined with somebody else’s responsibility or a different approach from a policy analyst point of view?

**MR. BYRNE:** Yes. There was management restructuring, directors and managers.

Madam Deputy, would you be able to dig in there with the specifics?

**MS. DOOLING:** Absolutely, Minister.

This goes back to Ms. Michael’s earlier question. She had asked about the labour market, the skills development, and she was very correct in knowing that some of the information was combined, two divisions rolled into one.

So as a result of some of our management restructure, there’s been two positions actually, a director from the former labour market information and analysis, that position no longer exists. The director of Workforce Development has taken on that piece of work, and it’s a

natural fit because you have the actual data you’re trying to look at for your workforce and project your needs. So that’s all your labour market information. It’s a natural fit to go into the Workforce Development Secretariat because they’re developing the programs and the initiatives to get people into the workforce.

We saw that as a real opportunity to merge the two director’s positions together. One director’s position was abolished through the management restructuring process, as well as one vacant manager position. There were two positions actually from the former labour market information division that were abolished. All other positions remained and transferred into the Workforce Secretariat division.

So, Mr. Brazil, does that clarify for you?

**MR. BRAZIL:** Yes, that clarifies the positions and responsibilities and where they are now, where the uptake is on those responsibilities.

**MS. DOOLING:** Absolutely. It’s in the Workforce Development Secretariat, and a natural fit because of the work they do.

**MR. BRAZIL:** It makes sense, yes.

Under Grants and Subsidies, there are major changes there from budgeted to revised to present, just a little bit of explanation on exactly the changes there and what they reflect, please.

**MR. BYRNE:** From 2016-17, it was revised down by \$850,000. There is less than anticipated expenses – we’re projecting \$600,000 in savings under the former Population Growth Strategy funding. The Immigration Action Plan was finalized last quarter, as you may recall – which is the main focus of this funding – there’s less than anticipated expenses. The foreign qualifications program allocation adjustment of \$250,000 in funding will move into the 2017-18 fiscal year.

**MR. BRAZIL:** Okay. Thank you.

I’m going to move to 4.1.02, the Office of Immigration and Multiculturalism. The salary increases – and I know I went through the briefing and I appreciate the increase there. Can

you just outline exactly what positions they will be and their responsibilities?

**MR. BYRNE:** Sure. There are two additional permanent positions for the PNP, or the Provincial Nomination Program. Those two salaries are as reflected in the numbers. There is also some zero-based increase due to the salary budget rightsizing of \$220,000, and then forecast adjustment, the attrition management plan of the previous administration which results in \$13,000 in downward pressures.

So the two positions – I'd like to know, basically there was no increase in terms of overall expenditures. There were two positions that were moved into the Office of Immigration and Multiculturalism from another functional area of the department. So there's net zero in terms of expenditures, but we were able to rightsize or provide resources to areas of greater, higher needs.

**MR. BRAZIL:** Okay. I appreciate that.

Under Purchased Services, I'm just curious, it's similar to what it was originally budgeted but it didn't get spent. What would that entail? What particular purchased services?

**MR. BYRNE:** In terms of Purchased Services, this is photocopy rentals, printing costs, advertising and promotions, but also it's venues and booths at immigration events because of course we contract a lot of those services. So there are some expenses there, and that's what is reflected in those expenditures. There were some reduced costs for the immigration fares, as I understand.

**MR. BRAZIL:** Does the department have an advertising general budget or is it built in to every division if it has a particular program to put out there?

**MR. BYRNE:** There's no general advertising budget, there are specific initiatives which we highlight. We're very transparent and accountable to those specific initiatives or what have the advertising budgets.

**MR. BRAZIL:** Fair enough.

I want to move to 4.1.03, Labour Relations and Labour Standards. I'm assuming there the salary difference is a position, or possibly two, depending on what the classification is.

Can you explain the changes there? Were they rolled into something else? Is it vacant positions; is it positions that were let go?

**MR. BYRNE:** Gig, would you like to address that?

**MS. DOOLING:** Thank you, Minister.

Thank you, Mr. Brazil, for the question.

With respect to the management restructuring here, there was one position that was removed through the management restructuring. That was one of the officers.

We did a review of the number of case files that the remaining officers would have and we felt that the work could be absorbed within the unit with fewer individuals. I believe there were five, maybe six, individuals there and we reduced it by one.

**MR. BRAZIL:** Okay, perfect.

I just notice under Transportation and Communications, it's up 50 per cent. Is there a change in how we do it? Are the regions bigger for certain people or is there a new communications system that we're going to be using?

**MR. BYRNE:** Again, this is a function of workload adjustments. It's anticipation of certain workloads to be able to get conciliation officers out into the field for various – as you know, we have a number of conciliation cases right now, so it's zero-based. It's actually rightsizing or making the budget to what it is anticipated to actually cost.

**MR. BRAZIL:** Okay. Fair enough. I appreciate that.

I'm going to move right over to 4.1.05, Workforce Development, Labour and Immigration. Basically, everything seems to be fairly in line with the exception of the salary base. Is there a position that's gone out of that?

**MR. BYRNE:** What number are we at? Sorry.

**MR. BRAZIL:** 4.1.05, Labour Relations Board.

**MR. BYRNE:** Yeah.

**MR. BRAZIL:** I know it's something new adopted to the department.

**MR. BYRNE:** Since Glenn has made the trip over and is all geared and ready to go, I'm going to ask our representative from the Labour Relations Board.

**MR. BRANTON:** I'm sorry, I didn't get the question.

**MR. BRAZIL:** Just the salary base, it looks like there's a salary unit down. What position would that have been under the Salaries in Labour Relations Board?

**MR. BRANTON:** There are currently seven salaried positions under the board. The salary is down as a result of the attrition management. The coming year will be the first year that we would be down one Labour Relations Board officer position.

**MR. BRAZIL:** You don't anticipate that will have an impact on your functionality?

**MR. BRANTON:** No.

**MR. BRAZIL:** Have the jurisdictions changed?

**MR. BRANTON:** No. We anticipate no service issues with that.

**MR. BRAZIL:** Okay. Fair enough.

Mr. Chair, I'm good on that section.

**CHAIR:** Thank you, Mr. Brazil.

Ms. Michael, 4.1.01 to 4.1.05 inclusive.

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

I'd like to go back to 4.1.02, Office of Immigration and Multiculturalism. Looking at the Grants and Subsidies, if it doesn't exist in the binder, could we have a list of where that money goes? If you want to do an overview

answer to me right now that would be good as well.

**MR. BYRNE:** Yes, you certainly may get that list.

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

I notice, Minister, there's a significant increase in that line which may relate to the new initiatives that you're putting in place with regard to immigration. Maybe you could speak a bit to it. It's \$800,000 more.

**MR. BYRNE:** Sure.

Yeah, this is an adjustment. So there was a move – basically, it's putting the money where it would be spent.

**MS. MICHAEL:** Right.

**MR. BYRNE:** Formerly, that money was housed within the Population Growth Strategy – it was moved, sorry, from the Workforce Development for the former Population Growth Strategy and the Immigration Action Plan. So it was basically a shift from one where it would be spent.

**MS. MICHAEL:** Relates back to what you were talking about in 4.1.01.

**MR. BYRNE:** Correct.

**MS. MICHAEL:** Yeah, great. Thank you very much.

Just a couple of requests here. Could we have the numbers of newcomers who became permanent residents in the province in 2016? Could we get that information by program; for example, nominee, refugee, et cetera?

**MR. BYRNE:** Yes, you can. That's already available, I think, in a public format, from a public source.

**MICHAEL:** Right.

**MR. BYRNE:** But we can provide you with those further details as well.

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

Do you have the statistics on the up-to-date retention rate?

**MR. BYRNE:** We have certain information on retention rate but, of course, mobility being mobility, it is sometimes difficult to capture.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** I'll use an example. It's often referred to that we have a 71 per cent retention rate for international students attending Memorial University of Newfoundland. That's a pretty high number and I took great interest in that.

It's a difficult number to survey. The reason why it's a difficult number to survey is because, of course, the rightful mobility. Once someone gets a permanent residency for Canada, they do have certain rights and opportunities to be able to move. When we found that number – and this has been cited, for example, by students and others, and that's why I'm bringing this up. There was a general survey that was done that took in literally hundreds of different questionnaires for various individuals. On the international graduate side there was a small number that were provided to or distributed to international graduates.

In terms of completing the survey information, obviously it is easier to get a completed survey from someone who has stayed in Newfoundland and Labrador than it is to someone who has moved to British Columbia or to Ontario or to wherever. So I asked for a consideration review of that particular data and what was provided to me was the following information: That it was a very, very small data set that was available for international graduates; and of those that did reply, there may have been a skewing of the result because it was easier to derive or collect a completed questionnaire from someone who had stayed in Newfoundland and Labrador than someone who had moved, and that may have inflated or elevated the number of the retention rate for international graduates.

So your question is really important to me because that's an area that I want to do a lot more work getting good, solid evidence of what our retention rates are for immigration. I don't

feel we're there yet, and we need to do a better job.

**MS. MICHAEL:** Okay, I'll be interested, obviously, in learning as you continue the work. Thank you very much.

Mr. Chair, I don't have any more questions under these subheads. I think all the questions I wanted to ask have been put forward by Mr. Brazil.

**CHAIR:** Thank you, Ms. Michael.

Can I ask the Clerk to recall the set of subheads, please?

**CLERK:** 4.1.01 through 4.1.05 inclusive.

**CHAIR:** 4.1.01 through 4.1.05.

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 4.1.05 carried.

**CHAIR:** Can I ask the Clerk now to call the next set of subheads, please?

**CLERK:** 5.1.01 through 5.5.01 inclusive.

**CHAIR:** 5.1.01 through 5.5.01 inclusive.

Ms. Michael, if you'd like to start this round, please.

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

Okay, looking at 5.1.01, a slight increase in salary over last year's budget, and revision, I note. That doesn't happen very often. Could we have an explanation, Minister, of that salary increase?

**MR. BYRNE:** Sure.

There was a total of \$200,000 worth of transactions. The overall increase is \$93,000, but what it equates to or amounts to is through zero-based adjustment, there was a rightsizing of the salary plan of \$200,000, which was offset as well by a savings of \$62,500, which was taken for positions that were exchanged between the Office of Immigration and Multiculturalism.

There was also an attrition management plan. Within the attrition management plan, there was \$44,100 worth of savings. There was a position swap which we referred to earlier under the Office of Immigration, one of the two positions.

**MS. MICHAEL:** Okay.

**MR. BYRNE:** And I just want to clarify. If you could certify, Deputy, that was the source of one of the two Office of Immigration and Multiculturalism positions.

**MS. DOOLING:** Yeah.

Basically, Ms. Michael, what was done was we put the salaries in for all the positions that were in this particular division. So that bumped it up in the salary plan by about \$200,000 just by rightsizing. Then we actually took one of the positions that were vacant in this particular division and we used the funding to create a PMP specialist in Immigration.

**MS. MICHAEL:** Right.

**MS. DOOLING:** Which we just talked about. Then, there was a reduction from the former administration for the attrition management. When you net it all out there was a slight increase, but it was largely due to actually putting the positions into Salaries where they should have been in the division.

**MS. MICHAEL:** Right. Okay. Thank you very much. That's very clear.

Just coming down through, there are a number of places here where there's less money being expended. Transportation and Communications, there's a drop of \$46,000 approximately from last year's budget.

**MR. BYRNE:** Again, that's just simply elimination of non-essential travel.

**MS. MICHAEL:** Okay.

**MR. BYRNE:** There are some less advisory committee meetings as well that provide downward pressure.

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

Let's see, the others are pretty straightforward I think. What would the Professional Services be in this line, Minister? It's going up slightly.

**MR. BYRNE:** Professional Services, there are some fees to membership for membership of the advisory and examination committees under the Apprenticeship & Trades Certification. So we have fees for these advisory and examination committees of \$16,200 for Apprenticeship Program Accreditation.

**MS. MICHAEL:** right.

**MR. BYRNE:** There's \$25,200 in expenses for Interprovincial Computerized Examination Management System – that's a mouthful – those costs are anticipated to be \$57,500; and for Power Engineering Examination fees there's a cost of \$3,500. So that basically sums all of that up. It's for advisory and examination committees which are part of the certification process.

**MS. MICHAEL:** Right, thank you so much.

Coming down to Grants and Subsidies there's a loss of \$100,000 in this year's budget from last year's budget.

**MR. BYRNE:** The reduction of \$100,000, that's a decrease basically of the requirements – there's a shared apprentice management system and that's just the costs there have gone down, so that's the result. It's for computer software and the costs have gone down by \$100,000.

**MS. MICHAEL:** Okay.

A shared apprentice – who shares what?

**MR. BYRNE:** This is part of our Atlantic harmonization initiative –

**MS. MICHAEL:** Oh, the Atlantic agreement.

**MR. BYRNE:** This is the computer system.

**MS. MICHAEL:** Okay, got it.

**MR. BYRNE:** We've fulfilled most of our requirements, so we've been able to reduce by \$100,000.

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

Just actually some things that I'd like to receive: Could we have the stats, with gender breakdown, of the number of apprentices in 2016-17; those doing journey person, the numbers of journey persons certificates issued?

**MR. BYRNE:** Yes, you can. I'll just get the confirmation of – can we elaborate for the Committee at this point in time that whatever information is available will be provided to you.

**MS. MICHAEL:** Okay.

**MR. BYRNE:** Perhaps we could just take a moment to – could some of our group identify exactly the extent to which we pare down the data? Gig.

**MS. DOOLING:** Yes, absolutely.

Ms. Michael, we do track some of our indicators with respect to apprenticeship, obviously.

**MS. MICHAEL:** Right.

**MS. DOOLING:** So we'll give you the number of active apprentices and the number of active trade qualifiers – a little bit different.

**MS. MICHAEL:** Right.

**MS. DOOLING:** The number of newly registered apprentices, I can give you that. The newly registered trade qualifiers, the certification exams to administer, the number of journey person certificates received and the trade qualifiers received. Then we'll look at some of the active contracts that we have.

So what I'll do is I'll ask the director for the apprenticeship program to pull together some of the normal statistics that I get and we can

certainly share them with you. That's no issue whatsoever.

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

With regard to the Office to Advance Women Apprentices, should I go to them directly to find out how many women they served over the last year or can you get that?

**MS. DOOLING:** I'll ask my director if we can get that for you so you're going to get it from one source. If we can't, then I'll ask her to connect with the Office to Advance Women.

**MS. MICHAEL:** Okay.

**MS. DOOLING:** We'll try to give you a complete package so you're well informed about the program.

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

**MS. DOOLING:** You're welcome.

**MS. MICHAEL:** Could we have an update on the government hiring apprentices program and the number of apprentices in 2016 in that?

**MR. BYRNE:** Yes.

There's been no change in the financial picture, I think, of that particular program. What we do is we provide funds to certain government agencies. The Department of Transportation, the education board, the regional health authorities, they all receive an allocation. The funding for that is \$1,700,050.

So just to clarify, this is funding that goes out to various government departments, boards and agencies to be able to facilitate the hiring of apprentices.

**MS. MICHAEL:** Right.

I'm assuming that the Grants and Subsidies line covers the Apprenticeship Wage Subsidy, along with things like the government hiring apprentices program. Would that be correct?

**MR. BYRNE:** The Grants and Subsidies line here actually it is for the government hiring apprenticeship program. There are some

provisions of grants and subsidies for the delivery of distance apprenticeship programs and, as well, for funding of the information technology system development, our responsibilities within the shared system. So that's captured within that particular line.

**MS. DOOLING:** Would you like me to add to that?

**MR. BYRNE:** You certainly may. I think the deputy is prompting me. She may have some additional information.

**MS. MICHAEL:** Sure.

**MR. BYRNE:** Madam Deputy.

**MS. DOOLING:** Thank you.

Ms. Michael, when we went through the Labour Market Development Agreement and I spoke to you about looking at some of the items that made up the Grants and Subsidies there, you'll see some of the Apprenticeship Wage Subsidy there.

**MS. MICHAEL:** Okay.

**MS. DOOLING:** When you go through the binder you'll actually get to see the dollar values that are allocated from the Labour Market Development Agreement for the wage subsidies for the apprenticeship.

It's in a couple of different spots. We've tried to break it out quite clearly so that the reader would know what pieces are paid out of what heading in the estimate. Okay?

**MS. MICHAEL:** That's great. So it's in the binder?

**MS. DOOLING:** It is, yeah.

**MS. MICHAEL:** Wonderful.

Thank you very much.

Since there are only 30 seconds left, I'll stop at this point.

**CHAIR:** Thank you, Ms. Michael.

Mr. Brazil.

**MR. BRAZIL:** 5.1.02, just under Grants and Subsidies, if we could have a list later on provided to all of us.

**MR. BYRNE:** Yes, thank you.

This is funding; the bulk of this funding is provided through Adult Literacy Grants and our literacy strategy plan, the \$4.3 million; but also for the Council of Ministers of Education literacy programs, \$18,000.

You're seeking a list of the grants? I just want to verify.

**MR. BRAZIL:** Yeah, I'm just curious to see the location of where they are.

**MR. BYRNE:** These are organizational-based grants, correct, Deputy?

**MS. DOOLING:** They are community based.

**MR. BYRNE:** Yeah.

**MR. BRAZIL:** The amounts paid out, those types of things. Yeah.

Under the Atlantic Veterinary College system, I'm just curious to see numbers on the uptake. Are we full every year with the number of seats we have allocated?

**MR. BYRNE:** Yes, we are. As you are probably very familiar, we've reached an arrangement with the University of Prince Edward Island to ensure that 12 seats, three entry seats for a four-year program for Newfoundlanders and Labradorians, are available to the veterinarian school, to the Veterinary College there.

What we do is pay for approximately 6 per cent of the overall operating costs of the veterinarian program. The amount of funding does sometimes fluctuate. It's a really interesting point because performance indicators are used.

In addition to a base grant or a base contribution to the Veterinary College, the Veterinary College itself in UPEI operates under a performance indicator model. They actually assess the school's performance – including the



graduate performance is assessed – through a series of indicators. The amount of assistance that is required to be provided to them is actually based on a performance indicator model. That does indeed cause sometimes some fluctuations, but I think it's a really, really interesting model.

We now provide access to post-secondary education – we have for quite some time – on a performance indicator model system. We don't do it with any other school however, other than the University of Prince Edward Island.

**MR. BRAZIL:** I'm just curious, have we had much more of an uptake? Are we getting 20 applicants for the 12 positions or (inaudible) positions?

**MR. BYRNE:** The Veterinarian College itself is responsible for, through the Registrar's Office, monitoring the number of applications. I have to be honest, I have not inquired as to what the level of interest has been. I just know that we have been fulfilling –

**MR. BRAZIL:** Yes.

**MR. BYRNE:** Each and every year we are successfully filling three seats for Newfoundlanders and Labradorians. That does not mean the school is limited to only three seats, it's just that we have a guaranteed placement of three seats.

**MR. BRAZIL:** Yeah, I'm just curious if that data is available, if there are 25 Newfoundlanders and Labradorians who are applying.

**MR. BYRNE:** We can reach out to the University of Prince Edward Island, the Registrar's Office, to be able to see if we can find that information.

**MR. BRAZIL:** I appreciate it.

That's all I have on that section, Mr. Chair.

**CHAIR:** Ms. Michael.

**MS. MICHAEL:** Yes, could I just come back to 5.1.02. Obviously, Minister, there's been discussion publicly, as you know, with regard to the ABE program. I'm wondering, in the light of

some information that's been coming forward, are you going to be doing a review of the private college ABE programs.

**MR. BYRNE:** There's always a constant ongoing review of programs and services that are funded by the Department of AESL. Including, we maintain regular contact with the private training institutions that are responsible for providing Adult Basic Education. It's something that I think is becoming not the exception but the norm. It's an expectation that performance be monitored and assessed.

We have found no difficulties with the performance of the private institutions in delivering Adult Basic Education. We value their performance, their contribution; but to get to the quick of your question, I have said some time ago that I would see a value in reviewing the College of the North Atlantic's role in the provision of Adult Basic Education.

As you are aware, the college's capacity or ability, entitlement, if you might, to provide that service, to provide that educational experience was suspended in 2013. There was a lot of discussion about the cost for educating an individual at the College of the North Atlantic for Adult Basic Education versus what it could be done through private training institutions. That cost was registered or expressed to be at that time \$9,000 per student per year, I believe, was – generally, that was the figure.

As a result of that, I asked whether or not those numbers could be verified to me as a new minister looking at this with fresh eyes. I asked my department and the College of the North Atlantic to provide me with whatever evidence, whatever financial performance information they could provide to me, to give me clarity and confidence in the decision.

What came back was there was no enrolment management system that was in place at that time that could really verify the number of students in ABE at the college, nor could it actually advance specific and confident information about costs. I can tell you, I can tell this Committee, as a result of that it broadened my interest. When you cannot provide specifics, when you cannot specific data on enrolment, on financial performance, it raises with me a

specific concern. So, from that, I can tell this Committee that's where, in large measure – not completely, but in large measure – where the review of the College of the North Atlantic began.

If there was not an adequate enrolment management system, or if I could not be provided with that kind of information on a timely basis accurately and confidently, if I could not be told information in terms of financial performance of a particular program, then I asked: Is there a larger problem afoot? That's as a result – in large measure, that's why I began or requested a review of the College of the North Atlantic.

I will make no bones about it; Newfoundland and Labrador is the only jurisdiction, that I'm aware of, that does not allow its public college system to operate and provide Adult Basic Education. I have reached no conclusions about this yet, but I want to make evidence-based conclusions.

I feel it's appropriate that there are no programs that I'm aware of that are exclusively the domain – by any other standard, exclusively in the domain of the College of the North Atlantic. I question as to why there is one particular program that the College of the North Atlantic is not allowed to provide. So, with that said, we cannot stand a program – if there were a decision to be taken today to advance ABE within the College of the North Atlantic system, that obviously could not be done for September enrolment regardless because, of course, we have staffing requirements and other things.

I want to be very clear: If there were a decision to be taken, it could not begin at this point in time before September enrolment.

**MS. MICHAEL:** Okay, thank you very much. I really appreciate you putting yourself as minister with regard to where you stand on that.

It won't be a surprise to you that I absolutely believe that we have a public educational system and that ABE should be an essential part of our public education system, especially with the low level of literacy that we have. We all know that the adult literacy issue is very serious. I was totally opposed in 2013 and I look forward to

seeing to where you move with this, so I'll be following it carefully.

Having said all that, Minister, are you also looking at the issue of the adult literacy strategy that has been talked about?

**MR. BYRNE:** Yes, this is a priority –

**MS. MICHAEL:** Because, to me, the two things are tied.

**MR. BYRNE:** They're very, very much tied. The adult literacy strategy will be an action plan that we bring forward. It is part of my mandate letter that has been forwarded to me by the Premier. It is a requirement; it is his expectation and the expectation of the government that I, in this department, deliver an adult literacy strategy. We will be doing that.

As you can appreciate, we've stood up on a number of different initiatives in a very short period of time: our Immigration Action Plan; we've looked at minimum wage and we've looked at a number of different initiatives. That is not to minimize the importance of this; in fact, consideration of the overall ABE program obviously would be a big part of the development of a literacy action plan and adult literacy strategy.

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

] Would we be able to get – I presume you have this information – the numbers of students enrolled in 2016 in ABE programs and the number of graduates in 2016?

**MR. BYRNE:** We can supply all of that. Again, this goes back to some of the original discussion, some of the original, if I may, confusion about the Adult Basic Education program. ABE does not operate, nor should it, like a high school program. There is not a definitive, finite entry point on September 1. There is not a definitive, finite exit point on June 25 of the following year.

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

**MR. BYRNE:** Students go into an ABE program with specific intentions and objectives in mind. Some may go into an ABE program

exclusively and simply to update or upgrade their biology grades for consideration of entry into an LPN – a nursing program or a health care program. Some may require a full GED in consideration of their GED requirements.

**MS. MICHAEL:** Yes.

**MR. BYRNE:** Every individual goes into it with a very unique set of expectations, objectives and program. That means that some will be involved in ABE for just six weeks.

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

**MR. BYRNE:** Some may be involved for three years. With that said, I want to qualify, that's why it's very, very difficult to quantify and qualify the performance of an ABE program which, I think, may have contributed to some of the confusion back in 2013.

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

Obviously, it's an individually based program and has to be. To me, the term graduation – did people finish? Did they get to the end? Did they reach their goals? So if it's a six-week need or it's a three-year need, did they reach their goals? I know that's hard to quantify.

**MR. BYRNE:** It is hard to qualify because at some point in time, even though someone may be involved only intending to go into school for six months, they may take a break but carry on.

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

**MR. BYRNE:** The whole notion that finite in a calendar year or an academic year –

**MS. MICHAEL:** Is hard.

**MR. BYRNE:** – that a conclusion can be reached.

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

**MR. BYRNE:** But, still, I think it is important to capture those statistics to be able to provide qualified evidence about performance and performance indicators, where possible.

**MS. MICHAEL:** Right. I'll be interested in whatever it is that you are able to gather.

**MR. BYRNE:** We will supply fully whatever information we have available.

**MS. MICHAEL:** Thank you.

Moving on then, to 5.2.01, I am not going to get into the questions around funding of Memorial University. I think they don't belong in this –

**MR. BYRNE:** Oh, come on.

**MS. MICHAEL:** They don't belong here. No, I'll do it where you can do that.

**MR. BYRNE:** Okay.

**MS. MICHAEL:** But I would like to know – I think I do know – the federal revenue for the Physical Plant and Equipment, the \$13,201,000, is that for infrastructure? Is that going into some of the infrastructural ...?

**MR. BYRNE:** Yes.

**MS. MICHAEL:** Because they have the new Science Building, for example.

**MR. BYRNE:** That is indeed the cash flow for the federal contribution to the infrastructure projects on campus.

**MS. MICHAEL:** Right, okay, thank you very much.

**CHAIR:** Ms. Michael, can I just ask you to hold your thoughts on that?

**MS. MICHAEL:** Sure.

**CHAIR:** And we'll turn it back over to Mr. Brazil.

**MR. BRAZIL:** Okay, I'm just going to quickly again reiterate what the leader of the Third Party had noted there – House Leader I should note – and support the minister on this. I'm glad to hear that you're going to look at evidence based as we look at the ABE program itself and a full or quasi-full review of the process itself. Again, I'm glad you are understanding of the concept.

The theme behind the process is people come in at entry levels and the benefits are a continuum.

I will just tell the one quick story. I'm invited to a graduation next week at CNA for a student that was in one of the community-based ones for seven years who will now graduate CNA in the chef's program. So there are success stories. But when you run into some challenges in life, as you know this, and anybody who's an educator would know this, particularly around ABE, single parents, issues with their children, making those transitions, the success stories well outweigh the process we have to use and reinventing the process and making it work.

I'm glad to see that we'll have that further discussion around the full review and evidence based to see what are the best hybrids to make sure people have access to adult education and whatever levels like you mentioned, if it's two courses they need to upgrade on to a particular course in post-secondary. That's a positive there.

I will go back to the university, but one of the questions I have is around clarification on the amounts that are given for the tuition freeze. Is there a formula? Is it based on the number of students? Is it based on an anticipated 3 or 4 per cent revenue generator in a continuum year? How is that number reached when you subsidize the wage tuition freeze continuum at the university?

**MR. BYRNE:** The tuition freeze subsidy, which now amounts to \$56.4 million, annualized this year alone, was actually established back in 2005. The original wage tuition freeze program, if my memory serves me correctly, was established in 2005 and it was part of the discussion of post-secondary education White Paper. There was some reference to that, but it was established at a base rate of \$4 million and was intended to grow by \$4 million annually. It is basically that blunt an instrument. It reflects –

**MR. BRAZIL:** Trends.

**MR. BYRNE:** – inflation and other things and it have grown now to \$56.4 million.

**MR. BRAZIL:** So to continue that each year, you'd have to add (inaudible) –

**MR. BYRNE:** \$4 million.

**MR. BRAZIL:** Cumulative amount over a period of time.

**MR. BYRNE:** Absolutely. Last year, it was \$52.4 million.

**MR. BRAZIL:** Okay, fair enough.

I'm curious, because I've had a number of people ask, did somebody just pick the number out of their hat, is it inflation cost, is it relevant. So it goes back to the original process, which made sense at the time.

**MR. BYRNE:** Yes.

**MR. BRAZIL:** From an infrastructure point of view at Memorial University – and we all know, we've seen the evidence over there, and we're all cognizant of the fact that the university, certain buildings are ailing and monies may not have been allocated or the amounts allocated weren't enough to keep the structural process moving forward.

Has there been any dialogue with the university around how allocation should be done, if there are partnerships that can be developed? Because I'm hearing some alarming stories about we're into almost a safety issue in some cases over there, particularly if you walk through the tunnels and some of the other surrounding buildings.

I'll just ask the minister, has there been some dialogue or some plan of action?

**MR. BYRNE:** Yes, there is. Obviously, infrastructure deferment or undone maintenance, deferred maintenance is a serious issue with the university, with Memorial University of Newfoundland, and there have been several discussions with the university's senior administration as to how that's best to be dealt with. That review did not begin this year, obviously.

The Auditor General of Newfoundland and Labrador conducted an examination of various elements of the university's operations, and just a few short years ago he concluded in his report that there were approximately \$400 million

worth of deferred maintenance. This was back in – his report that I believe he submitted in 2014, there was a conclusion that there was about \$400 million in undone maintenance at that point in time.

Now, the university's budget, as we know, has been growing considerably over the last number of years. The rate of growth of the university's budget has actually outpaced core government spending. There were programs for deferred maintenance that were in existence up until 2015 to be able to respond to some of these circumstances, but clearly, clearly, the university needs to bring forward a specific organized plan on how to deal with its infrastructure problems.

I will note for this Committee that at the moment there are solutions already in play, obviously. One, for example, is the development of the core science building. One of the buildings that is facing some of the greatest states of disrepair would be the current science facility, the current Science Building. Obviously, to each and every one of us, if you're building a brand new science building to house your science disciplines, then that is offsetting some of the concerns of your existing science buildings.

Right now, under construction or committed to by the university, there is \$400 million worth of new office and academic space either under construction or committed to by the university. As I stated earlier, the Auditor General pointed out there is approximately \$400 million worth of undone maintenance at the university.

At this point in time, the university is engaged in \$400 million worth of new construction. There is 650,000 square feet of new building space under construction or committed to by the university at this point in time. The university's footprint continues to grow.

While we have 650,000 square feet of new space being built, we still have the original space that requires the maintenance. The problem is not being solved completely by this. There are obviously offsets. When you build a new science building, you replace an old science building. The consideration still has to be what you do with the old Science Building.

**MR. BRAZIL:** Exactly.

**MR. BYRNE:** These are the things that I think must be dealt with. The Board of Regents, working with the senior administration of the university, obviously have the key roles to play. It is the university itself which decides its own priorities. This is something that I would be keen to work with the university.

By way of example, the College of the North Atlantic; there was a federal fund, the Strategic Innovation Fund. Newfoundland and Labrador was granted just over \$30 million of federal funding to be partnered with either provincial or university funding to support university infrastructure.

The College of the North Atlantic used a significant portion of their allocation within that fund for deferred maintenance. There are programs. If the federal government continues to offer deferred maintenance programs, we would encourage the university to work with us, with the provincial government, to use those funds for those purposes as well.

**MR. BRAZIL:** It makes sense.

A question under 5.3.01, relevant to the tuition offset grants for CNA. The \$1.1 million, is that the standard as the \$4 million is in –

**MR. BYRNE:** That was the notional amount that was established the same year as the Memorial University amount was, and so it progressed.

**MR. BRAZIL:** Are you in the process of having a review to determine what the best allocation formula is if you continue forward with the tuition freeze? Is it based on just giving that amount each year? Because needs of students or needs of faculty, or less students would dictate maybe less money, more students dictate more, or the cost of operations have increased dramatically.

**MR. BYRNE:** There's no review currently underway. We're still applying the same formula. We do note that Newfoundland and Labrador is blessed. The students and our community at large are blessed with the lowest tuition rates anywhere in Canada. In fact, I would argue they are lower than any rates in the Western world. I do respect and understand

there are some universities that offer free tuition, but it is on a limited basis.

What's important about our institutions is the tuition rates are available universally. You may find some jurisdictions in Europe that offer free tuition but they are to a very, very finite group of students. We do not have those limitations on the enrolment at Memorial University, which is an important element.

There are, what I would call, four pillars of access to post-secondary education. The tuition rate itself affects access. The amount of funds you provide to the university, to the institution, does indeed affect access. The amount of funds you provide to students through additional assistance, the Student Financial Assistance Program, influences access, whether or not a student can actually go to university or to college. The fourth and final thing, of course, is whether or not programs are being offered.

If you have a particular academic program where there's a finite enrolment, in other words there is a very, very set small enrolment, that obviously becomes part of an access issue. Those are the four pillars that I always examine when I consider access for post-secondary education.

**MR. BRAZIL:** Thank you, Minister, for outlining that.

**CHAIR:** Thank you, Mr. Brazil.

Do you care to continue, Ms. Michael?

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

Basically, just one more question. I think Mr. Brazil has covered a couple of the questions that I had left.

In 5.3.02, the Physical Plant and Equipment for the College of the North Atlantic –

**MR. BYRNE:** Yes.

**MS. MICHAEL:** Minister, the new money that's going in, \$19,393,000, is that all earmarked for projects? Has it been figured out based on earmarking of projects?

**MR. BYRNE:** I just want to confirm the \$19 million figure.

Yes, the specific projects that I can tell you for Capital expenses, there's just over \$17 million for the Heavy Equipment Centre of Excellence that has been earmarked. There's \$4 million for the Centre of Excellence in Energy within the College of the North Atlantic. We also have shop modernization we were able to use. So those two projects were the Heavy Equipment, and the centre of energy was SIF, Strategic Innovation Fund, supported projects.

Again, as I indicated earlier, there was a third category of the Strategic Innovation Fund for shop modernization, for deferred maintenance of various campuses. There were numerous campuses, and \$6.2 million, almost \$6.3 million really, was allocated for those initiatives.

In addition to that, there is still, as was inscribed under the White Paper, there was \$500,000 for shop modifications, there's \$250,000 for equipment purchases. We also included, for the College of the North Atlantic, the capacity of the college to do infrastructure planning. We provided \$350,000 so they can produce a plan, to help them produce a plan for their future infrastructure needs and for where they should be applying money.

The College of the North Atlantic has done a remarkable job in my opinion. They are not the owners of their buildings in most cases, but they're very, very acutely aware that upkeep of those buildings is an important component of providing a top-class education.

**MS. MICHAEL:** Thank you.

Minister, under Revenue – Federal, is the money that was expected in 2016-17, is that money that will get added on to what we estimate for this year or is that just was expected and didn't happen?

**MR. BYRNE:** It's just a cash flow. That's a cash flow circumstance.

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

I think that's all my questions, Mr. Chair.

**CHAIR:** Thank you, Ms. Michael.

Mr. Brazil.

**MR. BRAZIL:** I'm good on that. Are we still finishing 5.4?

**CHAIR:** We're through to 5.5.01, right through to the end.

**MR. BRAZIL:** Okay, fair enough.

Under Student Aid, Grants and Subsidies, 5.4.03, give me a little bit more of a breakdown on the differences there from the \$20 million to \$15 million to \$5.6 million for the '17-'18 allocation; 5.4.03, Student Loans Programs.

**MR. BYRNE:** Yes. This is of great interest to all of us. It's a very important and interesting story behind this. I do have Rob Feaver, who's no stranger to most MHAs, having worked with constituents on student loan issues. Rob Feaver is – I don't mean to blow smoke at him, but he's probably one of the country's most knowledgeable and informed experts on student financial assistance and he does provide advice to other jurisdictions when asked; sometimes even when not asked.

I will explain the differences and the changes. The federal government created some policy changes within the federal government's student loans and grants, the Student Financial Assistance Program with the federal government. As we are aware, there are two separate student financial programs: one federal and one provincial, but there is only one student. That's one single student has an individually assessed student need.

The federal government did a good thing; they increased the amount of grants that were available to students under the federal system. They also changed the way they determined need and eligibility.

Instead of what was known as the cliff effect, whereby it was discrete quantum, you were eligible if your own cash reserve, your own ability to pay for your education was at a certain point to a certain point, from zero dollars to a higher dollar value, then you fell in one category. Then if you were \$1 over that amount,

all of a sudden you went into a new category. What they did is they sloped it, they curved it and that created a more responsive mechanism to be able to assess student financial need. But they also did another thing, which is they had a fixed-rate contribution requirement from the student.

As we know, student financial assistance is means tested. It implies if a student who, basically, can fulfill all of the costs, their expenses to be able to help themselves with an education. That would include: their own income; if they're a dependent, their parental contributions; how much money they made over the summer; what their cost is; what the tuition rate is; what their accommodations costs are.

When you factor in all of these variables, the inputs and the outputs, then of course a determination is made as to whether or not a student – how much more is unmet by the student? What does the student need to be able to allow them to go to a post-secondary education institution?

The federal government decided, above and beyond the means test, every student would be required to contribute \$3,000 to their education. That's an interesting decision because, of course, it implies that a student who had no visible means of support, who was not able to gain significant employment during the course of the summer, who did not have access to parental contribution, no matter what their circumstances were, the federal government has decided they would need to supply \$3,000 to the cost of their education. That skewed things significantly.

We have been operating on what is known as a split model. The federal program and the provincial program, while seamlessly working together from the point of view of the student, there was a 60-40 split. Up until this past year, the federal program would meet 60 per cent of a student's financial need and the provincial program would meet 40 per cent of the student's financial need. It was not a sequential program; it was very discreet.

Because of the change in the federal program, the requirement of the fixed-rate contribution, the \$3,000 contribution, what was happening

was that a significant body of students would lose access to a significant amount of student financial assistance. We, as a government, had to respond.

What we did is we created the sequential model. Instead of the 60-40 split, we said we would not limit the amount of student financial assistance to a given student to 60 per cent of their overall assessed need being assigned to the federal government, we'd maximize all of the federal grants and other contributions they can make first and then we would move to the provincial Student Financial Assistance Program. As a result, in addition to providing more financial assistance to students than otherwise would have been the case – substantially more – it did also, as a secondary consequence, allowed us to accrue additional savings to the provincial program.

If there are specific questions, I'll take a breath and let you ask them, but I'm going to again move to our expert to be able to put in the full details about where were the savings, what would have happened if we had just stayed the same? If the provincial government did not reply or respond in any way, shape or form, what would have been the consequence to the student? Since we did, indeed, reply with this new or changed model, the sequential model, what the consequences would be.

Unless there's any – you want to interject with additional ...

**MR. BRAZIL:** No.

**MR. BYRNE:** Maybe –

**MR. BRAZIL:** No, that clarification that this is indeed the better move for the students of Newfoundland and Labrador. It's the students here, and my understanding is that; but, yeah, a little bit more clarification as to what the difference would have been from a financial point of view and a debt load point of view.

Mr. Feaver?

**MR. BYRNE:** Mr. Feaver.

**MR. FEAVER:** Thank you, very much, Mr. Brazil and Ms. Michael for the questions.

It's difficult from an operational perspective, because I'm an operational guy, to get down in the weeds of trying to address some of the things. But the fixed-rate contribution would have negatively affected 40 per cent of our student population base. We used a dataset of about 6,000 prior applications, so these were live applications that we used, and we just changed the formula and what would happen. When we applied the fixed-rate contribution, 40 per cent of our students would have been negatively affected, and that's defined as receiving less student financial assistance.

We were the highest in the country. That number was given to us by the federal government by their own analysis. We did our own analysis and confirmed that number was accurate. They were a little bit off; it is actually about 41 per cent.

Then when we looked at the 40 per cent of people who were negatively affected, over half were from low-income families. A further 25 per cent were from middle-income families. These are by definitions of the federal tables, which I can provide to you, in terms of how they define – low income would be defined as being family income below \$60,000 and then middle income would rise to about \$113,000.

So we had 75 per cent of the people who were negatively affected by a fixed-rate contribution from those categories. To me, that was, as being a program expert and being in the program, to see people from all income families not getting enough money to go to post-secondary was unattainable for us, and that's how I presented it to the minister in terms of it being the key factor of maintaining fixed rate.

In the proportional model, we accept and have accepted, for 20 years, whatever the federal program changes were, we would apply that to the provincial program. Now this has forced us to move into a dual assessment, what they call a dual assessment. So we have to assess the \$3,000 contribution on the federal portion, and we will now, effective in 2018, we will add '17-'18 and '18-'19 as we transition towards that. We will not be assessing that on; we will maintain a status quo under the provincial program. So no one will get any less money under the provincial program or the assessment won't change as well on that part.



**MR. BRAZIL:** Perfect, thank you for that. That clarifies that.

Yes, I'm good on that. Just when we conclude, I have a couple of general questions, quick and dirty ones.

**CHAIR:** Ms. Michael, any concluding remarks and questions?

**MS. MICHAEL:** I have a couple of more questions.

**CHAIR:** Okay.

**MS. MICHAEL:** I had forgotten about the student loan page. But it seems to me, even though Mr. Feaver did give us information then, I'm thinking, Minister, it might be really good if we were to have a briefing on the whole student loan thing and our lead researcher – I mean, Ivan is one of our researchers, but our lead researcher in this area couldn't be here this morning, so I think she'd be interested as well. So afterwards we could sit – and I'm sure the Opposition would be interested, I don't know, but I think it would be really good for us to have a briefing.

**MR. BYRNE:** I would be delighted to offer that directly with departmental officials. And do not feel surprised that you may feel a little bit caught off guard by some of this. This was a decision that was actually taken a year ago by the federal government.

**MS. MICHAEL:** A year ago, yes.

**MR. BYRNE:** When I briefed the Canadian Federation of Students, they did not appear to be aware of it themselves.

**MS. MICHAEL:** Right.

**MR. BYRNE:** So it's one of these things that kind of have been under the radar, to a certain degree.

I've reached out to student organizations to keep them up to speed to the best of my ability, but there are some interesting things that are going on in the student financial assistance world nationally, which is, for example – I think this is something we can all share and take a certain amount of pride in – there's a movement

towards or at least a capturing of the notion of free tuition in certain jurisdictions, like in Ontario.

Well, the notion of free tuition is based on the premise that if you combined all of the federal grants, assistance, and the provincial grants and assistance, the total amount available to a student in Ontario would be matched or capped at the cost of tuition.

Governments have recommended, or suggested, they've spoken publicly that in other jurisdictions they offer free tuition because the amount of student financial assistance is equivalent to the cost of tuition. As we know, in Ontario the average tuition cost in that jurisdiction is \$6,700 per year for an Ontario undergraduate student. So combining the federal and the provincial assistance, it caps out at the actual cost of tuition.

In Newfoundland and Labrador, if we were to apply that same model, the amount of assistance that would be available to the student – we currently offer far greater than the cost of the tuition. If we were to cap it at cost of tuition and say we now offer free tuition, we would substantially – substantially – reduce the amount of student financial assistance available to our students. In fact, if you were to apply that model, they would not be able to capture the full amount of federal grant because, of course, the federal grant at \$3,000, just that one element alone, is already above our tuition rate.

I say that, and I think it's something that we can take a certain level of pride in – I know that there will not be full agreement on that notion, but that's a product of where we've come from. We've all valued access to post-secondary education. In fact, when we look and we communicate to other provinces, to students from across the country, what we can say is that for our own university, for our own college, the cost of our tuition compared to the amount of student financial assistance out there, we actually help students pay for costs outside of the actual tuition costs. Other jurisdictions don't do that.

**MS. MICHAEL:** One more question.

**CHAIR:** Absolutely.

**MS. MICHAEL:** A very minor one I think, but I still want to ask it. 5.4.02, Scholarships, it looks like that's being discontinued. Just curious about that, what those scholarships were.

**MR. BYRNE:** There was a decision that the scholarships were not core to the government. It's recognition of certain academic achievements, obviously, and the recognition is always valuable and appreciated, but there was a decision in last year's budget that under the financial circumstances we were under is that we would stick to a more generalized core access to support for access for post-secondary education. I don't mind admitting I really have enjoyed and appreciated keeping the scholarships, but I recognized and understood that under the financial circumstances we were in, given the amount or the scope, the number of individuals involved, that was a decision that was taken and I stand by the decision.

**MS. MICHAEL:** Thank you.

**CHAIR:** Thank you, Ms. Michael.

Would you just like to have some closing remarks before I turn it over to Mr. Brazil?

**MS. MICHAEL:** I would. I thank the minister and his officials for a very good discussion this morning and for taking as much time with us as you have taken. I really appreciated it. I do look forward to being in touch with you with regard to a briefing on student loans.

Thank you very much.

**CHAIR:** Thank you, Ms. Michael.

Mr. Brazil.

**MR. BRAZIL:** I, too, want to thank the minister for outlining and answering all of our questions and the staff for being very informative. I do have a couple of quick ones, just for clarification. Income Support overpayments process, is that still in play? Do we still collect on a regular basis?

**MR. BYRNE:** Yes, we do. Under the statute, of course, if there is an overpayment, it must be recorded and we have taken additional efforts to try to collect wherever possible.

**MR. BRAZIL:** What's our average a year that we collect: a million, two, three, less?

**MR. BYRNE:** Bren, if you would – just identify yourself for the ...

**MR. HANLON:** Through active collections, about \$3.5 million a year now. Through the 5 per cent we take back from active clients, it is roughly \$2 million I believe.

**MR. BRAZIL:** Okay, perfect.

**MR. HANLON:** It's pretty consistent year to year.

**MR. BRAZIL:** We still have a process where we identify the overpayment process?

**MR. HANLON:** Oh yeah, for sure. Yeah.

**MR. BRAZIL:** Okay, perfect.

Do we still have licensed social workers within AESL?

**MR. BYRNE:** Yes.

**MR. BRAZIL:** How many of those would we have?

**MR. BYRNE:** We do indeed have social workers, a full complement. I don't believe – in actual fact, that's an area where we have maintained our presence quite, but if I could defer to Donna O'Brien to ...

**MS. O'BRIEN:** In terms of positions, I believe – and I'd have to go back and double-check – we have 22 social worker positions. A number of them are providing support application social work function to parents accessing child support. We also have a number of positions called liaison social workers that are also registered social workers who support individual systemic issues, advocacy to other departments and within community on behalf of individuals.

**MR. BRAZIL:** Perfect. Thanks.

My last one: Is AESL still involved with the Population Growth Strategy or does it still exist? Is it still on the radar? Is it put on the backburner? Is it dropped?

**MR. BYRNE:** A key component to population growth, obviously, is our immigration strategy. So our focus and our initiatives really dwell highly on immigration.

We still have the component of attracting expats to consider, when opportunities avail, to return to Newfoundland and Labrador. I will say with clarity and confidence that in terms of directing our attentions and energies, we do consider outreach to expat Newfoundlanders and Labradorians who are currently residing in other parts of the province important. But in terms of directing our energies, attentions and focus, while it's important to continue a level of communication, it would be fair to say that most Newfoundlanders and Labradorians know a lot about Newfoundland and Labrador.

Where our attentions really, really need to be, I think today and in the future, is in attracting and retaining newcomers to our province. It's very, very important to point out – and as someone who knows and appreciates this well, there is always a debate about whether immigration is in the best interests of our province and our people, whether or not it provides an unfair circumstance to those looking for work in Newfoundland and Labrador. Obviously there are unemployed people in this province, and when you bring in people from outside of the province, it does raise concerns and questions.

What I think we all have a responsibility to do is to voice, and voice loudly, that under our Provincial Nominee Program, those who would come to our province from outside of our province, outside of our country, foreign nationals, they must come with an identified job attached that cannot be fulfilled within the local marketplace, within the local labour market. So it is not a question of pinching or poaching a job from a Newfoundlander and Labradorian, they are fulfilling jobs and skill sets that have been proven and tested to not be currently available within the province.

From the point of view of our health care system, as we analyze this, if it were not for newcomers to our province our health care system, our ability to be able to service the needs of our seniors would be very negatively impacted if it were not for people who want to

come to our province and want to settle in our province. That's an important point.

Attraction is one element to population growth, but retention is the other. Building a multicultural, diverse society that's accepting of newcomers – which I am confident we do indeed have in Newfoundland and Labrador. We're probably one of the strongest places where differences are not only accepted, but they're embraced. We always need to encourage that.

I grow concerned occasionally when voices come forward expressing negative views about multiculturalism and diversity. Rather than challenging them in an adversarial way, I think the right approach to take is to take them aside and to encourage them and to educate them. I think that's the way each and every one of us as parliamentarians can play a big role in advancing our immigration strategy, our immigration outcomes and retaining people for the province. Because it is true and it is clear, we are facing demographic challenges.

Those of us sitting in chairs in this hallowed hall right now will need the services of others to take care of us in time. We need people to help us in a whole bunch of different areas, whether it be in high-skilled areas, engineering, health care and other fields, but as well in important roles making sure that our current population is well served by a younger generation as well.

**MR. BRAZIL:** Thank you, Minister, and thank you to all the officials.

I appreciate that, and any information you share, don't forget to share to all of us. We appreciate that.

Thank you.

**MR. BYRNE:** Yes, indeed.

**CHAIR:** Thank you, Mr. Brazil.

Can I ask the Clerk to call the final set of subheads, please?

**CLERK:** 5.1.01 through 5.5.01 inclusive.

**CHAIR:** 5.1.01 through 5.5.01.

Shall the subheads carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 5.1.01 through 5.5.01 carried.

**CLERK:** The total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, Department of Advanced Education, Skills and Labour, total heads, carried.

**CHAIR:** Shall I report the Estimates of the Department of Advanced Education, Skills and Labour 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 Advanced Education, Skills and Labour carried without amendment.

**CHAIR:** I'd ask for a motion for adjournment.

Moved by Pam Parsons.

In saying that, Minister, did you want just a closing statement?

**MR. BYRNE:** Thank you, Mr. Chair.

I just want to say thank you to all the Members of the Committee that attended today. I appreciated the line of questioning very, very much.

I will say this, that our House of Assembly has an Estimates process which is refreshing. It allows for a level of discussion which I, in my previous career, my previous representation, my role as a Member of Parliament, would be – I would be envious if this level occurred in the nation's capital, in the House of Commons. It does allow quite a detailed review.

In my past experience if you could get – and this is true. This was true of previous administrations; this is true of the current administration. If you could get 30 minutes of a minister's time you were lucky. I think this is a practice that – the Committee process is something that is incredibly valuable, and I appreciate the line of questioning that was involved.

I also want to say a very special thank you to the staff, to the senior officials that accompanied me here today. Obviously, I'm not an expert in every, every, every detail of every transaction in the department, but I try to be. It was great to have the assistance of a great group of professionals that serve us all.

**CHAIR:** I thank you as well, Minister, and to your staff and to our Committee. This was our last set of Estimates in our Resource Committee, so I'd certainly like to say thank you to the Committee and to the parties as well.

With that we'll adjourn, and have a wonderful remainder of your day.

Thank you.

On motion, the Committee adjourned.