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**Proceedings of the Standing Committee on
Resources**

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Department of Fisheries and Land Resources

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Honourable Perry Trimper, MHA

RESOURCE COMMITTEE

Department of Fisheries and Land Resources

Chair: Brian Warr, MHA

Members: Derrick Bragg, MHA
Jerry Dean, MHA
John Finn, MHA
Jim Lester, MHA
Lorraine Michael, MHA
Pam Parsons, MHA
Tracey Perry, MHA

Clerk of the Committee: Elizabeth Murphy

Appearing:

Department of Fisheries and Land Resources

Hon. Gerry Byrne, MHA, Minister
Lori Anne Companion, Deputy Minister
Stephen Balsom, Assistant Deputy Minister, Forestry and Wildlife
Keith Deering, Assistant Deputy Minister, Agriculture and Lands
Tony Grace, Assistant Deputy Minister, Enforcement and Resource Services
Philip Ivimey, Departmental Controller
John Tompkins, Director of Communications
Gordon MacGowan, Executive Assistant
Wanda Wiseman, Assistant Deputy Minister, Fisheries and Aquaculture

Also Present

Colin Holloway, MHA
Kevin Parsons, MHA
Laurie Bonia, Official Opposition Office
Sandy Collins, Researcher, Official Opposition Office
Ivan Morgan, Researcher, Third Party

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

Pursuant to Standing Order 68, Colin Holloway, MHA for Terra Nova, substitutes for Pam Parsons, MHA for Harbour Grace - Port de Grave.

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

CLERK (Murphy): The first order of business is to elect a Chair.

Are there any nominations for Chair?

MR. K. PARSONS: I nominate Brian Warr.

CLERK: Any further nominations?

Further nominations?

Mr. Warr is acclaimed Chair.

CHAIR (Warr): A pretty painless procedure.

Good evening and I'd like to welcome everybody to the Estimates on Fisheries and Land Resources. Before we get into the good stuff this evening we need to, first of all, elect a Vice-Chair.

I'd certainly open up the floor to nominations for Vice-Chair.

MR. BRAGG: I nominate Kevin Parsons.

CHAIR: Kevin Parsons has been nominated.

Any further nominations?

Any further nominations?

Kevin Parsons has been elected as our Vice-Chair.

Next, we need to entertain a motion to adopt the minutes of the Resource Committee on March 9, 2017.

I need a mover.

MR. DEAN: So moved.

CHAIR: So moved by Jerry Dean.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, minutes adopted as circulated.

CHAIR: First of all, I would like to get started by having our Resource Committee introduce themselves by name and district, please.

Before we start, I just want to say with regard to when I recognize you to speak, or if the minister recognizes one of his staff to speak, just wait until your tally light illuminates and go ahead with your talk at that particular point in time.

We'll start off with Mr. Parsons, please.

MR. K. PARSONS: Kevin Parsons from the beautiful District of Cape St. Francis.

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

MR. COLLINS: Sandy Collins, Researcher, Opposition Office.

MR. LESTER: Jim Lester, Mount Pearl North MHA.

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

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

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

MR. DEAN: Jerry Dean, MHA, Exploits.

MR. HOLLOWAY: Colin Holloway, MHA, Terra Nova District.

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

CHAIR: I will say that we have Mr. Paul Lane representing Mount Pearl - Southlands, and Mr. Holloway is substituting tonight for MHA Pam Parsons.

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

CLERK: 1.1.01.

CHAIR: 1.1.01.

Shall the motion carry?

Mr. Byrne, you have an opportunity to speak now and introduce your staff yourself and have a few short remarks and we'll get into the process.

MR. BYRNE: Are you instructing me, Mr. Chair, that I only have short remarks because I have intend to have long, exhaustive, extended remarks.

No, I will be short.

CHAIR: You can please yourself, Sir.

MR. BYRNE: Thank you very much, everyone. Thanks for all the attention to details that I'm sure we'll have this evening. I'll just be quick and introduce, to my immediate left, is Lori Anne Companion, who is the Deputy Minister at Fisheries and Land Resources; Phil Ivimey is our Controller shared with Natural Resources, so Phil has the capacity to be able to answer 99.999 per cent of all questions. He's going to be our go-to guy.

We have subject matter experts. Joined with us is Tony Grace who's the Assistant Deputy Minister for policy and compliance and enforcement; then is Stephen Balsom who's the Assistant Deputy Minister for Forestry; Keith Deering is Assistant Deputy Minister responsible for Agriculture and Lands, amongst other things; Wanda Wiseman is the Assistant Deputy Minister, well acquainted with Fisheries and Aquaculture.

To the far back is John Tompkins who is the Director of Communications with Fisheries and Land Resources; and my EA, who you've probably come across a couple of times, Gordon MacGowan. For those who haven't seen him before, that's Gordon right there in the back.

We'll go right into questions and go into the subheads rather than sort of go into a long discourse. This is a really interesting department. For me, personally, I'm delighted to take some of the responsibilities for fisheries, for aquaculture, for forestry, for agriculture, for lands, for protected areas and for wildlife. It's just a fascinating department and one that I think affects so many Newfoundlanders and Labradorians very directly and very personally and also from a socio-economic point of view is very, very important and powerful to our province.

With that said, Mr. Chair, I think the better thing to do is to allow as much time as possible, why don't we just get into the questions of the Committee.

CHAIR: Thank you, Mr. Byrne.

The way we're going to proceed tonight is we will call the subheads. The Official Opposition will get 10 minutes, then the Third Party will get 10 minutes and we will vote on all subheads in the end. If you don't finish, you need extra time for something in a particular subhead, we'll certainly offer you that time as well.

Based on 1.1.01, Mr. Parsons, your 10 mins.

MR. K. PARSONS: Thank you very much.

I really appreciate everybody here tonight; I appreciate you all showing up.

Minister, I'm just going to ask a general question at the beginning just so that when we go through the Estimates tonight I won't be repeating a lot of things. When we look at the budget this year we see a lot of different – I don't know, there are some areas not in this year's budget that were in last year. Can you explain some of the big changes that happened in the department this year?

MR. BYRNE: Certainly. I appreciate that.

Some of the big changes – of course, we're aware there was a major departmental reorganization that brought Crown Lands into the department itself. The function of that – which actually is what caused or precipitated

many of the changes – was that there were synergies that were identified.

When you look at a department, a renewable natural resource department existing that had functions in fisheries and aquaculture – but also especially in land-based resources such as forestry, agrifoods, wildlife – there were several areas where the purpose of the blending, the creation of the new department, was to allow those synergies to be able to take full hold. When we get into the various subheads you'll notice there are areas where salaries will have switched or changed. It's because there has been movement in personnel. Not elimination of personnel per se, but movement from one area of the department into a new area of the department. Functionalities have changed.

For example, with the blending in of Crown Lands into the department there was a major move, major capacity. Each and every one of the shops in forestry and agriculture had GIS, geographic information system and mapping capacities. It was determined that there could be greater synergies with greater utilization and efficiency through one sort of major GIS department or branch or division. And so you'll see things like that occasionally and I think that will be a bit of a recurring theme.

MR. K. PARSONS: Yeah.

MR. BYRNE: As we explain why one particular area is down, we'll be able to refer it to which area it was picked up in.

MR. K. PARSONS: Okay.

MR. BYRNE: The other thing is that with the Atlantic Fisheries Fund, with the switch from Growing Forward to the Canadian Agricultural Partnership, you'll see some grants and contributions areas that will have switched around a little bit, those kinds of things.

Generally speaking, I appreciate the question because it is a recurring theme. I don't mean to repeat myself but that will be how some things will be explained.

MR. K. PARSONS: Yeah and I don't want to repeat myself either asking the question because it might be the same answer as in the others.

I have some general questions first that I'd like to ask. The first question is can we have a copy of your binder after? You have it all ready?

MR. BYRNE: We have it here.

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

MR. BYRNE: (Inaudible.)

MR. K. PARSONS: Is there anything that's in the Estimates that we don't – any errors or anything like that? I know last year there were a few errors that we had found. There are no errors or anything in it?

MR. BYRNE: There are no errors that we are aware of because we do –

MR. K. PARSONS: Perfect, okay.

How many people are employed in the Department of Fisheries today?

MR. BYRNE: In the Department of Fisheries and Land Resources?

MR. K. PARSONS: Well, just the Fisheries. I was interested because last year we had an answer that came back. I know the whole department probably has about 1,000 or 1,100, but what is actually in the Department of Fisheries branch alone?

MR. BYRNE: I'll ask Lori Anne or Wanda. Would you be able to provide the number to this date?

Recognizing that there are seasonal – fish inspection, for example, employs a relatively large number of seasonal workers.

Wanda, would you be able to ...?

MS. WISEMAN: There are between 80 and 90. As the minister said, it depends on the seasonal staff that's on at any point in time, but that's for Fisheries and Aquaculture branch.

MR. K. PARSONS: Were there any layoffs or terminations in the department this year?

MR. BYRNE: No, not in this fiscal year.

MR. K. PARSONS: Okay.

Your number is very similar to what it was last year. Actually, a little bit lower than what it was last year but similar.

How about the attrition plan? Has the attrition plan been working in your department? Have you used it? The attrition government has right now, is that part of the Department of Fisheries also.

MR. BYRNE: Lori Anne, I'll ask you to take that.

MS. COMPANION: Yes, the attrition plan has been incorporated. It is \$200,000 for salaries that has been identified in the Forestry branch and it's just a block. We'll determine where those positions are as they become vacant over the year and as retirements occur.

MR. K. PARSONS: Okay.

Always in the department, too, we'll find some areas where there are a lot of vacancies. Last year, too, there were some vacancies in the department. Have any of these vacancies been filled or have these positions been eliminated?

MS. COMPANION: The department had 830 positions funded last year. This year we have – we had 855 positions funded last year. This year we have 824 positions funded. It's a change of 31 positions. They were funded but they've been vacant for more than 24 months.

MR. K. PARSONS: Okay.

MS. COMPANION: They weren't positions that we have been filling for any time.

MR. K. PARSONS: Okay. That's good. Those are just the general questions, now I'll go into subhead 1.1.01.

I'll do line by line here now in a little bit. I'll have questions as we go through the different sections. On this section alone, I just want to look at the Salaries.

Can you explain the variance that's here? How many positions are included in these amounts?

What are the positions? Have the positions been added or have any been removed?

MR. BYRNE: Which line specifically?

MR. K. PARSONS: This line with Salaries is in subhead 1.1.01, Minister's Office.

MR. BYRNE: The three positions that are contained within that particular line on Salaries: one is the minister, the executive assistant then the departmental secretary. In terms of variations, the variation last year, between what was budgeted versus what was actually spent – the variance was due to severance and leave payouts required for a former employee. A long-time secretary to the minister had retired during that period of time.

MR. K. PARSONS: Okay.

Were there any new positions in the office added or any removed?

MR. BYRNE: No.

MR. K. PARSONS: No?

MR. BYRNE: No.

MR. K. PARSONS: Okay.

We'll go to Section 1.2.01, Executive Support. I'd like you to explain the amounts. We'll go to Salaries. How many positions are included in this amount? What are the positions? Can you explain the variance? Were there any removed or added?

MR. BYRNE: Okay, so last year the budget – in the salary line, as we can see, the original budget was for \$1,182,100 which was subsequently revised to \$1.2 million. There were severance payments that were paid with the departure of some employees and leave costs. This year's salary budget of \$1,223,500 is basically in line with what the salary layout would look like with the existing remaining same positions being funded.

There were 13 positions in total: the deputy minister – that included within executive and support services – four ADMs, four administrative support and three

communications staff, plus one contractual employee.

MR. K. PARSONS: Okay.

Now, Transportation and Communications is probably the largest expenditure there. Can you give us what's included in the Transportation and Communications there?

MR. BYRNE: In Transportation, deputy ministers and assistant deputy ministers would be expected to, and do, participate in federal-provincial conferences and, as well, with this particular department, as we know, the headquarters for forestry, for agriculture and for Crown Lands is based in Corner Brook. So there's a fair bit of travel between the provincial capital and Corner Brook. As well, there's national travel and domestic travel related to attendance to various federal-provincial-territorial conferences. In addition to that, there are some other travel expenses that – deputy, I think, that captures –

OFFICIAL: (Inaudible.)

MR. BYRNE: Yeah.

MR. K. PARSONS: Okay. I'm very interested in one line there, and I know there's no change there, but for Property, Furnishings and Equipment you only have \$900. You're not going to buy a lot of pens and paper out of the amount of money that you have there. I'm wondering – it seems a bit low to me for supplies and whatnot that you need in your office.

MR. BYRNE: Well, thank you, we take that as a compliment.

Lori Anne, would you like to field that?

MS. COMPANION: So, for Property, Furnishings and Equipment, it's \$900. We only had \$1,000 there last year and we didn't buy any office chairs or tables.

MR. K. PARSONS: Okay, chairs and stuff like that.

MS. COMPANION: But for the supplies, for our pens and papers and stuff, we use Supplies,

which we had \$9,000, we spent \$6,000 and we have \$7,200 budgeted this year.

MR. K. PARSONS: Okay.

All right, we'll move on to General Administration, section 1.2.02.

Now, this must be somewhere where we've seen changes from last year to this year because things that were budgeted in last year's budget are not – last year's budget for Property, Furnishings and Equipment was showing \$491,100, but this year the budget said it was \$300,000. So there must be some changes.

This is what I was talking about earlier when you go back and look at last year's budget compared to this budget. So there had to be some numbers that changed. Can you explain that?

MR. BYRNE: I can move quickly with that, and Wanda, you can step in if I say anything that's not true.

The \$300,000 last year which was budgeted was for the purchase or the acquisition of an appropriate boat for aquaculture activity –

MR. K. PARSONS: Okay, yeah.

MR. BYRNE: – for analyzing bay management areas for collecting various scientific or hydrological information.

We have been working with Transportation and Works to find a better way. It's \$300,000. We've gone to the marketplace to get a certain kind of a boat but not necessarily the best kind of boat. We are working with Transportation and Works to see if we can source, internally, within the government inventory, a suitable vessel to be able to perform that work, particularly on the South Coast. I think, Wanda, is that fair to say, that's where the boat would be headquartered?

The \$100 that's there is, in fact, a placeholder. It's to maintain a position that if we weren't able to acquire a vessel from within the government inventory or assets, we'd be able to transfer money into the appropriate vote.

As my deputy minister just pointed out, last year there was an additional \$197,000 for vehicles.

MR. K. PARSONS: Okay.

MR. BYRNE: Vehicle acquisition and management has been now moved to Transportation and Works, so that's a theme you might want to pick up on with other departments as well. So we had that.

MR. K. PARSONS: Okay.

We looked at what we voted on last year and the budget was actually \$491,000 but this year's budget is indicating that it's \$300,000. So you're saying that is because the vehicle fleet was moved to the Department of Transportation and Works.

MR. BYRNE: Exactly, and they're doing fleet management there.

MR. K. PARSONS: Okay.

This is one of the sections that I talked about as I began, Regional Services last year was section 2.1.01 and it had a budget of \$2.3 million, but there's no section in this year's budget that shows where this is. Can you explain what's happened here with the Regional Services budget?

MR. BYRNE: 2.1.01, okay.

I'm sorry, would you –?

MR. K. PARSONS: Do you want me to repeat it?

MR. BYRNE: Yes, please, if you could.

MR. K. PARSONS: Last year, there was a section here, it was section 2.1.01. It was called Regional Services. That section is gone this year out of the budget.

MR. BYRNE: Yes, okay.

MR. K. PARSONS: I'm just wondering where it's gone.

MR. BYRNE: I will get Lori Anne – would you field that one because, you're right, it's a part of that reshuffle.

MS. COMPANION: It has been reshuffled and Regional Services, the Administration and Support Services, Licensing and Quality Assurance and Aquaculture Licensing have been all put together into Licensing and Quality Assurance. That's where the Regional Services are because it's now all under the one director.

MR. K. PARSONS: Okay.

Seeing now that I'm finished this section, you can –

CHAIR: What was your question, Mr. Parsons?

MR. K. PARSONS: No, I said you can go ahead.

CHAIR: Ms. Michael, we're trying to stay in the same subheads.

MS. MICHAEL: Yes.

CHAIR: Mr. Parsons has gone through 1.1.01 through to 1.2.02.

MS. MICHAEL: I don't have any questions on what he's done, so I'm going to continue on. Is that okay?

CHAIR: Absolutely.

MS. MICHAEL: All right, thank you.

So 2.1.01, Seafood Marketing and Support Services, first of all the salary line. The Salaries are going to be down from what had been revised. The budget was \$834,600, then there was a revision down to \$760,200. This year we're back up to \$859,500. Could we have a whole explanation of that line, Minister, please?

MR. BYRNE: Certainly.

Last year, you're correct, the budgeted amount was for \$834,600 and there were some vacancies that occur during the course of the fiscal year, which actually caused the actual budget, the expenditure, to drop to \$760,200 due to an

unforeseen vacancy, but, now, of course, the position being re-profiled, there was a salary adjustment that was required for this coming year. One position has been re-profiled from Agriculture Production and Research, a market development officer that now puts that position back into place, so it's back up to \$859,500.

Within the overall salary envelope there are 13 positions in total: one director, three market development officers, four fish development officers and a financial planning supervisor along with a fishery resources plan supervisor, a senior engineer and administrative support. Those are within that particular – within Seafood Marketing and Support Services now.

MS. MICHAEL: Thank you, Minister.

I presume all of those details are in the briefing book.

MR. BYRNE: Yes.

MS. MICHAEL: Thank you very much.

Under the same subhead looking at Professional Services, the Professional Services are going from \$99,000 up to \$189,000. What are you anticipating as the reason for that?

MR. BYRNE: Within Professional Services in this category, that's included the funding for the Fisheries Advisory Council. We have budgeted approximately \$100,000 to be able to provide professional services to the Fisheries Advisory Council if they need outside expertise, additional information. There is a small pot of funds of money available to them to be able to draw upon outside resources experts to be able to do that work.

MS. MICHAEL: And that's new this year under this heading.

MR. BYRNE: That's correct.

MS. MICHAEL: Okay, thank you.

Do you anticipate that that will remain there?

MR. BYRNE: We do. We do indeed. I think an argument might be made that we may – there

may be pressure to increase it depending on how this year goes.

MS. MICHAEL: Right. Thank you.

Then under Purchased Services, again we have a slight increase, up by about \$55,000. What is causing that? Well, it's \$53,600 I think.

MR. BYRNE: Phil Ivimey, would you be able to take that one? Because Purchased Services are always – that's the photocopies in relation to the printing services or –?

MR. IVIMEY: (Inaudible.)

MR. BYRNE: Mr. Ivimey has reported that this is in relation to services towards the Fisheries Advisory Council as well.

MS. MICHAEL: Okay. Thank you.

That makes sense. Don't you like it when I say that makes sense?

MR. BYRNE: I do. You make me nervous when you say that.

MS. MICHAEL: Why? Implying that nothing else does? No, that's not the case.

MR. BYRNE: It means you're warming up.

MS. MICHAEL: Under Grants and Subsidies, we have a big shift there. So I'm assuming you're going to be able to explain that, from \$2.2 million down to \$200,000.

MR. BYRNE: Yes. The cause and effect of this is we had the Seafood Innovation and Transition Program, which was our most significant fisheries innovation program, but, as we know, we also now have the Atlantic Fisheries Fund which is much larger in scope. So rather than close the line entirely, there was a decision to keep access to \$200,000 in provincial-only sourced funds.

Most of the activity, obviously, for seafood innovation and fisheries innovation will come in the form of the Atlantic Fisheries Fund, which is a federal and provincial agreement to which a significant pot of provincial money has been introduced to as well.

MS. MICHAEL: Right, and I think that has a separate section here in the budget. I've seen that.

MR. BYRNE: Yes.

MS. MICHAEL: With regard to the Fisheries Advisory Council, is it too soon to be able to give us some report of how that's working?

MR. BYRNE: No, not at all actually. You are right, we are in the early days of the council, but the council hit the ground running.

When the Fisheries Advisory Council was named, which includes representation from the FFAW, from the Association of Seafood Producers, it's not really a collection of individuals. It's a collection of both institutions and individuals that see things, not from their own – the intention of the terms of reference was that they not come with the agendas of the organizations they represent, but with the knowledge they bring and the expertise that they bring to the industry as a whole.

The early days, in the first period this fall when the Fisheries Advisory Council began its formal meetings, the early meetings were about briefings, about getting a common data set or a common knowledge set. We had the Department of Fisheries and Oceans in to give resource profiles; Fisheries and Land Resources officials in to give overviews of not only the department, but some of the statistics.

What we're going to do with the Fisheries Advisory Council, my advisory council – there will always be an assumption that it will come out with a single grand plan for ground fishery building. Which is true, but it will not be a single grand plan. There will be a number of short-term, medium-term and long-term initiatives that they will investigate and report on.

For example, in the short term, one of the issues which is, I think, of absolute importance to the Newfoundland and Labrador fishery is the question of adjacency. Should adjacency be built into the *Fisheries Act*? So I asked the Fisheries Advisory Council to provide an opinion or to provide a review and submit a report to me on the industry's considerations, the industry's

point of view on adjacency and, in particular, within the context of inclusion in the federal *Fisheries Act*.

The Fisheries Advisory Council did report to me after a – not a lengthy but an extensive self-consideration, but also outside stakeholder consideration. They did report that given the fact that adjacency for – and this is just one example of things they do. They looked at adjacency being built into a significant amount of DFO programs and policies already.

They did advise that fishery stakeholders should be advising the federal government to include adjacency in a revised *Fisheries Act*, to which we reported that, not only to the Department of Fisheries and Oceans but to the federal minister. I will use that, as can you, all Members of the House can then use that information if and when – and I presume when – we make presentations to the Standing Committee on Fisheries and Oceans on the *Fisheries Act*, which we expect will occur in the next matter of weeks.

The invitation has not gone out yet, but I understand the Standing Committee will be inviting witnesses to come forward in the short term. That report, which is now a public report, can be cited, not as a government report, but as a report of the Fisheries Advisory Council, which you would be free and at your discretion to use as part of your own testimony to the Committee itself.

MS. MICHAEL: Right.

It's rather disappointing that after everything we've been through with the fishery that we have to fight for this one.

MR. BYRNE: It is, especially since there were pronouncements that were given about adjacency being given full consideration within the *Fisheries Act*. As I have stated on numerous times, just recently adjacency was included in the memorandum of understanding between Canada and the Government of Newfoundland and Labrador on over the side sales protocols, that adjacency was part of the language in 2013, I think it was – Wanda?

MS. WISEMAN: 2013.

MR. BYRNE: – 2013 on the protocols for the federal consultations on over the side sales.

It's a topic which has been around since the 50s, since the introduction of the Law of the Sea, since the creation of the 200-mile limit, since the creation of the Canadian fisheries licensing policy in 1996, since the access criteria for fish licencing in 2008, and as early as 2013 and the memorandum of understanding of over the side sales.

MS. MICHAEL: Then we had the All-Party Committee on Northern Shrimp where that was one of our basic things that we fought for and thought we had agreement with the federal government on that point.

Anyway, I think my time is up, but thank you so much for all that information.

CHAIR: Thank you, Ms. Michael.

Mr. Parsons.

MR. K. PARSONS: I'm just going to touch, Minister, on the point of adjacency. Myself and Ms. Michael, both of us were part of that committee. We went with the federal government, and it was a major thing that when we looked at LIFO and the shrimp, that was the number one thing that we wanted the federal government to look at was adjacency to the resource.

I would assume that was something that everybody, because we were all committee – not only was it in the shrimp fishery, it should have been in all fisheries in the province. I really believe that in order for us to protect our resources, it's something that we have to lobby together and we have to make sure it becomes part of the act. It's very, very important.

I know you made a statement sometimes – there are a lot of times where adjacency is something that they look at, but unless it's in the act itself, it's something we can't fight for as a province. We saw that in our surf clams, and we see it in different parts of our whole industry when it comes to our fishery.

So I just think it's important, and with Ms. Michael, we all put our points across when we

did LIFO and it's a good result that we did get, and adjacency was a major part of that. So I really hope that all the information that we get when they come here, that we're all on the one page.

MR. BYRNE: Absolutely.

MR. K. PARSONS: Okay.

MR. BYRNE: And if I could very quickly just add to that, it was simply that – there's nobody who owns this. In fact, one of the statements made when I briefed a DFO official on this some time ago there was kind of a passing glance and said: Minister, what exactly is adjacency? How do you define adjacency?

I looked at him and I just put my elbows on the table and said: Well, I don't know, why don't you define it? Because it's in every one of the Department of Fisheries and Oceans policies since 1970, if not 1996, if not 2008, if not 2013. If you, Sir, I said, can't define it, if you're asking me to define adjacency, why is it embedded in just about every policy of the Department of Fisheries and Oceans?

What you're telling me now is a policy statement of adjacency which you can't even define yourself. And that's a message we can all share with each other.

MR. K. PARSONS: Anyway, I want to just go back to, if I can, Mr. Chair, section 2.1, and I wanted to look at your Grants and Subsidies. The seafood development program – is that what the \$200,000 is left there, or is that program still in place?

MR. BYRNE: Sorry?

OFFICIAL: (Inaudible.)

MR. BYRNE: Why don't you take (inaudible)?

Which topic are you on now?

MR. K. PARSONS: I'm on section 2.1.01 and I want to go to Grants and Subsidies.

MR. BYRNE: Oh sorry, okay. Yes.

2.1.01.

OFFICIAL: Right, the Grants and Subsidies is right here. It's the \$200,000.

MR. BYRNE: Yes, that's the same program that MHA Michael had –

MR. K. PARSONS: Okay.

Now under this section last year, which was section 2.2.03, Fisheries Innovation and Development, there was a budget there of \$2.4 million. Now, last year's request on this budget of \$2 million was \$6.7 million. Was the \$2 million spent, and what was it spent on?

MR. BYRNE: (Inaudible.)

MS. COMPANION: Yes, the \$2 million is the Seafood Innovation and Transition Program and the list of what it was spent on is in your binder.

MR. K. PARSONS: Okay.

All right.

MR. BYRNE: It's in the binder; there's a yellow page –

MS. COMPANION: It's in the binder.

MR. K. PARSONS: Okay.

I think Ms. Michael asked about your Salaries here and the Licensing and Quality Assurance. There's a variance there. I'm wondering can you explain the amounts, positions and what the variance is.

MR. BYRNE: Okay, again, I'm going to have to chase you – which tab?

MR. K. PARSONS: Section 2.1.02 and it's Salaries.

MR. BYRNE: Okay, and Salaries. So originally the budget last year was almost \$1.9 million. It actually went to almost \$2.2 million as you can see from the revised. Again, there were severances and leave payout costs associated with the – there were some employees there that left the civil service through retirements and other things.

This Salaries envelope includes 33 positions: a director, six licensing staff and 26 inspection staff. I believe 20 of which are permanent and six are part-time. Is it –?

MS. COMPANION: Seasonal.

MR. BYRNE: Seasonal. So the salary adjustments for this year, there are some vacant positions there now, I believe, Deputy?

MS. COMPANION: Yes, the salary adjustment for 2018-19 is as a result of some vacant positions.

MR. K. PARSONS: Okay.

Last year when we got to this section, I asked some questions about buyers and the processors. There was a freeze at the time on licences. Is the freeze still in place for the buyer's licences? So the only way to get a licence now would be to transfer it. Is that the way it works and it would have to be approval? There's no way that anybody can go buy a processing licence right now.

MR. BYRNE: The existing processing licence, you can go through the licence appeal board to transfer a licence. For example, there was a licence that was available that was being unused that was still considered active, it could be transferred from one location to another through the mechanisms of the fish licensing appeal board.

MR. K. PARSONS: I had some harvesters that wanted to purchase a licence to be able to do some processing themselves and there was a freeze last year. I'm just wondering if the freeze is still in place this year.

MR. BYRNE: I'll ask Wanda. Would you be able to field that question?

MS. WISEMAN: Yes, the policies that were in place last year are still in place. For any new restricted buyer licence they could actually apply, which is \$100 fee to the department. That actually would only allow them to process a minimal amount of raw material.

MR. K. PARSONS: Okay. Because we –

MR. BYRNE: (Inaudible.)

MS. WISEMAN: No, there is no new buyer's license but there would be ability to have a licence for the restricted buyer's licence which gives them a limited amount.

MR. K. PARSONS: Okay.

Let's go to the Fisheries Fund. I had some questions here on the Fisheries Fund. First, I'm going to just ask some general questions that I'd like to ask and then I'll go to the line by line.

How much of the Fisheries Fund has been accessed to date?

MR. BYRNE: To date – and there's a list of actual contribution agreements in the back of your binder.

MR. K. PARSONS: Yes.

MR. BYRNE: We've expended – Wanda, the specific number right now is how much?

MS. WISEMAN: Minister, we approved up to 30 projects to date, not all of them have been issued in terms of contracts. That's really where that is in terms of a total cost. It's in the list. It's about \$2.4 million; of which our share is about \$1.5 million, give or take a few dollars.

MR. K. PARSONS: I have to apologize. I can't hear you very well.

MS. WISEMAN: The projects to date, there are about 30 that have been approved. Our share is about \$1.5 million and the total amount is over \$2 million.

MR. K. PARSONS: Over \$2 million?

MS. WISEMAN: Sorry, that's the harvester's amount as well, so the federal share is 70 per cent.

MR. K. PARSONS: The lists of projects are in our binder? Okay.

How many applications have been received so far?

MR. BYRNE: (Inaudible) applications to the portal, so I'd ask Wanda if you'd field the bulk of these questions so we make sure we get up-to-date information.

MS. WISEMAN: We've received over 200. The last number I got was 201 earlier this week.

MR. K. PARSONS: 201, okay.

Who's making the final decision on the applications?

MR. BYRNE: (Inaudible) does go through a secretariat but the final sign-off appears from me and then to the federal minister.

MR. K. PARSONS: Okay.

Have any of the funds been used for aquaculture?

MR. BYRNE: Not to this date.

MR. K. PARSONS: Okay.

Will any of the funds be used for the Greig aquaculture project? Is it Grieg?

MR. BYRNE: It's not intended but it could, if there's a potential there, but there's been no application into the Atlantic Fisheries Fund for Grieg.

MR. K. PARSONS: Okay.

A question I got, I know the union was involved in a lot of the pre-Atlantic Fisheries Fund. Do they have any projects or anything that they have requested?

MR. BYRNE: I know that no funds have been disbursed to the FFAW. I don't think they have an application in, Wanda? I don't believe so.

MR. K. PARSONS: Okay.

CHAIR: Excuse me, Mr. Parsons; I have to remind you that your time has expired.

MR. K. PARSONS: Okay.

MR. BYRNE: Would you be able to confirm the answer though, Wanda?

MS. WISEMAN: We'd have to go through the list because we have over 200 different types of applications, the majority of which are from individual harvesters.

MR. K. PARSONS: Okay.

CHAIR: You can come back, Mr. Parsons.

MR. K. PARSONS: Yes, sure.

CHAIR: Ms. Michael.

MS. MICHAEL: Mr. Chair, I don't mind us continuing this and finishing – I just have a couple of questions – rather than having Mr. Parsons go back to it, if he wanted to finish this head.

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

With the current situation we have, especially now with our shellfish and our groundfish, is there any part of this fund that's going to be used to buying out commercial harvesters?

MR. BYRNE: Wanda, would you be able to speak to what elements the program could be used for industry restructuring, if any?

MS. WISEMAN: The funds for innovation, for infrastructure and for science partnerships?

MR. K. PARSONS: Yes, I'm just wondering though, right now our shell fishery and our ground fishery is in rough shape. There are harvesters out there that are talking about getting out of the fishing industry altogether.

My thing: Is any of this fund going to be used to buy out any of the commercial licences that these harvesters have?

MR. BYRNE: I'll simply say there's not an intention to use the fund for a buyout, or a licence retirement, or a buyout program.

MR. K. PARSONS: Okay because there was some talk and some consideration, especially from harvesters. They were wondering if this fund was going to be used to be able to get more people out of the fishery. That's what they were saying.

MR. BYRNE: For example, in 3Ps there's a standing request by the FFAW, for example, for a licence retirement for an industry restructuring program. We have supported that. We think that it is necessary. We are asking the federal government to participate in that project. It is not being contemplated within the Atlantic Fisheries Fund. It would be outside; it would be a stand-alone program to itself.

There's already a request in, a very specific request for an industry restructuring program for the 3Ps area. It's not being considered within the Atlantic Fisheries Fund.

MR. K. PARSONS: Okay.

For harvesters, in the fund itself we saw I think it was like \$641,000 that was allocated there a little while ago. I'm not sure how many – I think it was eight. Was it eight different enterprises? They were used for haulers and different things. What other things are you getting applications for from harvesters out there now?

MR. BYRNE: The bulk of the applications have been for gear technology and for slurry systems, basically projects which would add value and maintain the cold chain to fish products. Just in terms of summaries, in terms of the applications itself we are starting to move outside in terms of receipt of applications. We're receiving some applications from processors and from other fish harvesters for other things.

I'll ask, Wanda, if you would like to comment on the range of programs that have been applied for or projects that have been applied for.

MS. WISEMAN: As the minister indicated, there are a lot of applications in from harvesters. Those applications are more gear type, in terms of quality, longline systems, automatic jiggers, cod pots. Also, we're receiving applications from the processing sector for new innovative technology in facilities, not just on groundfish but other species as well.

We're also getting applications under the program for science partnerships as well as for the aquaculture sector in terms of innovative technology – let's say, for the mussel sector. That's the range right now.

MR. K. PARSONS: I'll let you go to Ms. Michael.

CHAIR: Ms. Michael.

MS. MICHAEL: Thank you.

Could we just continue getting a bit more information there with regard to the investments into newer technologies? Will there be any feedback from those who've applied for money for these new technologies – any feedback to the fund about what they're finding?

MR. BYRNE: Yes, that's a good question.

In a many respects, these are pilot projects to a certain degree. A big role that our own fisheries field staff play is, in an analysis phase, to have reports or information received as to whether or not the – for example, with automatic jigger technology, whether or not it was appropriate for particular areas and how it performed. What was the learning curve in adapting to these kinds of technologies? How did it improve performance? How did it improve efficiency? How did it improve value and quality? These are all things that are quite critical.

Obviously we can't fund every fisherman and every enterprise throughout Newfoundland and Labrador, so these are representative samples of the type of technology that's available to be shared with the information to be shared by everyone.

MS. MICHAEL: What would the department hope to do then, Minister, with that information?

MR. BYRNE: With that information, if it gets determined that the economics of an individual enterprise are improved by adoption of that particular technology – then from an individual enterprises decision as to whether or not they might adopt not only that technology, but many pieces of that same technology – that's the kind of information that's really, really critically important.

Also, from a marketing point of view, when you go to longline technology, especially with some of these automated jiggers, it's really, really important to get market feedback as to what the consequence of this kind of technology is on our

ability to extract the highest possible price from the marketplace, and whether or not the marketplace is accepting it and actually branding Newfoundland and Labrador as a premium seafood source point.

MS. MICHAEL: Right. Thank you.

That's really helpful. I listen to the broadcast all the time. There have been some broadcasts that have been really good on this point actually.

I'm finished that section. We had a question about the Salaries but we're going to see in the briefing book where that \$300,000 is going.

MR. BYRNE: Sure.

MS. MICHAEL: Okay. Thank you.

I can continue? Okay.

2.1.04; this, too, is a new head, isn't it, Sustainable Fisheries Resources and Oceans Policy? What has come into this or what was this called previously? What's under here?

MR. BYRNE: This particular division provides input into fisheries resource assessment and ocean management; as we know, the marine protected areas, for example, being a focus of the Department of Fisheries and Oceans. It really provides some inputs into the NAFO process, for example, and other things. It also provides support for our federal-provincial-territorial ministers' conferences.

Wanda Wiseman, would you be able to provide some further information as to the purpose of this particular division and some of the work they do?

MS. WISEMAN: Last year this would have been a division that existed as well, it was just in another branch. It was over in policy and resource services, so it's just moved under Fisheries and Aquaculture.

The activity provides funding for sustainable fisheries and oceans policy-related activities. The division provides input, of course, into the fisheries resource assessment and ocean management process of the department and, also, the international bodies responsible for the

fisheries assessment and management for stock adjacent to the province.

The division also supports fisheries scientific research activities under the Fisheries Research Grant Program. The division is also taking the provincial lead in integrated coastal and ocean management activities.

MS. MICHAEL: Right.

Minister, there's quite a bit more money in the salary line; \$237,200 more in Salaries this year. Is that because other things were moved in under this heading?

MR. BYRNE: Yes, it's jumped to \$617,000 –

MS. MICHAEL: Right.

MR. BYRNE: – from, historically, just a little under \$400,000. So there were two positions that were re-profiled from Aquaculture Development: a policy and planning analyst and a program policy development specialist. There was also another position that was re-profiled from Policy and Planning, which was an economist. So those three positions were brought from other divisions, other sections, into this new division.

MS. MICHAEL: Okay.

With regard to the Grants and Subsidies, there seems to be a bit of a fixed sum. The budget and the revision last year were the same and this year is the same as well. So does this just go one particular area, this \$100,000?

MR. BYRNE: This is for science and for the cod recovery initiatives.

MS. MICHAEL: Okay.

So it's more than one agency that gets the \$100,000?

MR. BYRNE: I believe so. Wanda, is it

MS. WISEMAN: So there is a list in the binder of what projects were funded last year. It included projects with the FFAW. There was a joint partnership on Northern cod, among others:

MI, MUN and some World Oceans Day activities as well.

MS. MICHAEL: Okay. Thank you very much. That's helpful.

Minister, what's happening with regard to the shrimp levels? We know we have shrimp.

MR. BYRNE: Yes.

MS. MICHAEL: Bans have been talked about. People are really concerned. Where are the discussions at this point in time?

MR. BYRNE: Well, science, as we know, has come in very negatively for two years. Well, for more than two years in a row, but, again, we took another hard hit. This time it also impacted in the Gulf of St. Lawrence.

MS. MICHAEL: Yes.

MR. BYRNE: So we're seeing a little bit of a phenomenon that's occurring that's somewhat of a perfect storm. Reductions in crab at 17 per cent, some areas as high as 40 per cent now, further reductions in shrimp.

Our shellfish sector is – we're very concerned about employment levels, especially within plants, but, obviously, the impact in enterprises as well. So our joint efforts on the LIFO initiative to ensure that LIFO was broken apart was absolutely critical because, of course, the impact we would now be experiencing would be far greater if it weren't for the decision not to carry on with the LIFO policy or initiative.

MS. MICHAEL: Yes.

MR. BYRNE: I'll just use this as a little bit of a platform, if I may. I want to say, I was one of the ones who actually was around in 1997 when the first Northern shrimp quota was given to the inshore. The notion that LIFO was a part of the original management plan is an absolute misrepresentation, it's a fraud.

MS. MICHAEL: Yes, I'm aware.

MR. BYRNE: There was only one protection to the offshore fleet, to the existing 17 licence holders, that the minister of the day, Minister

Rear Admiral Fred Mifflin retired, did actually pronounce, and that was that anything over and above the threshold of 36,700 tons would be subject to sharing and there were no provisions, but anything less than 36,700 tons – I'm pretty sure I'm not getting my numbers, it's not 37,600, it's 36,700 – but anything over that would be the exclusive domain of the offshore fleet. Gardner Pinfold did a study on it.

So I really want to say that when it comes to the shrimp resource, people are inventing things that occurred back in 1997. LIFO was never, ever, ever part of the original management decision on shrimp. Minister Mifflin, at the time, put in one protection and one protection only, which was that the offshore would be protected to their existing quota level of pre-1997 levels, which were 36,700, and anything and everything above that would be subject to sharing.

So anyone who says to you – and I remember because I was actually around in those days – anyone who suggests that LIFO was a fundamental element of the management plan that dates back to the original allocation to the inshore in 1997, they're either lying or they don't know what they're talking about.

MS. MICHAEL: Yeah, I think I remember Earle McCurdy making these points very strongly when we were doing the all-party committee as well. You're being very polite and I think you're feeling exactly what he was feeling.

With regard to the offshore, are they still fishing during the spawning season of shrimp?

MR. BYRNE: Well, that's the interesting thing about Area 6.

MS. MICHAEL: Yeah.

MR. BYRNE: Biologically, there's one contiguous stock of Northern shrimp and it goes from Area 0 from Baffin Island from the north, right to the nose and the tail of the Grand Banks.

MS. MICHAEL: Right.

MR. BYRNE: It is one discrete, large stock. So when it gets divided up into various sectors, like Area 0, Area 2, Area 3, 4, 5, 6 and 7, it's

actually a management process, and fishing effort does impact the overall abundance of the spawning biomass within areas of the stock.

I always find it particularly peculiar that in Area 5, which is north of Rigolet, there is no 12-month fishery there because of ice conditions. The only place where there is a 12-month fishery is Area 6, and formerly Area 7. Area 5 where there is no 12-month fishery is still a relatively healthy and stable stock. Area 6, just to the immediate south of it, where there is a 12-month fishery, it is in dramatic decline.

MS. MICHAEL: Do you think we should be looking for a ban?

MR. BYRNE: Oh, absolutely, there should be – Area 6 should be reserved for the inshore.

MS. MICHAEL: Yes, great, thank you.

CHAIR: Ms. Michael, I just have to remind you that your speaking time is expired as well.

MS. MICHAEL: Thank you.

CHAIR: With leave from the Committee, I'd like to include Mr. Lane on every second time that we go back and forth, that we'd include Mr. Lane, as we've done in previous Committees, and it's been requested here.

Do I have leave from the Committee?

MS. MICHAEL: Definitely.

CHAIR: Mr. Lane, you have 10 minutes.

MR. LANE: Thank you.

I appreciate that. I actually don't have any questions on this section beyond what's already been asked, to be honest with you.

I guess the only general question I would have around the fishery, whether it be the shrimp, the surf clam issue or whatever other issues that – and there are many – to the minister, is the sense of: Is there any appetite to entertain some sort of a, whether it be an all-party committee or some similar type of a process to try to deal with some of these bigger issues?

I know you have the Fisheries Advisory committee. I have written you about that before, and you indicated you're taking advice from them, but whether it be this particular issue with the surf clam, whether it be the issue of adjacency, which is primarily the biggest issue, I would suggest, and concerns we've had ongoing, historically, whether it be seals, the issue of persons having to chop their boats up into pieces and going out in dangerous conditions to meet some ridiculous rules around boat size and so on.

There are so many issues, and I'd just like your thoughts on at what point in time we decide to work together beyond just agreeing in a committee like this, but where we would have some sort of a sustainable plan and ongoing campaign, if I could call it that, involving all Members of the House of Assembly, all parties, to try to advocate for some much-needed changes in our fishery.

I know that's a big question, but –

MR. BYRNE: No, it's a good question, though. I appreciate you asking it, and I'm pleased to answer it to the best of my – from my own perspectives, from my own, somewhat from my own experiences, not necessarily reflecting the – as a government, we haven't sort of devised or created a policy around all-party committees, but it's a notion, it's a creation of parliamentarians.

My own thoughts, my own personal reflections on it is that it has greatest input and value when it's a discrete issue, when it's basically timed to a sunset. Otherwise you have standing – you could have standing committees or you could have issue-based committees, and my own perspectives of it from an all-party committee is that it has greatest value when you have a discrete issue which has a well articulated objective.

The other thing about an all-party committee is that its greatest value is when you would have perceived differences of opinion that don't exist, that need to be communicated. The differences don't exist.

When we go, for example, to Ottawa – just as an example – to express a point of view to the federal minister, the assumption might be that

there are a diversity of opinions around a particular issue that are very difficult to reconcile. Conventional wisdom or intuitive reasoning, intuitive expectation, would be that there's not a consensus, or especially not a unanimous position around a particular issue. When an all-party gets together it's to actually give voice and to communicate that there is a unanimous position on an issue to which otherwise would be contentious.

When it comes to, for example, on shrimp science or reductions, my instinct would be that's not a – I think most reasonable people, especially even in Ottawa, would recognize that this is a universally held position. That there's not a conflict among parliamentarians, legislators. So whether or not an all-party committee – what would be the function of the all-party committee in terms of a communications tool which does not already exist with us acting within our own party context or as individual representatives from our consistency.

I am always open to all-party efforts but to be most effective, to actually gain the best – I guess to a certain degree we are an all-party committee right here today, right now at this moment. It's when we need to communicate a strong consensus, if not a unanimous position, on an issue which otherwise would be perceived to be not unanimous or divisive, that's when an all-party committee has its greatest impact and value.

MR. LANE: Thank you, Minister, I appreciate the response.

I guess what I'm saying, Minister – and I don't want to just confine it necessarily to an all-party committee. I did use that term and that would be part of it certainly. I understand there are all kinds of differences between inshore, offshore. We have conflict now between the union and people who want to represent inshore harvesters, as an example.

I understand there are issues that are divisive, but I'm just wondering, when it comes to issues that we would all agree on – let's take the principle of adjacency, I would assume that's something that, regardless of whether you are represented by the FFAW or you want to be

represented by FISH-NL, or whether you're a processor or you're a fisher, I would think we would all agree on the issue of adjacency.

What I hear from people sometimes is a sense that yes, an all-party committee could be part of it to advocate, but to simply say we agree with adjacency and for a delegation to go to Ottawa, as an example, one time and say we believe in adjacency. That in itself is not taking it far enough, because it's not a sustained effort.

The point would be things such as doing that, but also things such as perhaps initiating a provincial – I just throw this out here, letter writing campaign, email campaign to the Minister of Fisheries, to the Prime Minister. Engage everyone in the province to do it. Get one of our federal MPs to present a petition to sponsor it in Ottawa and encourage every Newfoundlander to sign it. Have a scattered rally and have the minister – you as minister – be at that rally speaking up, as well as the Leader of the Opposition by your side and the Third Party and so on.

So more of a sustained ongoing effort to fight for the fishery, because the concern I hear from some people is they feel we're not fighting hard enough. That's not to suggest you're not doing your thing in your meetings and so on, I'm sure you are, why wouldn't you be, but to simply go up and have a meeting and say we brought the concerns to Ottawa and then walk away, they wouldn't listen, end of story.

I think people feel we need to be a little stronger, more united and a sustained effort. That does not have to include drastic actions like taking down flags and all that kind of stuff. You can do it in a respectful but forceful manner, I guess is the point.

MR. BYRNE: I wouldn't disagree with anything you had to say. We all recognize that fisheries issues, no issue – we do not command the airwaves as representatives. These are editorial decisions and production decisions that journalists make.

Yeah, I'd like for everyone to be able to be talking about the fisheries issues every day, day after day, day after day. Of courses, it's keeping fisheries issues in front and centre, in the hearts

and minds of Newfoundlanders and Labradorians and making sure that the information we provide is always relevant.

I think the case is always there to be made that the fishery is the heartbeat of not only just rural Newfoundland and Labrador but for the economy, the economic well-being of all of Newfoundland and Labrador. Those outside in the fishery actually gain a significant volume and level of their incomes, their employment and their business incomes from fishery direct and indirect activity.

One of the things during the course of the LIFO debate, for example, former Mayor Claude Elliott from Gander rising up and giving the inland communities – the Town of Gander was one of the most effective voices in talking about the impact that the fishery has on his town. It was one of the strongest and most compelling cases or voices in advocating for our fishery.

Why? In some measure because he didn't have a dog in that fight, or it wasn't perceived that this was a front and centre issue for the Town of Gander. He set the record straight that the volume of business that comes into Gander from Gander Bay, from Green Bay, from even Bonavista Bay, it's significant. His voice added to this was very, very compelling and very effective.

MR. LANE: Thank you, Minister.

CHAIR: Thank you, Mr. Lane.

I just want to make a remark. In no way do I want to limit questions or answers or stifle conversation, but I think we need to be cognizant of the fact that we have three hours set aside for our Committee meeting tonight, so I ask everybody again to be cognizant of that. We'll continue on.

Mr. Parsons.

MR. K. PARSONS: Good questions that I'm really concerned with. I just want to go back to Ms. Michael when she talked about the shrimp. I'd like to know how much shrimp was actually caught in Area 6 last year.

I know we brought in a buddying-up system. When I spoke to harvesters, especially out of St. John's in 3L – I guess down in your area and also, Twillingate and that area – it wasn't feasible for them to even go process the Northern shrimp. Yet, we have the offshore draggers in Area 6 that didn't catch their quota in Area 5 and 4.

Are we doing anything to the federal government to lobby that we move? What we tried to do as a committee was to make sure they had the opportunity to catch – I know sometimes conditions, ice and everything else, plays a factor in those areas. Is there anything that we're doing so that there will be a bigger quota? A buddying-up system, Minister, is two. Maybe four would make it feasible for fishermen even just to harvest it.

MR. BYRNE: That's a very good question.

One of the better stories that came out of last year was that there was more utilization of industrial shrimp. That's offshore shrimp that was caught by offshore factory-freezer trawlers that was brought ashore to Newfoundland and would normally go into the industrial market, which would go to Europe unprocessed in most respects.

Now, because of CETA, OCI, for example, was able to extend a significant volume of employment in Port au Choix because they were actually processing more industrial shrimp. That's a positive consequence of the tariff removal; as well, the fact that you had plants with that capacity to be able to do that.

Wanda, you may be armed with the information of exactly what the harvest levels – the quota versus harvesting levels, landed levels – were in Area 6. If you are, then speak up but, if not, we can certainly get you that information.

MR. K. PARSONS: Yeah.

MR. BYRNE: I think that better utilization of what's otherwise termed as industrial shrimp, which is frozen at sea, could be very effective for our inshore processing sector.

MR. K. PARSONS: Okay, I just want to go back to the Fisheries Fund. I know you said that

we'd find the grants that were received under the Fisheries Fund. What section is that in your binder?

MR. BYRNE: It's in the very back of the binder that I was able to give and it's under grants listing.

OFFICIAL: We missed it here. We have a copy.

MR. BYRNE: Did we miss –?

OFFICIAL: That's the only one that we would (inaudible).

MR. BYRNE: Okay, so it was not in your binder and it is right here. That was an error.

MR. K. PARSONS: Okay, no problem.

MR. BYRNE: We can get that copied.

MR. K. PARSONS: That's okay; I can get it from you from –

MS. MICHAEL: (Inaudible.)

MR. BYRNE: Sure.

MR. K. PARSONS: On the Fisheries Fund alone, I know there are positions there that are shown in your binder. There are three positions under the Salaries. I'm just wondering have they been hired yet.

MR. BYRNE: Which tab is this again?

MR. K. PARSONS: We're looking at section 2.1.03, Atlantic Fisheries Fund. You're showing new Salaries of \$301,700. I'm just wondering, you said there are three positions?

MR. BYRNE: Yes. No, those positions were brought in. They were originally with Coordination and Support Services, but with the specific directorate or secretary on the Atlantic Fisheries Fund, those three positions are in place. They were basically re-profiled from the Coordination and Support Services division.

MR. K. PARSONS: They're working now with the Department of Fisheries over in your building? That's where they're to?

MR. BYRNE: Yes.

MR. K. PARSONS: Okay.

When you look at Estimates, last year, when this fund was new, we looked at a \$10 million fund – \$7 million and \$3 million was from the province. When you look at this year’s budget and looked at the revised budget from last year, it shows that we spent \$1.5 million, but it shows that there’s nothing that came from the federal government. If you look at this year’s revised, it doesn’t look like we’re expecting anything from the federal government also.

MR. BYRNE: I’ll get Wanda to dig into this one. For every dollar that gets spent on any project, 70 per cent does come from the federal government and 30 per cent from the province.

Wanda, if you could just jump in there to just sort of give a perspective on how much has actually been spent in 2017-18, what’s the total value of projects – of the projects that have been funded, what’s the total value and, then, what would be the contribution from the feds and the province on that.

MS. WISEMAN: First, the way the program is structured is there’s a secretariat set up by DFO. Our funds will flow into that fund which is why last year you would have seen it as revenue, which we wouldn’t have known at the time. The \$7 million would have been revenue. This year it wouldn’t be there because we would flow our funds to them.

On the total amount that we would have spent, we actually committed \$1.5 million to projects in 2017-18 fiscal, which is our 30 per cent, which is about \$5 million that we would have spent altogether – the feds with the other offsetting amount.

MR. BYRNE: But I think the question is: What were the actuals as opposed to –

MR. K. PARSONS: Yeah.

MR. BYRNE: We had allocated or budgeted \$1.5 million of provincial funds in 2017-18 but, of course, the fund itself was late starting. We were the first province to sign an agreement with

the feds. That wasn’t until late in 2017, so there was some re-profiling as a result of that.

Wanda, do you have the actual numbers of what was actually spent in the first fiscal year?

MS. WISEMAN: Wanda Wiseman.

Minister, the \$1.5 million is the amount that we contributed this year to the program for projects that we would have – I think it was about 30 altogether.

MR. K. PARSONS: Okay.

The total amount for the whole project is \$5 million from the feds –

MS. WISEMAN: Well, \$5 million in total –

MR. K. PARSONS: In total.

MS. WISEMAN: – of which \$1.5 million would have come from us and the other 70 per cent from the federal government. That’s our contribution.

MR. K. PARSONS: Okay. Thank you.

MR. BYRNE: I want to make sure the record is correct here on this so I’ll ask Lori.

MS. COMPANION: Our projected revised was \$1.5 million that we had anticipated to be able to spend. What we spent was what you’ll have on this list. Any money that we didn’t spend that we had projected would be carried forward to future years.

The reason that it looks different from what we had last year was traditionally federal-provincial programs had been – the federal government would transfer the revenue to us and we would spend the money. The Atlantic Fisheries Fund is different and it was set up differently by the federal government.

Instead of the federal government transferring their money to us, we transferred our portion into this fund and the feds keep their money. You wouldn’t see the federal government revenue as revenue for us.

MR. K. PARSONS: Okay.

MS. COMPANION: Does that help?

MR. K. PARSONS: It does but it would be nice to know – so it's automatic that it's 70-30?

MR. BYRNE: Yes.

MR. K. PARSONS: Because last year we were told that's what they assumed it was going to be and that's why it was put in at \$7 million; they weren't really sure. So it's 70-30 on the fund?

MR. BYRNE: The agreement that was signed is a 70-30 agreement, yeah.

MR. K. PARSONS: When was that signed?

MR. BYRNE: The date of that was –

MS. COMPANION: It was August.

MR. BYRNE: – August.

MR. K. PARSONS: August?

MS. COMPANION: It was August of 2017.

MR. K. PARSONS: Okay.

I'm going to move on now to section 2.1; it's Support Services and it's for a transition. I guess this is a very important section in our fishery today because of what is happening with our shell fishery. I understand that there are approximately 25 crab plants in the province and eight shrimp plants. We've talked a little bit about the shrimp and what is happening with that.

Last year, we had \$500,000 that was budgeted and we actually spent \$706,000 in Grants and Subsidies there. I'm getting ahead of myself a little bit there now too. First, I want to know about the Salaries. It is showing no Salaries this year, so has the position been eliminated?

MR. BYRNE: Which tab specifically?

MR. K. PARSONS: We're looking at section 2.1.05.

MR. BYRNE: Sorry, okay.

MS. COMPANION: (Inaudible.)

MR. BYRNE: Lori Anne just reminded me, those are the three positions that we referred to that are with the Atlantic Fisheries Fund. Remember just a minute ago that I talked about how three positions were re-profiled from Coordination and Support Services to the Atlantic Fisheries Fund. Those salaries were transferred to the Atlantic Fisheries Fund itself.

MR. K. PARSONS: Is there a position this year that someone is going to administrate this fund?

MR. BYRNE: It's now the Atlantic Fisheries Fund. The Grants and Subsidies that you are referring to, that's the Fish Plant Worker program – that's a joint initiative between Municipal Affairs and ourselves in terms of delivery. I think the question is: What is the particular function area of Coordination and Support Services – with no salary dollars attached, the question I think is being asked: Is there now no one to perform that particular job?

MR. K. PARSONS: Who is going to administrate the fund?

MS. COMPANION: The same people will administer that fund. They're working on the Atlantic Fisheries Fund; they will also administer the Fish Plant Worker Employment Support Program.

MR. BYRNE: As you can appreciate, that particular job is not a 12-month experience or exercise. It has an intensive workload for a short period of time so it can be done with those bodies, with the Atlantic Fisheries Fund, but doing this job as required.

CHAIR: Ms. Michael, are you okay with Mr. Parsons finishing this?

MR. K. PARSONS: Can I just ask one more question?

MS. MICHAEL: (Inaudible) my questions.

MR. K. PARSONS: Yeah, okay.

CHAIR: Thank you.

MR. K. PARSONS: I'm just wondering the fund itself last year, so you're saying that it's going to be administrated by the same people

that are doing the Fisheries Fund. But this fund last year, where was it spent to? We spent \$706,000.

MR. BYRNE: The program for fish plant support for permanently closed plants, it was St. Mary's – Wanda, it was St. Mary's and Twillingate?

MS. WISEMAN: So last year there would have been supports provided to various plants throughout the province, including Placentia - St. Mary's, Ferryland, Lewisporte, Twillingate, St. Barbe, Baie Verte, also in Bonavista, Lewisporte, Exploits, Town of St. Lawrence, Carbonear and Placentia.

There's a list that should be in your binder as well and other information.

MR. K. PARSONS: Okay.

Under this fund, normally it had the theme that they were permanently going to be closed. So are these plants permanently closed?

MR. BYRNE: So Wanda (inaudible) plants that are permanently closed, I think what Wanda is referring to is where the employees came from, is that ...?

MS. WISEMAN: There were no plants deemed permanently closed in 2017-18. These were plants that were assisted because of shortages in raw material due to lower quotas and ice conditions.

MR. BYRNE: There was a modification to the program because of the ice conditions which we reported on earlier.

MR. K. PARSONS: Okay because this program was set up for plants that were deemed to be closed and not opened anymore, so you changed –

MR. BYRNE: For permanent, yeah.

MR. K. PARSONS: Okay.

MR. BYRNE: There was a decision that was taken, a Cabinet decision, to actually modify the program to allow for those plants that still had some employment, had a threshold of some

employment but still had problems meeting their employment thresholds to be able to support those plants.

MR. K. PARSONS: Minister, my concern would be that this year – and I know the initial catches on crab are way down. I know of a group down my way this past weekend went out and had their first catches and were really, really low. And there's a major concern in the industry.

We talked about what's happening in the shrimp industry a little earlier. So \$500,000 was allocated last year on these grants and we spent \$706,000. My fear is that there is going to be a whole lot more money needed for this program if that's the way it's going to be to help out with plants that are not going to be closed but are struggling to survive.

MR. BYRNE: I have that caution as well. Last year, there was a significant amount of money that was budgeted to assist fish plant workers, which peculiarly, in some respects, the fund was not spent. I was very confident that there was going to be a significant shortfall in employment last fall which did not actually materialize to the extent that I thought it was going to materialize.

It's never, ever good news to be talking about that, but the good news around this – and this is where the revenue, the \$500,000 is actually sourced from the federal government. So here's the backstory to this. It's the Labour Market Development Agreement, which is now the new Labour Market Development Agreement – which has been signed – has the capacity to be able to support EI-eligible individuals, or EI-attached individuals with short-term employment. So this money is being drawn down from the Labour Market Development Agreement.

The other point of good news is that because the Labour Market Development Agreement is larger than it was in the past, if there are additional issues that are identified as the season goes on, as we get closer into the fall of 2018 we can take a decision, we have the capacity to be able to create greater supports than the \$500,000 would allow at this point in time. So there is a potential source of funds, should the problem become more significant in the future.

MR. K. PARSONS: Just a last question on this section: Any idea how many crab plants and shrimp plants will actually be open this year?

MR. BYRNE: I'll ask Wanda to do that, but until an operator actually – we haven't been given notice of any specific closures, per se, but I'll ask Wanda to – just Twillingate, as you are all aware of.

MR. K. PARSONS: Twillingate, okay.

We can go on to the next section.

CHAIR: Ms. Michael.

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

Section 2.1.06, Seal Product Inventory Financing.

MR. BYRNE: Okay.

MS. MICHAEL: Basically one question: Does this have to do with the loan that went to Carino?

OFFICIAL: (Inaudible.)

MS. MICHAEL: It doesn't.

So what was the loan in 2014-15? Is this still repaying the \$1 million loan from 2014-15?

MR. BYRNE: I'll ask Wanda, if you wouldn't mind, just to dig into that?

MS. WISEMAN: So this was an inventory financing loan, I believe 2015, that was provided to PhocaLux.

MS. MICHAEL: PhocaLux, okay.

And does the \$430,000 under revision mean that that has been paid down this year – \$430,000 was paid down?

MS. WISEMAN: So this is the amount that we were anticipating getting paid back by the end of March of 2018.

MS. MICHAEL: Right.

And did you get it back?

MS. WISEMAN: I would have to check.

MS. MICHAEL: Okay. It would be good to know. And then you're anticipating another \$150,000 for '18-'19.

Okay, thank you very much.

I can keep going Mr. Chair, or do you want to vote on ...?

CHAIR: Absolutely.

MS. MICHAEL: Okay, thank you.

So we're into Aquaculture Development, 2.2.01, Aquaculture Development and Management. My first question has to do with the Salaries. The revision was \$43,700 more than what was estimated last year, but this year the Salaries have actually come down to \$761,600.

So could we have an explanation, Minister, please?

MR. BYRNE: Certainly. So originally the budget of 2017-18 was \$851,000. That did increase in terms of the actuals to \$895,000 which was due to standard severance and leave payouts during the year. The reduction to \$761,000, there were several positions that were re-profiled into sustainable fisheries and oceans research from this section. The positions re-profiled: one was a policy and planning analyst and the other was a program policy development specialist.

So they were taken out of this particular section and moved into the sustainable fisheries and oceans research which we spoke of earlier.

MS. MICHAEL: Okay, thank you very much.

Under Professional Services, \$8,000 was budgeted and nothing was spent, and you're anticipating \$4,000 this year in the estimates.

What normally are the professional services in that area?

MR. BYRNE: Wanda, I'll ask you to jump in as to what the ...?

MS. WISEMAN: So this would help pay for any data collection and analysis, infrastructure development and industry development issues that the development group would do.

MS. MICHAEL: Okay, thank you. And nothing was required last year – got it.

Section 2.2.02, which is the Aquaculture Capital Equity Investment – anticipated: \$2,838,200 in Loans, Advances and Investments; revised down to \$1,364,100; and this year just \$1 million. What are the changes that are happening then with regard to the aquaculture investments?

MR. BYRNE: The Aquaculture Capital Equity investment program, decisions are taken to allow companies to be able to draw down on that, but it is up to them to draw down on it within their established envelope. Last year there was a budget of \$2.8 million-plus, to which Northern Harvest was participating in the program but they only drew down \$1,364,000. They could have drawn down more but under their development schedule, they did not. So this year, we have a million dollars earmarked for ACEP but that remains to be seen as to what exactly they drawn down on.

Wanda, I'll just ask you quickly to jump in. Is there anything else in particular that should be stated in this?

MS. WISEMAN: (Inaudible) provisional amount. This amount is usually a provisional amount that's put in the Estimates based on what we think will get drawn down. There's some outstanding amount for Northern Harvest.

MS. MICHAEL: Thank you.

The Minister of Finance actually said publicly some weeks ago that government would be funding Grieg. Was that a statement that was made in conjunction with the Minister of Fisheries and Land Resources?

MR. BYRNE: There was an agreement that was made with Grieg, and the terms are yet to be finalized. It's based on when Grieg decides to invest and to expend funds, but that's yet to be finalized.

MS. MICHAEL: So Grieg could possibly be the one that might benefit from the \$1 million that's here?

MR. BYRNE: It could very well be, yes.

MS. MICHAEL: Thank you.

I know that we don't have a lot of time here tonight, but I would like to get some sense from you, Minister, with regard to the whole issue of ISA and the problems that it is bringing up. I know the department is looking at the potential of sustainable aquaculture growth, but with the ISA outbreaks, to me, present a bit of a major obstacle to sustainability. Where are you on that?

MR. BYRNE: Well, ISA is a reportable disease and it's something that is managed by the Canada Food Inspection Agency as a reportable disease. It is endemic throughout the Eastern Seaboard, throughout Atlantic Canada. Basically, under our protocols it's fair to say – and this is, I think, something we should be relatively proud of. We always want to avoid an ISA breakout, a pathogenic ISA breakout. The most significant breakout was in 2014, I believe.

MS. MICHAEL: Yes.

MR. BYRNE: We've have relatively few instances.

It is very disturbing to me when things are stated as fact that are not fact. To suggest that the only way to have sustainable aquaculture is to have exclusively and totally land-based systems, there are two things that I think I really need to state upfront and clearly on this: One is that we have seen incidents where we have had ISA infection in land-based system. To suggest that there's absolute biosecurity – one of the greatest pushbacks that I felt, because I spoke openly about this, I said this is pretty good evidence that not all land-based systems produce absolute biosecurity in the production facilities because land-based systems have been touted as being the absolute perfect alternative, when clearly they're not necessarily.

Every company looks to establish greater grow out in land-based systems, where feasible, where possible. Some of our companies here in

Southern Newfoundland are going from trying to improve the economics and technology to be able to grow fingerlings from 100 grams – before they are placed in the water to maritime cages – to 300 and 400 grams, and even larger. The reason why is you increase survivability, the larger, more robust the fish are. So it's important to state that every fish that is grown in the world aquaculture, every salmonid, every salmon that is produced for the global salmonid aquaculture industry comes from a land-based system at some point in time.

The objective of having it totally enclosed, all 100 per cent completely land-based system, we are hearing voices that are saying this is the wave of the future, this is way that Norway is going and this is the way that all progressive industries are going. That is categorically untrue. 1.9 million metric tons of Atlantic salmon are produced through aquaculture in Newfoundland and Labrador globally – 1.9 million tons. In Newfoundland and Labrador we produce just breaking around 20,000 metric tons. We are not a big, big player in the world aquaculture industry. Norway is the biggest player or was one of the biggest, as is Chile and as is the Faroe Islands. There are several jurisdictions that are much, much larger than Canada.

Here's what needs to be said: I've heard voices say that Norway is moving exclusively to land-based systems. Norway just released several hundred hectares of new Maritime-based cage-culture sites. I'll be able to provide you with the specific citation, but a leading economic consulting firm has provided evidence that by 2050 global aquaculture production, salmonid production, will probably go to 3.5 million metric tons, to which upwards of 3.5 million of which will still remain in Maritime cage-culture systems by 2050.

With us here in Newfoundland and Labrador – one of the things you'll hear about is in Miami, for example, there's an experimental project; blue Sapphire is looking to produce a total container land-based system. They're very, very close to the marketplace which makes a big, big difference. The price differential in a land-based system, when you're very, very close to the marketplace, can make a difference in the economics, the survivability of an operation. Also, it's fair to say that the parent company of

blue Sapphire actually had a horrific technical failure in their home base in Norway in a land-based system which cost them very, very dearly.

No one is saying that we should not be moving more and more to a land-based system. Our own companies here in Newfoundland and Labrador are using technology, are exploring ways to create a greater percentage or greater durations where the fish are raised in a land-based system. It makes good economic sense and it makes even better technical sense.

Right now, the economics and the technology are not such that land-based systems are feasible economically at the moment, nor are they perfect biosecurity mechanisms. They still can experience disease. With that said when you hear voices that say the world is moving to land-based systems, the evidence does not support that.

MS. MICHAEL: Thank you.

There's still a lot of discussion to be had, I think.

CHAIR: Mr. Parsons.

MR. K. PARSONS: I know we're running out of time that you'd like to allocate for this, but I just have a couple of questions here on our aquaculture industry.

Minister, can you provide any details on how you plan to double the production and capacity in aquaculture and compared to what numbers?

MR. BYRNE: In the salmonid industry or in the shellfish industry?

MR. K. PARSONS: No, in your salmon and what you're planning on doing with aquaculture.

MR. BYRNE: Yeah, in salmon.

MR. K. PARSONS: Yeah.

MR. BYRNE: Well, attracting investment is the biggest, is the best, most effective strategy to being able to double production. We're already seeing – and you're no stranger to this – Grieg has expressed great interest in the South Coast, Placentia Bay area of Newfoundland. One of the

things that attract investment is a solid, very stable and very reliable regulatory regime.

As the world places greater scrutiny on aquaculture activity, it makes good sense. Companies identify with investing in areas that have robust regulatory regimes. It's one of the reasons why not only has Grieg been attracted here, but it is public knowledge that Marine Harvest has a purchase agreement for Northern Harvest. That deal is worth \$310 million.

Northern Harvest is not just located in Newfoundland and Labrador, but the bulk of the assets and the bulk of that acquisition would be a Newfoundland and Labrador-based acquisition. That deal is worth \$310 million. We do know that Marine Harvest is looking at other sites as well. Cooke Aquaculture, Cold Ocean, has a fantastic facility on the South Coast. They're looking at certain expansion plans.

To be honest with you, the move to doubling salmonid aquaculture production, given the level of investment, given the level of interest that has been expressed already by companies that are world leaders in this industry, I do not think that will be a tough measure to meet.

MR. K. PARSONS: Okay.

Last year in the House one time you mentioned there was an MOU between Canada and Newfoundland on aquaculture. Where are you on that now?

MR. BYRNE: Yeah, that MOU was actually signed in 1988, if I understand correctly. We're in discussions now with updating that MOU. One of the things that we've identified is – there are all sorts of federal government departments that play a key role in advancing our aquaculture development; for example, Environment Canada. We're asking Environment Canada to look at weather stations, increased weather reporting stations.

Rainfall is a major contributor or it can be a factor in the success of a shellfish aquaculture operation. As we know, when rainfall occurs, significant amounts of groundwater go into the bay area where a shellfish mussel operation is located. If the rainfall exceeds a certain level, that site is automatically deemed to be shut

down because of the potential contamination by surface-based, land-based E. coli contaminating the water column of where the blue mussel aquaculture site would be.

One of the issues we've identified is that Environment Canada does not have enough weather stations to be able to monitor discrete areas effectively. In other words, if they only have one – I'll just use by way of example or just to illustrate – weather station that measures rainfall and that weather station shows that the rainfall exceeds what is required and requires a harvesting shutdown while the site is deemed safe and secure from E. coli, if that weather station is used to measure the surface runoff for a very, very large area of coastline, that entire area of coastline shuts down even if the rainfall didn't occur there.

Having more Environment Canada weather stations located in strategic areas on the Northeast Coast where aquaculture is conducted can actually prevent unnecessary shutdowns of harvesting. I'll just use that as one example of many. The Canadian Shellfish Sanitation Program really is – the federal government can play a big role in that regard, also different standards and different protocols on regulations for shellfish and salmonids. These are the kinds of things that we'd like to include in a new expanded and updated MOU.

MR. K. PARSONS: When are you planning on seeing this new MOU?

MR. BYRNE: We're in discussions with that now; in fact, individual elements of that are already moving forward. But I don't have a timeline to report to the House and to the Committee.

MR. K. PARSONS: I'm just going to go to the last section now to Aquatic Animal Health. I have a bunch of questions but for the convenience of time I just want to ask one question: Where is it in the budget here that you're going to cover what's happening with ISA?

MR. BYRNE: With ISA – the federal government, normally, if it's a reportable disease and it's not considered endemic, the Canadian Food Inspection Agency would have a

program to be able to compensate for infection. Because the Canadian Food Inspection Agency determined that ISA was endemic in Atlantic Canada they no longer cover those costs. For example, last fall we had an infection which resulted in fish removals. That was not a compensable event.

MR. K. PARSONS: Okay.

I just want to go back to a couple of questions and then I'll be clued up, okay. I want to question on the Fisheries Advisory Council. Besides adjacency, what else has been done with the Fisheries Advisory Council?

MR. BYRNE: Some of the questions we were asking the Fisheries Advisory Council to ponder are issues around professionalization, issues of new, young entrants into the fishery, what are some of the barriers that might be impacting new entrants from entering the fishery.

I've heard it over and over again, and I think you have to, there are many enterprise owners that have enterprises that are of an age, they'd like to retire. They'd like to be able to sell their enterprise. In order to be able to do so they have to transfer it to someone, to probably, more than likely, a new entrant.

What are the barriers to that occurring both in policy and financially? That's one question I've asked the Fisheries Advisory Council to ponder and give me advice and recommendations on. Another issue I've asked the Fisheries Advisory Council to look at is marketing and logistics.

As we move to a fresh seafood market, having the logistical supply chain, being able to ship fresh product as opposed to frozen becomes very, very important – as does frozen, but being able to better ship fresh product. It would come as no surprise to anybody in this place that I've asked them to take a look at Marine Atlantic in particular as how it impacts on our seafood industry, whether or not Marine Atlantic is a barrier to being able to ship fresh product to the marketplace, but also logistics in terms of being able to get more product into the European Union.

These are the kinds of projects I've asked the Fisheries Advisory Council to ponder. They've

also got some of their own initiatives that they would like to explore based on their own membership coming forward. So there's a variety of different research reports that will be derived.

MR. K. PARSONS: What is the total budget you have for the Fisheries Advisory Council this year?

MR. BYRNE: It is \$100,000 and that includes the logistical support, but we also have additional supports for professional services.

MR. K. PARSONS: Are they still working on the strategic action plan for cod revitalization?

MR. BYRNE: All of this is part of the strategic action plan. They're also providing advice on themes and projects under the Atlantic Fisheries Fund.

Again, if the expectation is that there will be one discreet plan or document for Northern cod revitalization, remember – and I think we had a very, very stark reminder of this this past year with the quota recommendations or the science advice on Northern cod this year – we are in a rebuilding program or pattern for Northern cod. It's not going to occur in one year, it's not going to occur in three years.

We have to make every effort right now to ensure that fish we harvest, that we get the maximum value today, and we start working on increasing value today. Because while quotas may or may not rise as quickly as we would like, what we can rise is the value of that product.

MR. K. PARSONS: Yeah.

MR. BYRNE: There are two ways an enterprise can make money: volume or price. Hopefully, we can get both volume and high price. In the absence of high volumes, higher price for fishermen and for enterprises can make a big difference, and that's one of the reasons why we're putting so much energy on trying to extract greater value from the resource.

MR. K. PARSONS: The fear, Minister, the fear this year is that there may be a reduction in quota.

MR. BYRNE: Pardon?

MR. K. PARSONS: There may be a reduction, and I think a lot of harvesters –

MR. BYRNE: Yes, that's –

MR. K. PARSONS: – are believing that there will be –

MR. BYRNE: – that's the stark news that I referred to.

MR. K. PARSONS: – a reduction in quota this year, you know.

I want to go back to one little section then I'll be cluing up. There are a lot of questions that I obviously could ask.

I want to see what your perspective is, and the department's perspective is, basically on seals.

MR. BYRNE: Seals, it's time that we all – those who we need to support us on seals stop shrugging their shoulders and just simply say it's a problem we just can't, or don't have the guts to deal with.

The harp seal population is a huge problem in fish stock recovery. It is a scientific fact. The evidence backs this up. I don't think there's any point in suggesting it is circumstantial or unclear evidence. The scientific evidence clearly states that the harp seal population at its current expanse is consuming a significant volume of capelin, shrimp, cod and most other species. So we have to deal with this.

We're encouraging, we're asking the federal government to renew their efforts in China for seal markets. There was a great fanfare some five, six years ago about China being the new marketplace for seals. That got quietly dropped five years ago. I've already been in discussions with the federal minister and other departments to get the China market back in motion.

I'll also share with you this, is we have a marketplace in Canada. I had a discussion with the Quebec minister. There are two jurisdictions – well, three jurisdictions but one of our partners in the harp seal harvest is Quebec.

Quebec came to me and asked if we would like to participate in a preliminary discussion in marketing seal products to various ethnic communities throughout Canada. That's a marketplace where there are no barriers for us to sell our products to. There is a belief that there is a very, very large marketplace, an untapped marketplace, with cultures and ethnicities that would appreciate seal meat and other seal products as part of their staple diets, part of their staple pharmaceutical regimes and other things.

So we're now working with the Quebec minister of the department of fisheries to look at developing a greater Canadian market for seal product.

MR. K. PARSONS: Okay, that's good. That was my second question on markets. Anyway, you answered all of that.

The last question I'm going to ask you is about carbon tax. Has there been any assessment done on what effects it will have on harvesters and processors? Are there any business models you're looking at that – how's this going to affect our harvesters and stuff like that when it comes to carbon tax?

MR. BYRNE: I wouldn't be able to report to the Committee at this point in time as to whether or not there's been a specific study on the carbon tax to the marine sector, because that would include obviously fisheries, but I can get back to you.

I will say this, we are investigating as to whether or not climate change effect and action on climate change could produce a more positive event or effect on our fisheries related to adjacency. When you consider where the argument is going, there are many factors that influence seafood certification. Sustainable yields of seafood affect – for example, the Marine Stewardship Council looks at harvesting technology, harvesting practices, whether or not it's sustainable as to determining whether or not a particular fishery will be certified under the Marine Stewardship's logo.

Well, where the puck is going on all of this, and I anticipate this will come sooner rather than later, is the overall climate change or carbon footprint of harvesting will be incorporated into

future certification regimes. Those harvesters and those fishers that actually have a lower carbon footprint will be subject to benefit under certification programs.

I don't see that as a threat at all. I see that as a real bonus to our argument of adjacency, because when you consider – and this is an issue which is not going away. We have foreign fishing that comes to the Grand Banks. We have it today, we had it yesterday and we had it four years ago. We will have it again. We will continue to have foreign fishing efforts in the NAFO zone in the years to come.

If part of that whole certification process is the amount of carbon they consume, the amount of fuel, carbon fuels they consume in getting to the fishing grounds, well our fleets which are adjacent may actually have a competitive advantage in the certification process. We are looking at that now.

I've asked researchers to look at how carbon footprints – what is the performance of small boat fishers, of local fisheries that are fishing in waters adjacent to their home ports, what's the impact on that to a carbon footprint versus those deep sea or distant water fishing fleets and their carbon footprints? Because I don't hear a huge amount of talk about it but I would like you and I to raise this as an issue, to support that local boats fishing in adjacent waters to their home ports produce a very positive impact on carbon emission reductions compared to distant water boats which clearly would have a larger carbon footprint.

CHAIR: Okay. It's been suggested that we probably take a five to 10 minute washroom break. So we will gather back at 8:10.

Is everybody okay with that? All right.

Recess

CHAIR: Ms. Michael, you have the floor.

MS. MICHAEL: Okay.

Thank you, Mr. Chair.

We're into forests, I think. I hope we don't get lost in the forest for the trees.

Forest Management, 3.1.01, and I'm looking at the salary line. There's probably a logical explanation for this, it's probably part of the restructuring, but we've gone from just over \$4 million in Salaries with a slight rise of \$500,000 in the revision last year, but now down to \$2.6 million.

Minister, I'm sure you have a good explanation for that.

MR. BYRNE: We've got an explanation; whether or not it's a good explanation, we'll let you decide that.

Forestry was where we probably had some of most significant movement in terms of salaries and positions. We were able to identify a lot of savings in those particular areas. We had a lot of unfunded positions, which were removed through attrition, just normal management, but also in the salary section for Administration and Program Planning, you are right, it went from a 2017-18 budget of just over \$4 million to actuals of just over \$4.5.

Whenever you have that kind of movement, you do have severance and leave pay out costs associated with former employees, so that jump in that one fiscal year – that \$500,000 jump – was around those severances and payouts.

In terms of the Estimates for 2018-19, there were 10 positions that were re-profiled. From within that salary envelope there were 10 positions that were brought into Policy and Planning that were otherwise formally related to GIS and mapping.

If you recall in my earlier statements, GIS and mapping was a big component of what created the synergies of the new department. There were 10 positions that were re-profiled that were formally in Policy and Planning – and you'll see that reflected accordingly – that related to GIS and mapping, that were moved out of Administration and Program and moved into the Policy and Planning division. There were two positions re-profiled to Fire Suppression. Attrition management measures for 2018-19 will also be included in this particular number.

MS. MICHAEL: Okay.

Thank you very much.

That's a clear explanation.

Under Transportation and Communications, again, here we have an increase of \$245,700 over last year's budget line. Can you explain that for us?

MR. BYRNE: Yes, there was some additional helicopter time. When you do forest inventory, whenever possible, whenever there's access to a road network, to ground-truthing, some of the forest inventory measurements, you use that, but sometimes you just have to use helicopter time. So the variance last year, there was \$217,000, we went up to \$235,000. This year the big expense of \$462,000 is related to increased use of forest inventory.

I'm going to introduce Steve Balsom again; Steve is our ADM of Forestry.

MS. MICHAEL: I love his surname.

MR. BYRNE: It's a big hit when we go to FPT conferences, put it this way.

Anyway, Steve, would you be able to explain a little bit further on the Transportation side?

MR. BALSOM: Yes, thank you.

Yes, as the Minister was explaining, this past year we concentrated on an area on the Northern Peninsula that had excellent access from roads, which reduced the number of helicopter hours that we required. The inventory program is scheduled to do all the forest management districts once every 10 years, so next year we have scheduled areas that are out in Central and the Avalon portion of the province, which are more remote, requiring more helicopter time.

So we try to balance our operating costs in any given year looking at areas, as an example, doing some plots around Corner Brook that have access by vehicle to keep costs down, but in certain specific years, we do have an increase when the inventory requires significant helicopter in remote sites.

So during our zero-based budget that's what we have identified this year as a requirement.

MS. MICHAEL: Okay. So you should get good information from that then, especially, I would imagine.

MR. BALSOM: Yes, the forest inventory is generally the basis for the wood supply that we generate every five years, but it's also the base information used for, not just strategic level, but operational level planning; when we do road layout, when we're going to access harvest blocks for various sawmills or for the forest operators. So the inventory and the ground-truthing is what gives the information for that level of planning and development.

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

Under Purchased Services, right here, it says that the budget last year was \$153,300, the estimate, and it was down then to \$88,700, and this year only \$9,400.

What's happening there?

MR. BYRNE: So if I remember correctly, a big component of this is aerial photography that has been compiled, that's been collected. Again, I'll go back to Stephen, if you wouldn't mind, Stephen, just to be able to give some further explanation as to why \$153,000 was originally budgeted but only \$88,000 expended and now with only \$9,400 expected for this particular year.

I do believe a big component of that was aerial photography, if I remember correctly.

MR. BALSOM: Yes, the minister is correct.

This past year with the integration of Crown Lands, which also flies aerial photography, we've now found the spec on the Crown Lands aerial photography and the forest inventory photography has lined up so that we can utilize the same photos. We're trying to synchronize the flying of those districts, which resulted in some savings.

The major reduction, partially from a zero-based budgeting exercise, movement of some funds to the GIS that had – those funds had moved to the GIS section, they also had Purchased Services. There was also a component of the Centre for

Forest Science and Innovation of the former Forestry and Agrifoods Agency that conducted some of the research work, that moved over into the wildlife research section because some of the projects we had there were overlaps and habitat related, so we moved some funding there.

Again, another significant portion here is related to having air photos in the bank, more or less, that we don't need to purchase air photos again this year. We have enough to do our air photo interpretation work.

MS. MICHAEL: Right.

MR. BALSOM: So through zero-based budgeting we just decided we could skip a season of purchasing air photos.

MS. MICHAEL: Thank you very much.

Minister, to my right here I have a researcher who loves drilling down, and he drills into the briefing books. He loves the briefing books. I've asked this question other years in certain areas but I'm curious in this one.

In this line item, the estimate in the briefing book says \$215,000, which is above what is listed here, the \$153,300. Now, I understand that differences like that can happen, that during the process of the fiscal year different things can happen and so you do get a re-profiling of the line item in the briefing book, though it doesn't show up here, when it comes to us here.

What would have caused the \$153,300 to become \$215,000 in the briefing book?

MR. BYRNE: Thank you for that.

We're going to have to quickly do some cross-referencing but maybe, Lori Anne, would you be able to speak to that? I think there were some leasing issues associated with that.

MS. COMPANION: The Estimates book in 2017-18 under Purchased Services had \$429,900. This year, it's reflected to be \$153,300 instead of the \$429,900. That's because leases, the vehicles and the maintenance for vehicles are moved to TW. They restated the budget amount; they took it out so we would be

comparing apples to apples. That money was moved to TW.

MS. MICHAEL: Okay. Thank you very much.

I think we have a full explanation of that now. Under Grants and Subsidies in this area we have a \$386,600 cut, I think, from last year's budget line. What are the implications of that, wherever this money used to go?

MR. BYRNE: Under the grants and contributions there was actually \$300,000 which was re-profiled back into the Wildlife directorate for research there.

MS. MICHAEL: Right.

MR. BYRNE: There was, however, a \$90,000 reduction but it was not to the extent – under zero-based budgeting there was a \$90,000 reduction in those Grants and Subsidies, but \$300,000 of which was actually re-profiled. It still exists; it was re-profiled to the Wildlife branch.

MS. MICHAEL: Okay. Thank you very much.

I think my time is up.

CHAIR: Thank you, Ms. Michael.

Mr. Lester.

MR. LESTER: The following questions are some general questions. If you can't provide the answers now, we'd appreciate a provision of a schedule at a later time.

Number one, can you please provide the amount of severance, as well as all other benefits paid out last year from your department? Could you also provide the following information as it pertains to your department: How many retirements versus how many layoffs and terminations; how many actual new hires; how many short-term workers, 13-weekers, that type of affair; was there much contractual work performed; and your current list of vacancies.

MR. BYRNE: Okay. I'm going to anticipate that we may not be able to supply that information at this particular sitting, but I'm going to ask you to restate the question, if you

could, so we could make sure that we have it, we capture it.

MR. LESTER: Sure. The first part of the question was in reference to the amount of severance as well as other benefits paid out last year from your department. The secondary part was in reference to positions within the department, how many retirements were there. How many layoffs/terminations? How many new hires did we have? How many short-term workers being 13-weekers? How many employees were actually on a contractual basis and the current level of vacancies in positions within the department?

MR. BYRNE: Okay, I think we are going to have to commit to getting that to you on a later date.

MR. LESTER: Yeah.

Has there been any analysis of how the incoming carbon tax will impact your department in its operations?

MR. BYRNE: The carbon tax itself is under Natural Resources and Finance. Lori Anne, from your deputy's network would you be able to provide some context to that?

MS. COMPANION: Yes, we did assess the implications of a carbon tax program from a forestry and agriculture perspective and fed into the analysis that Municipal Affairs and Environment would be completing in new climate change.

MR. LESTER: Okay, so they would be included in your budgetary figures and estimates.

MS. COMPANION: Yes.

MR. LESTER: All right, I would like to proceed to section 3.1.02, Forest Management, Operations and Implementation.

Again, I'll ask these questions but your answers may be a little bit repetitive because I can more or less forecast the answer. In reference to Salaries, last year there was a substantial increase over what was budgeted. This year, of course, we're going down by \$1 million. Would

that have to do with the restructuring and the severance paid out?

MR. BYRNE: You know what I said before? Cut and paste it.

MR. LESTER: Gotcha.

Transportation and Communications is down by about \$70,000. What would be the reason for that, just an amount of reduction in staff?

MR. BYRNE: In the transportation side, one of the interesting components of this is that the variance, the higher expenditure from last year – budgeted at \$436,000 and actually went up to \$524,000 – a lot of that was due to polar bears. We had an increased number of operations related to polar bear visits.

That was a bit of an unusual year. Helicopter time around polar bear operations actually drove the expenditures up. Now with transportation at \$366,000, that's a figure that we feel basically meets the norms of the department's operations. If there are additional costs by, again, additional polar bear frequency visits, we'll adjust accordingly if required.

MR. LESTER: The helicopter time, is that provided by government itself or is that an outside contractual provider?

MR. BYRNE: It's an outside contractual provider. There's actually been a lot of work done to allow those contracts to be made more efficient, to be more effective, more cost effective, but the Government of Newfoundland and Labrador does not have any helicopters within its own inventory.

MR. LESTER: The provider of the service, are they maintained on a retainer basis whether they fly or not, or is it just by services provided?

MR. BYRNE: Lori Anne, would you mind fielding that.

MS. COMPANION: The helicopter contract is base plus hours. We pay a base fee which enables us to have – and it's for government and it's a contract with TW. TW provides that contract for all the government departments. It's a base fee we pay to have access to those

helicopters when we need them for fire, for all kinds of services and for helicopters –

MR. BYRNE: Ferries down.

MS. COMPANION: – ferries down, all those things. Then we pay per hour as we utilize. All the departments will pay their own portion of the base fee; we all pay a proportionate share. We pay per hour as we use it.

MR. LESTER: Thank you.

Again, just some general questions in reference to the resource. Regarding the Abitibi stand, is there any portion of the 285,000 cubic metres of wood fibre once belonging to Abitibi currently being harvested?

MR. BYRNE: I'll ask Stephen. That's a specific question in terms of the former Abitibi limits. Basically, there are a lot of exchanges that do occur so I'll ask Stephen if he wouldn't mind fielding that question.

MR. BALSOM: The traditional operators that formerly relied on a log supply from Abitibi, Cottle's Island and Sexton Lumber in particular, at one point had arrangements with Abitibi to purchase logs straight from their yard in Grand Falls. With the closure of Abitibi, contractors that formerly worked for Abitibi and also Cottle's Island and Sexton have been awarded permits in those areas so that they can continue to harvest the logs to keep their operations going since the closure of the mill.

MR. LESTER: Would Burton's Cove or Kruger also have access to this timber stand?

MR. BALSOM: The pulpwood portion of it would – there are definitely arrangements, business to business. There would be pulpwood sales for some of it.

I believe there has been a very robust firewood industry that has developed over the last number of years. I know Cottle's Island has increased its business in regard to getting into firewood processing and supplying firewood in a more of a manufactured-type setting as opposed to the older traditional firewood operators.

I guess the question is yes, there is a – I can't speak to Burton's Cove, I believe they rely mostly on business-to-business with Corner Brook Pulp and Paper on the West Coast.

MR. LESTER: Okay.

Is the government still committed to using that timber stand to develop for the people and the benefit of the industry in Central, particularly Grand Falls-Windsor and Botwood?

MR. BYRNE: Absolutely.

One of the things we've identified, to be able to make sure that the forest industry not only survives but thrives, is – we know there are many products that come from a forest lot, from a forest area. There are large sawlogs, there are regular stud mill sawlogs that would be appropriate for a stud mill. There are sawlogs that would be appropriate for siding. There's pulpwood and then there's also debris, there are otherwise unusable materials.

When a particular operator harvests a block of wood, a block of timber, they get all four. They get a component of all four, even though they may be only an actual user of one.

One of the issues that have been identified is to create greater synergies, to create greater partnerships and relationships so there is greater exchange. Those who need larger sawlogs can get access to sawlogs which they don't necessarily cut, and they exchange. The model here is the Corner Brook Pulp and Paper sawmill industry exchange, that's the model.

Right now, a lot of operators will exchange pulpwood. When they saw on their timber limits they'll take pulpwood that they – they'll cut their sawlogs, which may be anywhere from 35 to 50 per cent of the actual forest inventory in that particular allocation, and they'll exchange that. They'll also exchange their pulpwood for sawlogs that are cut on the Corner Brook Pulp and Paper limits, and their relationship really works well.

We need to see more of that interaction between sawmillers, especially in Central Newfoundland. Getting that exchange so that those who have access to large sawlogs but only actually need

more conventional sawlogs that they exchange it appropriately with those that do. That's one of the objectives of the newly formed Newfoundland and Labrador Forestry Association is to create those partnerships within the sawmilling industry.

MR. LESTER: It's more of a vertically integrated industry.

MR. BYRNE: Exactly.

CHAIR: Mr. Lester, I have to remind you that you're speaking time or your question time has expired.

MR. LESTER: Sorry.

CHAIR: Ms. Michael.

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

3.1.03, Silviculture Development. The salary line here of course shows quite a variation as well. The reasons could be the same or they may be different than other salary lines that we've talked about.

MR. BYRNE: In actual fact, this is not a complete cut and paste. There are 60 positions – a lot of the variation here between last year and this year, a total of 60 positions have been re-profiled to the newly formed agricultural production and research facility at Wooddale. That actually amounts to \$1.4 million.

As you may recall, the Wooddale facility, which was always a tree nursery for planting –

MS. MICHAEL: Yes.

MR. BYRNE: – has now been re-profiled to have a stronger role in agricultural activity. So while they're still producing tree seedlings at Wooddale, they're also heavily involved in agriculture. There were 60 positions that were taken from this and re-profiled into the Agriculture Production and Research division, which you'll see in another section.

MS. MICHAEL: Okay, I'll wait then until we get to that to have that described.

Thank you very much. That does take care of the whole amount – just about the one-point-something million that you said.

Under Purchased Services, we're going from slightly over \$2 million up to \$2.5 million. Why the jump there? There was a jump in the revised figure for last year. We seem to be maintaining that, but the little bit more added.

MR. BYRNE: I'll ask Stephen to jump in here, but it's related to an increased requirement for silviculture activity.

Stephen, if you wouldn't mind explaining just why there's a \$500,000 jump.

MR. BALSOM: The minister is correct; we have been maintaining a level of planting, disc trenching, scarification, some herbicide work and some pre-commercial thinning. For a number of years our forest industry has been declining. It reached a certain point where it had levelled off. We are starting to see some gradual gains in the forest industry.

The growth of the firewood industry, we do have some increases year over year in lumber production from the sawmills. It's slowly increasing the requirement for Silviculture. We are maintaining a program level of roughly about \$2.5 million. The majority is made up of contracts for planting, but we also do site preparation. We also do some stand maintenance, pre-commercial thinning and that type of thing. So that makes up our \$2.5 million program.

MS. MICHAEL: Thank you very much.

Minister, a couple of general questions, I guess. They're both getting at the same thing.

We all keep hoping for new industries within the overall forestry sector, new businesses, especially anything that's going to bring production of some kind into the province. We had disappointments like the proposed woodchip facility for Botwood, and then also the collapse of the biofuel – the plant in Botwood, not collapse of the plant but this deal not going ahead.

Do you have explanations for this, and can you tell us what other plans may be around to try to increase growth in the industries?

MR. BYRNE: I think the good news story of it all is that there is interest.

Traditionally, we view our forest industry as either a sawmill industry or a pulpwood industry. That's always sustained us and been our base. New technology does allow for new opportunities, and the new technology, the new opportunities that allow for a more diversified market for fibre include thermal energy, chip-fired thermal plants.

I remember years ago when I lived in the Roddickton area as a researcher, I remember the chip-fired energy station that was located in Roddickton which unfortunately failed. But it failed because the furnace technology, the catalytic converter, the actual kilns themselves, were not really appropriate, were not the greatest technology. But also, as I understand it, we were burning green wood which really just did not work. That can kind of lead you to the position or view that bio-thermal energy is suspect.

Well, Stephen and I have done a lot of research. The Northwest Territories now has 10 public buildings that are heated almost exclusively by wood chips. PEI has facilities now that are heated by wood chips.

So we can actually create a – many of these projects were for overseas markets. And again, transportation becomes a bit of an issue when you look at overseas markets. There is a real possibility, a real opportunity I believe, in developing a domestic market for chips, for bio-thermal energy. One of the great things about that is it's a way to utilize our small wood. And pardon the pun, we have a lot of small wood in Newfoundland and some would argue maybe too much small wood, but there you go.

Our entire pulp and paper industry was built on the premise that we didn't have a huge number of sawlogs. What we did have was three- to five-inch pulp sticks and that was the basis of our pulp and paper industry. Well, we still have a lot of small wood and if we can find a source, a revenue stream to be able to sell some of that

smaller wood through chips, that would be a great advantage.

The other thing that's coming on stream, and it's not a fantasy, is biodiesel. Using different kinds of technology to extract diesel fuels from wood chips, from fibre and that I think has strong potential. For example, there's been a lot of interest – Newgreen did come; originally they were interested in Labrador. They were interested in a 50,000 cubic metre allocation up in Labrador then they did change their mind. They had a revised strategy where they came to Central and they were looking for an allocation there. There was some expectation of some public participation in that, but ultimately it was Newgreen that voluntarily withdrew from the proposal.

There have been other proposals in the past. Most recently there was Bulk Logistics, which we're still ready to entertain a discussion with Bulk Logistics, but we're very keenly interested in making sure that Botwood has a place in the future of the forest industry. There's a great company, Harold Sheppard Limited. It's a small company, but I have to tell you how personally impressed I am by its owner, its management. We're very interested in working with them to develop more of an industry in the Botwood area.

I can tell you this; you remember how I was talking just a little while ago about the synergies that are required to really be creative. There are synergies between individual saw mills, forest operators and Corner Brook Pulp and Paper, but we need greater synergies to occur, great relationships, greater partnerships, greater business relationships between saw millers to occur. Harold Sheppard Limited, I think, is capable of actually being one of the driving forces to that and we'll see nothing but success out of that.

One of the problems with exporting chips into the European Union – you may not be aware, but it's part of the European Union's sanitary requirements to prevent insect, bugs, from entering into the EU, forest bugs. You have to heat those chips to 58 degrees Celsius for 30 minutes. Those wood chips have to be heated to 58 degrees Celsius for 30 minutes to its entire core; that's expensive. To do that is expensive.

That's one of the reasons why we ask Bulk Logistics to supply a business plan, to really be able to identify what are your costs. Is it feasible – if you're going to ask for this amount of timber, this much of a timber allocation, we really need to have some security that you're going to be able to harvest that timber and you're going to be able to do it economically with the cost structure that surrounds your proposal.

So we didn't receive a business plan from Bulk Logistics; we got a business summary. The real issue there with Bulk Logistics was we offered them 60,000 cubic metres of fibre in areas five, six and eight, but they were really looking for more and for a longer period of time. We all know that if you surrender, if you create long-term commitments to fibre access without knowing whether or not that fibre access is going to be utilized, ultimately what that's going to do is prevent other entrepreneurs who could potentially use it, from gaining access to it.

So we asked them to move incrementally. We offered 60,000 cubic metres as a first offering; utilize this and then come back and if you can utilize it we're still prepared to offer, look to other sources. Labrador is still an untapped reserve of fibre opportunity which really should be explored further. But that's where we are.

The good news is we have foreign investment that is interested in looking at Newfoundland and Labrador's forest inventory as a source of investment. But we also have to look at those foreign investors and say, you have to prove out what it is you're expecting, and we will cooperate and we'll be with you, but we can't forsake our own domestic operators. We have to give them security as well.

That's one of the reasons why we just announced just a few short weeks ago a new policy on forestry allocations which basically said if you're not using your allocation and haven't been for quite some time, well then we're going to have to look to reallocate your allocation. But if you are using your timber allocations, then you deserve a long-term security with that allocation.

If you're assigned 10,000, just as an example, cubic metres as a sawmill, and you've been

using that full 10,000 and you want to get to the next level, there's no reason why you shouldn't be given more timber and why you shouldn't be given it for a longer period of time as a security. Because if you're using it, you're using it – but one of the issues why a lot of forest operators have not been given more timber is because it's being tied up by permit holders that are not using it. And that's a real problem.

MS. MICHAEL: Do we have many requests from local operators for new allotments?

MR. BYRNE: We do. There are 244 commercial permit holders in Newfoundland and Labrador and I can say that the bulk of them – about 75 per cent if I remember, Stephen – the 75 per cent don't use their existing allocations.

Now, some of them are not too far off, but 75 per cent of existing commercial permit holders don't use their existing allocations but 25 per cent do. And some of those 25 per cent will want, actually, more allocations. To a certain degree – and this is not a perfect analogy – many of them are being held back by allocations that are being held but not being used.

MS. MICHAEL: Right. Thank you.

MR. BYRNE: Stephen, is there something about that you'd like to correct or that I might not have had something right there?

MR. BALSOM: No, you summed it up correctly.

MS. MICHAEL: Thank you very much.

CHAIR: Thank you, Ms. Michael.

Mr. Lane, do you have any ...?

MR. LANE: Yeah, a couple of quick ones.

First, I had a big asterisk marked down here when we were at the fisheries things, but the Member for Cape St. Francis addressed it and the minister spoke to it. I just want to say for the record that we really do need to find more markets for seals. I'm glad to hear that you're going to be pursuing this with the federal government.

I don't know why they dropped that plan five years ago. You indicated they had planned on finding markets and then they ceased doing that, but anything we can do to push that agenda, we really need to do it. That's more of a comment than a question, Minister.

On the forestry piece, I was glad to hear you say that we're looking at finding other things to do with trees as opposed to just chopping them down and making pulpwood. I mean it makes perfect sense that we would be trying to find other uses for them.

I would say on the wood chip thing that you were talking about, having to dry the wood chips and the costs associated to it – I don't know. When we're talking the costs or we're talking so much for infrastructure and we're talking for electricity costs and so on, we do have some pretty cheap electricity going to Nova Scotia, 40 per cent that we're getting very little for. It might be an idea; we provide cheap power to the mines, so maybe that's a possibility as we move forward on some of these industries, if we can create a lot of jobs and economic development.

One of the things, though, in the forestry – I just made a little note there – I was wondering about, when we talk about diversifying the forestry, I've had some discussions in the past, a couple of years ago, about this idea of birch sap where they're tapping trees. I think there's something in Benton and there were some other areas. Is that still an ongoing thing? Are things like that being explored?

If you chop down a tree, it's gone until you plant a new one for many, many years. That was just one little example of something different besides chopping the tree down that in theory is used in nutraceuticals, I think, and stuff like that. I think some of the European nations have a lot of products associated with birch sap. I was told, at least. I'm wondering, is that something that's still going on?

MR. BYRNE: I'll try to talk about all three of these, but I'll start with the last one, birch sap.

Birch sap has this unique and novel interest in Japan. Birch sap is not unlike maple syrup. It's the same concept. You tap the tree, you extract the sap and you boil it down to a certain degree.

It's the equivalent of birch water. You don't treat it like taffy. You don't boil it down to the point where it becomes viscous like maple syrup, but it's seen to be a very, very healthy component. It has certain nutraceuticals that have a particular allure in California, in certain parts of the United States, but has a real, real strong allure in Japan.

There are some companies that have been working on this project. It comes down to: How do you get volumes and markets to be able to service those kinds of markets? But it's something that as the world changes, these are the kinds of things that we should not ever, ever suggest that there will never be a place for. You develop your markets slowly, you expand them and big things can come. To tie up a huge volume of forest allocation just for birch sap may not be prudent, but there are some boutique operations that I think would be very, very sensible. I think it's very marketable.

On the chips, on heat, in terms of displacing electricity you have to remember most large institutional buildings are actually boiler fired. The heating source is boilers and most of those boilers are oil fired. In essence, especially with large institutional buildings, if you could just simply switch out oil-fired boilers to chip-fired boilers, it just makes perfect sense. It creates a domestic demand and a domestic supply. It allows for a domestic supply. It creates greater efficiency, a greater revenue item for our sawmillers who now can – basically, this is trash. They can turn that wood trash – that small wood, that trash wood – convert it into a product which now can generate revenue. That simply makes sense.

Other jurisdictions have been successful at doing that. It was very, very marginal decades ago. As early as 20 years ago it was marginal. I don't think it's as marginal now; it just depends on how it's utilized and whether or not buildings can be effectively retrofitted. For new builds, it just really makes a lot of sense to incorporate chip-fired boiler plants or a chip-fired capacity into new institutional buildings.

On the issue of seals, I said earlier that it's time to stop shrugging the shoulders and just say, well, it's just the way it is. The most recent assessment of Northern cod came out and we

went from a spawning biomass of 425,000 to 315,000 metric tons. It was not fishing mortality, fishing removals, that was considered to be the cause of that significant decline; it was natural at-sea mortality.

There were only 12,000 metric tons of commercial fishing removals during that same period of time. There was over a 100,000-metric ton decline in the spawning stock biomass. There were only 12,000 metric tons of removals from commercial fishing activity, the bulk of which was deemed by DFO science as natural mortality, at-sea mortality. Not fishing-induced mortality, 90 per cent of it was natural mortality.

We asked the question: What was the source of that natural mortality, what was the cause of it? I don't know. It is seals. In large measure it is seals. You know what, seals also predate on salmon. Ninety-five per cent of salmon mortality occurs at sea by natural causes. I would suspect the seal predation has a very, very significant impact on reduced salmon numbers, not only in Newfoundland and Labrador but throughout Eastern North America.

Never forget that one in every two wild salmon that recruits in Eastern North America – in North America, one in every two wild Atlantic salmon are produced in the Province of Newfoundland and Labrador. We are the source of 50 per cent of wild Atlantic salmon anywhere in North America, this one province, even though the former range of Atlantic salmon was from Upstate New York right up to Baffin Island and Greenland. Now, we are the source of 50 per cent of all salmon.

I'd like to hear – I'd like for everyone to have courage and to say out loud that the seal population must be dealt with. I understand, and you understand, that when you say that, when you say that the harp seal population must be dealt with, otherwise salmon stocks may not necessarily recover fully the way they should, it may result in a backlash against your organization because a lot of people out there think that harp seals don't cause predation on anything in the ocean. A lot of organizations don't talk about seal predation when it comes to those stocks, because it hurts their overall public image if they do, in my opinion.

I'd like to have all organizations that have a vested role in conservation, that want to see stocks – whether it be cod or whether it be salmon – improve, to say it and to say it out loud that seals prey on fish. If we do not deal with the seal population, we will not necessarily see full recoveries of our fish populations, and that includes salmon.

I'm asking, and I'll say it out loud, all organizations that feel as though they have a role to play in salmon conservation to say it and say it out loud, and say it with courage, we must all deal with the harp seal population. Never mind and pay no attention to any consequence it may have to the reputation of that organization because if it's the truth, and you're truly believing that it's a requirement of conservation of that stock, you will stand by your principles and you'll say it and say it out loud, regardless of what the consequences might be. I'm asking for everyone to have that courage.

CHAIR: Thank you, Minister.

Thank you, Mr. Lane.

Mr. Lester.

MR. LESTER: At this time I'd like for us all to consider the time and possibly request an extension of this evening or rescheduling at a later date.

CHAIR: Minister.

MR. BYRNE: I'd be happy with an extension. We do have the staff here; we'll be respectful of that. Mr. Chair, can we have another two rounds of 10 minutes and maybe try to clue up before 9:30? Would that be okay?

MR. LESTER: I feel that would difficult to cover the last sections in that time, but again, Mr. Chair –

CHAIR: Ms. Michael, did you have an opinion?

MS. MICHAEL: I'd be fine with that. I don't have a lot of big questions in the next part, so it will be more line items for me. I'd like to see if we can try to do it by 9:30, sure.

MR. BYRNE: Mr. Chair, if we could just share time accordingly, as we see fit, maybe we'll be able to accomplish that.

CHAIR: Sure.

Mr. Lester, we'll get you to go for 15 minutes, probably, and then give it to Ms. Michael.

MR. LESTER: Okay, perfect.

In reference to section 3.3.04, Habitat, Game and Fur Management, the line referring to Transportation and Communications –

MR. BYRNE: 3.3.04, yes.

MR. LESTER: – \$500,000 or thereabouts, would that again be helicopter services and survey?

MR. BYRNE: Yes. I'm pretty proud of our team here. Transportation and Communications is helicopter time. This past year was the largest year – single year ever – that the department can recall for survey work of big game.

And I'm going to turn this over to the person that deserves to push his chest out and talk about this: Mr. Balsom, if you would talk a little bit more about the survey work that got conducted this past year.

MR. BALSOM: Thank you, Minister.

Yes, we did see a significant increase in our big game surveys this year. Particularly, as you may recall, I guess there has been some interest by the public and the outfitting and the hunting sectors, specifically to moose populations on the Island, and recently the recommended listing of the George River caribou herds, and also our currently endangered-listed Boreal caribou herds in Labrador.

So we have really focused on getting our big game surveys back to having each moose management area surveyed on a five-year rotational basis. The caribou, actually, we do surveys in Labrador each year under the Labrador Caribou Initiative, and we do one of our three caribou areas on the Island each year as well.

This year, we were able to get one, two, three, four, five – six moose management areas completed, along with – I'm sorry, there are more than three caribou areas on the Island. We've got three caribou surveys completed on the Island this year as well. It is only with that type of information we'll be able to make the correct management decisions that the public seem to be requesting. So that's why we put a push on this year, and that's why you will see the increase for the upcoming budget as we concentrate our efforts and in Habitat, Game and Fur on big game management. That's where we're going.

MR. LESTER: Thank you.

3.1.03, back under Silviculture Development, I notice Supplies also decreased substantially. Would the difference be again moved with the 60 positions and the \$1.4 million to the agriculture research division, in reference to activities at Wooddale Nursery?

MR. BYRNE: Madam Deputy, I'm just a bit at sea here. Supplies?

MR. LESTER: Yeah, 3.1.03 Supplies, decreased from \$257,000, revised budget down to \$38,500.

MR. BYRNE: Okay.

MS. COMPANION: Yeah, I can take that, Minister.

MR. BYRNE: Okay, thanks.

MS. COMPANION: The majority of that funding was moved with the Wooddale staff that were moved to agriculture.

MR. LESTER: Okay, great – well, I'll ask that question in a few minutes.

In reference to the federal budget, which has indicated they will partner with Atlantic provinces in the management and proactive initiatives counteracting the spruce budworm, is there any reflection of that financial commitment in this document?

MR. BYRNE: No. That was just introduced in the most recent federal budget and there have

not been any specifics that have been surrounding that particular commitment on a province-by-province basis. But it is timely to have that discussion because we do know that the spruce budworm is on the fly and it's moving eastward.

MR. LESTER: Okay, great.

On to Agrifoods and Lands, section 4.1.01, Land Management.

MR. BYRNE: Yup.

MR. LESTER: Bit of a deficiency in salary from one year to the next. Is there an explanation for that or is that again just part of the streamlining?

MR. BYRNE: Well, no, actually that's a good question. Again, there's a reason why I emphasized the role of GIS in mapping in the new department.

There were four positions that were re-profiled to the Policy and Planning division that were related to GIS and mapping. And so as we know, as I stated earlier, that all GIS and mapping staff are now located under the Policy and Planning Division. So that was a big component of this. But as well, three positions were re-profiled in agricultural research and development, as well as laboratory staff. So that was seven positions in total that were re-profiled – still there, but just repositioned.

MR. LESTER: All right.

In reference to the natural areas designation, which line would refer to that? Again, this is 4.1.01, areas such as Mistaken Point.

MR. BYRNE: Yes, Lori Anne, I'll just get you to – which line is that?

MS. COMPANION: Mistaken Point is included in this area, in the budget under Land Management. There has been no reduction in funding for Mistaken Point.

The Salaries include nine positions for Mistaken Point, five for Cape St. Mary's and then four for headquarters, as had been the previous process.

MR. LESTER: Okay.

Has there been any decision made on the proposed tour fees for Mistaken Point?

MR. BYRNE: No, there has not.

We'd like to reach out to the committee to get their feedback on exactly what they would think to be the best approach to take. There's the issue of the fees itself, plus an additional fee from the community that's being considered. They'd like to have greater co-operation in terms of how that's all managed, so we'll reach out to the committee itself to determine what would be the best approach.

MR. LESTER: Okay.

There has been a meeting request from the chairperson of Mistaken Point Cape Race Heritage, Edge of the Avalon Interpretative Centre. Has there been a concrete date signed?

MR. BYRNE: No, there has not as of yet. We're in the process now of formulating the advisory committee itself. We're not going to preclude the meeting to that, but I think it would be a good idea to get that advisory committee up in place as well.

MR. LESTER: All right; Land development, 4.1.02, there's a bit of a – actually, no, I have already answered that question. I apologize.

Agriculture Production and Research, I was looking through the review package and I did happen to notice that this section here, 4.2.01, did receive a substantial increase when it came to salaries. I had originally thought it was just moved from agriculture business and marketing. Am I correct to assume that it is from Wooddale?

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

MR. LESTER: Okay.

A small question about the Marketing Board, the doubling of the salary, was this because there was a vacant position in 2016? 4.2.02.

MR. BYRNE: There was one position that was re-profiled from Policy and Planning, an economist position that was put into the Marketing Board.

MR. LESTER: Okay. All right.

Research and Development, continued in Salaries, a little bit of an increase there. Would that be a continuation of Wooddale positions or would this be something new?

MR. BYRNE: I'm sorry, this is in –

MR. LESTER: 4.2.03, sorry.

MR. BYRNE: 4.2.03?

MR. LESTER: Yes.

MR. BYRNE: The Salaries there; again, there were three positions that were re-profiled from Land Management, the soils laboratory staff, that were put into the Research and Development branch.

MR. LESTER: Okay, thank you.

4.2.04, Limestone Sales. I'm just noticing that basically we're looking at an equal amount from budget whereas in revised we actually used more funds to purchase more limestone. Is the department under the impression that we'll be using the same amount of limestone this year as last?

MR. BYRNE: There's an interesting story behind this, and I'll ask Keith Deering just to provide some background. There was a surge in limestone use in the last – when some soil testing was done. There was a significant body of research that was done, soil testing that was done that came back with certain results that drove limestone requirements.

Keith, would you mind just jumping in there with that.

MR. DEERING: Thank you, Minister.

As the minister said, about two years ago, three years ago, we had a soil nutritionist from New Brunswick travel the province and actually did surveys on any farmer who wanted one. Did

quite a substantial amount of soils-type analysis which resulted in a bit of a boom for a couple of years in our limestone program.

I guess the last two years, prior to this one, we actually had to put extra money into the limestone program in order to meet the demand that was there. Given the fact that a substantial amount of limestone was used in those years, the demand this past year was down a little bit.

With all of the additional profile that we've put on additional land development in agriculture, over the next few years we do expect that the demand for limestone will substantially increase again.

MR. LESTER: If that does happen this year, because in order to meet *The Way Forward* targets of doubling production, there's going to have to be an awful lot of land put in production. Is there provision within this budget to increase that limestone subsidy?

MR. BYRNE: We do have costing in our existing budget, our line items, to be able to meet that demand; to make choices and to be able to meet that demand. We can re-profile funds from appropriate votes into the limestone program if required.

MR. LESTER: Okay.

Let's go to Agricultural Business Development, 4.3.01. This is where I had originally thought – when it comes to salaries, I thought there may have been just a shift of positions and responsibilities from the Business Development Administration to the Research, but there is a substantial decrease in salaries.

Is that actually a reduction in positions and bodies on the ground?

MR. BYRNE: No. There were eight positions that were re-profiled to Agricultural Production and Research. When they went into Research, this is where eight of those positions came from.

MR. LESTER: Okay.

Correct me if I'm wrong, but when I added the decrease here plus the increase from the Wooddale allocation, we're still short about a

half – well, about \$500,000. Did I misunderstand that?

MR. BYRNE: We'll just take a – Lori Anne, would you be able to see if you can reconcile that?

MS. COMPANION: I will. I'll just reconcile that for you.

In Agriculture Production and Research, there were 60 positions from Silviculture that went here for Wooddale, eight positions from Agriculture Business Development, and one position came out and was re-profiled to Seafood Marketing and Support Services. It was a development officer, but there was no reduction.

MR. LESTER: No reduction in positions.

MS. COMPANION: No, no.

MR. LESTER: Grants and Subsidies under Agricultural Business Development, section 4.3.03, Agriculture Initiatives. There's a reduction of about \$500,000 under Grants and Subsidies. I would imagine this is in reference to the Provincial Agrifoods Assistance Program and possibly the agricultural roads program. Would that be correct?

MR. BYRNE: There is a difference of \$500,000. This was an original budget decision that went back to 2016 to begin to phase out, but the upside of the story is that the Canadian Agricultural Partnership per capita replacement going forward should be able to fill in a lot of that demand.

MR. LESTER: Okay. I do understand of course that there's a substantial amount of agricultural land being advertised for development. A lot of this property – well, this land is in remote areas.

How much of a budget provision has been made to provide access to these areas?

MR. BYRNE: We do have capacity to be able to contribute to access road development.

I don't know, Lori Anne or Keith, who would be best to sort of tackle that, but there are 62,000 hectares of agricultural areas of interest that

have been shown, demonstrated to have strong agricultural potential.

So within our own existing provincial programs, I believe within the Canadian Agricultural Partnership, we do have the capacity to be able to create some access points.

There is money for everything from power – access to power lines, power utility access – to other things. Access roads would be included in that.

MR. LESTER: Okay. Of the 64,000 acres, is there, I guess, a figure of how much has been allocated versus how much is currently applied for?

MR. BYRNE: Well this, as we know, was just identified and announced in various phases over the past fall and winter. We did it in phases because as we were able to identify and to be able to unlock significant tracks of land, a lot of this land was actually within the Corner Brook Pulp and Paper timber limits, there were exchanges that were done and some of that land was probably some of the most valuable. It was highest grade agricultural land.

So we expect that now, with the snow – with the ability to inspect some of the land, we anticipate that there will be an upswing in applications once the land can be inspected by potential new farmers and existing farmers.

CHAIR: Mr. Lester, I know it's within your element as well, unfortunately, I have to stop you and ask Ms. Michael to step in.

MS. MICHAEL: Thank you.

Hopefully some of the questions I'm going to ask will be questions for him.

Just looking, Minister, at 4.3.03 and 4.3.04, and coming back to your comment with regard to Grants and Subsidies, you indicated that you hoped the \$500,000 could be picked up by the Canadian Agricultural Partnership, but in actual fact, that money is decreasing also, because in 4.3.04, while there was a jump of about \$2 million this year, next year it goes down to \$6.3 million and the federal input, of course, has gone

down and that's the reason why the figure is going down.

So I don't see how the Canadian Agriculture Partnership is going to pick up on the \$500,000 from the head above that.

MR. BYRNE: That's mostly surrounded by a carry-over issue.

MS. MICHAEL: Mm-hmm.

MR. BYRNE: There's not a reduction in the Canadian Agricultural Partnership and the other funding, but it was a carry-over issue. So maybe, Deputy Minister, if you might be able to sort of put some meat on that.

MS. COMPANION: There was approximately \$2 million – Keith, you can correct me if I'm wrong – carry forward that we had, final phases of the Growing Forward Program and they were in this fiscal year.

MS. MICHAEL: Right.

MS. COMPANION: That would have been carried forward from all of the years of the Growing Forward. So the Canadian Agricultural Partnership Program, that's not a decrease, it's just that there's no carry forward because the other program ended.

MS. MICHAEL: Okay, well it's decreased a little bit. The estimate for this year is down from the budget for last year. It was \$7,704,000, approximately, and now it's \$6,300,000.

MS. COMPANION: There was a carry forward there too because the program was going forward all the time.

MS. MICHAEL: That's a carry forward there too. Okay, good enough.

Thank you very much.

I'd like to just jump back really quickly to 3.3.05.

MR. BYRNE: That's Wildlife Research?

MS. MICHAEL: Yes, it is. The Grants and Subsidies line, there was never, well, I won't say

never, but last year that was only \$41,000 and this year the Grants and Subsidies is \$300,000. What is that?

MR. BYRNE: You may recall, and there's been a lot of this tonight so I do appreciate that you wouldn't necessarily be able to calculate this, keep score in your head.

MS. MICHAEL: Right.

MR. BYRNE: You may recall that I indicated there was \$300,000 for wildlife research funds that were re-profiled from the Forestry Administration and Program Planning branch.

MS. MICHAEL: Okay.

MR. BYRNE: So that's where that \$300,000 came from.

MS. MICHAEL: Okay. Thank you very much.

Then moving on to 4.4.04, we're into Animal Health. Just a brief one, the Salaries line there, it was revised down by a few hundred thousand last year but we're back up to \$2,028,000 this year. What was the revision down about?

MR. BYRNE: The tab again, I'm sorry?

MS. MICHAEL: 4.4.01.

MR. BYRNE: The question again, sorry, was?

MS. MICHAEL: It's the Salaries line.

MR. BYRNE: Yes.

MS. MICHAEL: There was a revision downward last year, what caused that?

MR. BYRNE: The variance was there was one vacant position and there was actually lower than expected overtime that occurred in that particular fiscal year. There was one vacant position that lowered the cost and lower than anticipated overtime.

MS. MICHAEL: Okay, thank you very much.

I don't have a lot of line item questions.

Under 4.5.01, Crown Land.

MR. BYRNE: Yes.

MS. MICHAEL: Could you explain the provincial revenue line, please?

MR. BYRNE: Yes.

Crown Land, interestingly enough, is one of the very few, if not the only branch of government, that actually makes money for the government. So, of course, we do sell Crown lands. So the revenue item here that you're seeing – actually I'm going to get Keith because I may have just misspoken myself.

Crown Land – we have a number of cottage lot developments that normally net us a significant volume of revenues, but that's not what I'm seeing here.

Keith, would you be able to jump in and explain that particular line item right there?

MR. DEERING: Yes, thank you, Minister.

So I guess the revenue that you see reflected in 2017-18, both projected and revised, represents our sales of maps and air photos at our Higgins Line location and in our various regional locations exclusively. As the minister said, we generate a significant amount of revenue at our regional Crown Land operations, and a decision was made this fiscal year to consolidate that with revenue in the next subhead, 4.5.02.

So if you look at the provincial revenue in this particular area, you'll see this combined with the cottage lot sales that the minister previously referenced and we have a projected revenue of \$14 million in that, now consolidated under one budget.

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

That explains why you have a blank under the Estimates for this year up in 4.5.01 because we're seeing it down in 4.5.02.

Great, thank you very much.

I have one more question there about Salaries. Yes, 4.5.02, is this a cut-and-paste answer with regard to the Salaries?

MR. BYRNE: Yes, again, it's the eight positions that I referenced earlier that were re-profiled –

MS. MICHAEL: Right.

MR. BYRNE: – to Policy and Planning, and they were GIS and mapping.

MS. MICHAEL: They're here. Okay, thank you very much.

5.1.01, here the Salaries have gone up, so something was moved in here from elsewhere, I take it. Is that with GIS as well? Yes.

MR. BYRNE: Again, there were 31 positions affected here that moved in from GIS and Mapping.

MS. MICHAEL: Okay.

Under provincial revenue, what causes our revenue in this area?

MR. BYRNE: I'll get Keith to jump in here, but this was the maps and air photos. There were \$50,000 – it's basically the same explanation as what Mr. Deering offered a minute ago, but I'll just get him to restate it.

MS. MICHAEL: Okay.

MR. GRACE: There was \$50,000 revenue where they did sales of maps, air photos and related products related to GIS and Mapping. There's also \$12,000 revenue related to lease purchase of marine service centres, aquaculture wharf usage fees and other miscellaneous revenues.

MS. MICHAEL: Okay and I'm sure the binder will have that spelled out, so we won't waste time on that.

MR. GRACE: Yes.

MS. MICHAEL: Look at that, you might get more time next door to me, Mr. Lester.

5.2.01, I think it's more the revision downwards from the Budget to the Revised number in '17-'18, from \$922,000 down to \$760,000 approximately.

MR. BYRNE: These were vacancies within the division during the year.

MS. MICHAEL: Okay and they were filled?

MR. BYRNE: Yeah.

MS. MICHAEL: Okay.

Under Enforcement, 5.2.02, the Salaries have gone down significantly there. Have they been lost positions or re-profiled or moved somewhere else?

MR. BYRNE: These are six positions that were re-profiled from Enforcement to Compliance. There were two resource protection specialists, a departmental program coordinator, a manager of training, an administrative officer and a clerk IV that were re-profiled.

MS. MICHAEL: Okay. Thank you.

I won't ask anymore except to just say: Thank you, Minister, and your staff. You've been really great.

If, when we go through the binder we have a few more questions, we probably could forward them to Ms. Companion? If that's okay, we can assume that.

MR. BYRNE: No problem whatsoever.

MS. MICHAEL: Okay. Thank you very much.

You've all been quite generous with your time.

CHAIR: Mr. Lester, would you like to ...?

MR. LESTER: Just a couple of questions regarding the Crown Lands move. I had wondered if there were any plans or budgetary figures put in place to move the documents from the vault at the Howley Building to the West Coast with the office.

MR. BYRNE: There are no specific plans. As you're aware, the documents are being digitized at the moment.

In terms of their future housing, I don't believe there's an intention to move the documents to the West Coast; it's to hold them in archives, in

a controlled environment. But the assumption would be that they would not be necessarily available or accessible to the general public because the intention is that they would be fully digitized and be available online.

MR. LESTER: Yes.

That would provide more accessibility province wide, obviously, and preserve the documents much longer.

I think that's about it. I kind of rushed through my questions here.

MR. BYRNE: Okay. Good.

MR. LESTER: I think that's it for this evening.

Thank you for your answers.

MR. BYRNE: My pleasure. Thank you.

Mr. Chair, I think maybe Mr. Lane might want – just for a good three minutes.

CHAIR: Mr. Lane, do you have any further ...?

MR. LANE: One very, very quick question. It's not a biggie but I'm just wondering about it. Woodcutting permits fall under this department or ...?

MR. BYRNE: Yes, it does.

MR. LANE: It does?

There was an issue brought to my attention, maybe last year. I wonder if it still exists. It was a scenario whereby if I wanted to cut some wood for my mother, I had to have a permit and then she also had to have a permit in order to accept the wood from me or something like that.

There were two permits and it seemed pretty ludicrous. It might not have been a lot of money but, certainly, for poor old mom living on a pension, it seemed a bit cruel. I'm just wondering does that policy still exist or has that been eliminated?

MR. BYRNE: If your mom makes a good pot of jam, arrangements could be made, you know what I mean?

I'll ask Mr. Balsom if he could answer that.

MR. BALSOM: Thank you.

Yes, under the *Forestry Act* she would require her own permit. You could go on listed as a helper on that permit if you wish to cut that wood for her. If you wanted to have your own wood, you would need your own permit. The seniors do get a seniors discount on their woodcutting permits.

MR. BYRNE: Would she have to be present while the wood is cut?

MR. BALSOM: No.

MR. BYRNE: Okay.

MR. LANE: Okay, but I can't take my permit and cut a few sticks of wood and give it to my mother. She's going to be charged for a permit even if I just cut it for her. Is that right?

MR. BALSOM: Yes, to be in possession of Crown timber you're supposed to have a permit.

MR. LANE: Okay. You should have a look at that, Minister.

I'm done. Thank you. Thank you for your time.

CHAIR: Minister, do you want any closing remarks before we call the subheads?

MR. BYRNE: No, just basically to say thank you, I really appreciate everyone's patience. There were some very good questions. I always find it becomes even more interesting when we move away from the strict numbers itself and into some of the policy issues.

I do appreciate everyone's attention here tonight. Thank you very much.

CHAIR: Thank you.

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

CLERK: 1.1.01 to 5.2.02 inclusive.

CHAIR: 1.1.01 to 5.2.02 inclusive.

Shall the motion carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, subheads 1.1.01 through 5.2.02 carried.

CHAIR: Shall the total carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

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

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

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

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

CHAIR: I want to thank the department as well, on behalf of the Resource Committee, for your patience, guidance and understanding in this process. I obviously thank the Committee as well.

I just remind the Committee that our next meeting will be with Tourism, Culture, Industry and Innovation on Wednesday evening at 6 p.m.

Having said that, I'd again like to thank the Table Officers as well and ask for a motion to adjourn, please.

MR. K. PARSONS: So moved.

CHAIR: Moved by Mr. Parsons.

All those in favour?

Carried.

On motion, the Committee adjourned.