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Honourable Derek Bennett, MHA

RESOURCE COMMITTEE

Department of Fisheries, Forestry and Agriculture

Chair: Brian Warr, MHA

Vice-Chair: Jordan Brown, MHA

Members: Pleaman Forsey, MHA
Sherry Gambin-Walsh, MHA
Craig Pardy, MHA
Paul Pike, MHA
Lucy Stoyles, MHA

Clerk of the Committee: Mark Jerrett

Appearing:

Department of Fisheries, Forestry and Agriculture

Hon. Derrick Bragg, MHA, Minister

Stephen Balsom, Assistant Deputy Minister, Forestry and Wildlife

Keith Deering, Assistant Deputy Minister, Agriculture and Lands

Kathy Dicks-Peyton, Director of Communications

Philip Ivimey, Departmental Controller

Tracy King, Deputy Minister

Chantelle MacDonald Newhook, Assistant Deputy Minister, Enforcement and Resource Services

Lorelei Roberts-Loder, Assistant Deputy Minister, Fisheries and Aquaculture

Also Present

Scott Reid, MHA, St. George's - Humber

James Dinn, MHA, St. John's Centre

Lela Evans, MHA, Torngat Mountains

Perry Trimper, MHA, Lake Melville

Scott Fleming, Researcher, Third Party

David Porter, Political Support, Official Opposition

Nathan Ryan, Political Support, Official Opposition

Pursuant to Standing Order 68, Scott Reid, MHA for St. George's - Humber, substitutes for Sherry Gambin-Walsh, MHA for Placentia - St. Mary's.

Pursuant to Standing Order 68, Jim Dinn, MHA for St. John's Centre, substitutes for Jordan Brown, MHA for Labrador West.

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

CHAIR (Warr): Good morning, everyone. It's 9:01 and time to call this meeting to order.

Welcome to the Estimates of the Department of Fisheries, Forestry and Agriculture. I want to welcome everybody here this morning.

The first order of business is to announce the substitutions. We only have one, and that's MHA Dinn is substituting for Labrador West MHA Brown.

The next order of business is to adopt the minutes of the previous meeting, of Industry, Energy and Technology. I am looking for a motion.

MHA Forsey. Seconder, MHA Pardy.

All those in favour, 'aye.'

SOME HON. MEMBERS: Hear, hear!

CHAIR: All those against, 'nay.'

Carried.

On motion, minutes adopted as circulated.

CHAIR: I have already discussed the way we are going to proceed with time with the MHAs and everybody is okay with that. What I will do first, with regard to staff and MHAs during Committee. When it is your turn to speak, put up your hand so we can recognize you, wait for your tally light to light up and you go ahead and speak.

What I will do is I will start to my right and we will get an introduction of our Committee and then I'll turn it over to the minister.

I'm recognizing the person to my right, and we'll get an introduction of our Committee and then I'll turn it over to the minister.

Just put up your hand. Just wait for the light on – I'm recognizing the person to my right. There you go. Tally light is on, go ahead.

D. PORTER: David Porter, Opposition Party.

C. PARDY: Craig Pardy, District of Bonavista.

P. FORSEY: Pleaman Forsey, Exploits.

J. DINN: Jim Dinn, St. John's Centre.

P. TRIMPER: Perry Trimper, MHA, Lake Melville.

S. FLEMING: Scott Fleming, Researcher, Third Party caucus.

S. REID: Scott Reid, MHA, St. George's - Humber.

L. STOYLES: Lucy Stoyles, Mount Pearl North.

N. RYAN: Nathan Ryan, Official Opposition Office.

L. EVANS: Lela Evans, MHA, Torngat Mountains.

P. PIKE: Paul Pike, MHA, Burin - Grand Bank.

CHAIR: Recognizing the minister.

D. BRAGG: Derrick Bragg, Minister of Fisheries, Forestry and Agriculture.

We're going to do introductions and then I'll come back with a statement.

T. KING: Tracy King, Deputy Minister.

P. IVIMEY: Philip Ivimey, Departmental Comptroller.

S. BALSOM: Steve Balsom, Assistant Deputy Minister, Forestry and Wildlife Branch.

K. DEERING: Keith Deering, Assistant Deputy Minister, Agriculture and Lands Branch.

L. ROBERTS-LODER: Lorelei Roberts, Assistant Deputy Minister of Fisheries and Aquaculture Branch.

C. MACDONALD NEWHOOK: Chantelle MacDonald Newhook, Assistant Deputy Minister, Enforcement and Resource Services.

K. DICKS-PEYTON: Kathy Dicks-Peyton, Director of Communications.

CHAIR: Before we do that, Minister, I'll just get the first subhead called, okay?

By the way, my name's Brian Warr, the Member for Baie Verte - Green Bay, and I'll Chair your meeting this morning.

Anyway, if I could have the Clerk call the first subhead.

CLERK (Jerrett): 1.1.01 to 1.2.02 inclusive.

CHAIR: 1.1.01 to 1.2.02 inclusive.

We'll turn it over to you, Minister, for some opening remarks.

D. BRAGG: Thank you very much, Mr. Chair.

And thank you, everybody, for coming out this morning. We have our staff here behind us. We're more than willing to answer every question that you guys have today. We have a three-hour time frame.

I'm just going to throw some things at you early in this game, because I know you're going to want to know it. We will provide you with binders after the session is over. We have binders over here waiting for you, but now we'll just – it would complicate your questions, I think, because you would be looking at our answers and looking for the questions to be somewhere else. We're not letting you cheat; the questions come afterwards.

In this department, we have 651 employees, 435 are permanent, 119 are seasonal, 85 temporary and 12 are contractual. In Forestry and Wildlife, we have 258. Enforcement and Resource Services is 127. Fisheries and Aquaculture are 63. Agriculture and Lands, 191; Executive Support, 12. We have 563 unionized, 88 non-

unionized. We have 193 vacancies: 92 funded and 101 unfunded. Short-term hires, 32; contractual, 12. Retirements in '21-'22, seven; retirements in '20-'21, 19. In competitions, we have 30 completed, 139 ongoing and 67 competitions to come up.

Through attrition for '20-'21 of \$173,652 – conservation officer III, conservation officer III, forester II, conservation officer II and silviculture worker I. In '21-'22, \$194,735 in attrition, and it was conservation officer II, conservation officer III, another conservation officer III, silviculture worker I and silviculture worker I.

That should have answered every question. Thank you for this morning.

So we'll give you this. That's fair. Now, we're ready to roll, so I'll put my glasses on so I can see the questions coming at me.

CHAIR: Thank you, Minister.

We'll turn the floor over to MHA Pardy.

1.1.01 to 1.2.02 inclusive.

C. PARDY: Thank you, Mr. Chair.

Thank you to the staff for your participation here this morning. I'm sure it's a big prep to come here and be able to field questions that you really don't know what are coming at you, but if you're living it each day I'm sure that's a big asset.

I'm from the District of Bonavista, but don't assume that because I come from the Bonavista area that I have a fisheries background; I do not. I'm on a learning curve in that portfolio, that I've requested. Education was my background.

Just a little general statement, a very short one to start and I'll probably like to get the minister's reaction to it. I know that in the Premier's Greene report it is stated that the governance structure of the fisheries is not working for the province. Well, that's probably not a surprise to anybody.

A learned, knowledgeable and reputable acquaintance that I had, had stated that one of

the greatest oversights in 1949 when we joined Confederation was ceding the majority control of the fishery to the federal government. What my learned friend had suggested that a possible action would be that we would seek some provincial-federal binding agreement that we would pass in both Legislatures that would offer us the opportunity for joint management. I know that's a lofty goal, but the only thing I challenge and put it in the Estimates is that if we don't begin with that first step, one could assume that we will never get there.

All I would say is that as being a rookie in this portfolio – and the Leader of the Opposition – I would join in whatever effort that you, Mr. Minister, would engage in to begin with that first step. It is an Everest-type goal that you would have, but I would like to get your response to that.

D. BRAGG: Thank you very much and thanks for the question.

I think it's a great question and it's been an age-old question, to be honest. Since 1949, I think this question has been asked and since 1949, we've been challenged with the same results. The federal government looks over our quotas and our allocations on quotas. Basically, in the province, we handle the fish when it gets onshore. We've been on the shoreside of it and the feds have done the allocation. They're the ones with the science. We don't have the science. We have to trust to their science. Whether their science is enough or not is a debate that is ongoing with the federal minister right now.

Since I've been in this portfolio for the last couple of months, I've spoken to the federal minister on a couple of different occasions. We talked about quotas; we talked about allocations. We talked about all aspects of the fishery from the wild fish to the farm fish. It's a conversation.

Would it be a dream that we could control our quotas? Of course, it would be a dream that we could do it. Every province would love to do it, but if you look at it, around the world how many provinces would control the quota where the country would be the overseer of it all?

The conversation has to be continued. It's been ongoing for years by all levels of government and I look forward to an ongoing consultation because, yes, we would love to have bigger input into the quota. But I caution everybody by saying we don't have the science. We don't have the science. We don't have the department. We don't have the staff under our current – you'll see that in Estimates that we trust to the federal government for their science.

We could argue, I guess, for hours on the science, but if we don't trust the science, we trust nothing.

While I agree with you, it would be great and we'll strive for it. Is it achievable? It's anybody's guess, but it's a good conversation to have. We look forward to having it with the federal government.

C. PARDY: Minister, to know that it would be a shared responsibility. It's not looking that we're looking at taking ownership. We're looking at adjacency, much the same as the Atlantic Accord, that we become the primary beneficiaries of our resource.

That is what we ought to be seeking. To know that the time may be right for your party, with seven federal colleagues of your party that would be in Ottawa, now it may be to take that first step. I'm not saying the financial resources; I'm just talking that a sit down and we'll specifically outline where we fit in each part of the fisheries and us to have a greater share.

D. BRAGG: You have no argument from me.

C. PARDY: Not to say that we have money that we want to do all the research or take the research or whatever, but that is a good comment but within – just need the conversation, I would think, to happen.

If I may start with the subsection 1.1.01, Mr. Chair. Under Salaries, the department spent \$10,500 more last year than what they budgeted.

D. BRAGG: Under Salaries? So the variance is due to retirement of the former secretary to the minister during the year and retirement costs associated with such, like annual leave payouts.

C. PARDY: Okay.

Transportation and Communications, last year the revised was \$43,700 more than what was originally budgeted.

D. BRAGG: As it is going to be for every one of these sections, we went nowhere last year because of COVID.

C. PARDY: Yes.

D. BRAGG: Next year, the reopening plans starts almost immediately, so we know where we're going to this year. We're going to try to get back into the groove of things. There is no point in cutting out when we anticipate COVID passing us and we get back to our sessions and our travel.

C. PARDY: Okay. So what you did, you expected this year to be back to normal?

D. BRAGG: With any luck at all.

C. PARDY: You budgeted for normal operations.

D. BRAGG: We budgeted for a normal year. It would be crazy not to.

C. PARDY: Yes. Agreed.

1.2.01, \$57,000 less was spent on Salaries last year.

D. BRAGG: That was a vacancy within the division. So while it was a vacancy, we didn't have to pay.

C. PARDY: Would you mind repeating that. My apologies.

D. BRAGG: There was a vacancy within our department.

C. PARDY: All right.

D. BRAGG: Okay.

C. PARDY: Good stuff.

The Purchased Services, I think in one of the previous Estimates – whether it was in '19 or

last year, I don't know where I read that. But I think this related to leased office space in Corner Brook. Would I be correct in that?

D. BRAGG: Variance higher than anticipated. PF and E expenditures during the year primarily due to the purchase of an iPad and related equipment. So we are up because we had to buy more equipment. I guess people were working from home.

C. PARDY: So the leased accommodations don't apply to this?

D. BRAGG: I'm going to turn this over to Tracy now.

C. PARDY: Okay.

T. KING: This does include leased accommodations in Corner Brook. Myself and the ADM of Enforcement and Resource Services are back and forth between Corner Brook, so we have leased accommodations, rather than a nightly – that's just where our travel accommodations are booked.

C. PARDY: Ms. King, what's the nature of the leased accommodations? Do we have them year-round or only on a needs basis?

T. KING: We have it on an annual basis.

C. PARDY: Yes.

T. KING: That's the least cost there.

C. PARDY: Yes, understandable.

This subdivision looks at the evaluation of policies and objectives. I notice that my colleague from St. John's Centre in a previous Estimates – and, again, I'm not firing on all cylinders; I don't know whether it was 2019 or 2020. He mentioned about the aquatic invasive species. I think in particular he mentioned the green crab. One of the answers, I think, Ms. King, that you may have supplied was the fact that you were working with DFO, which is their primary responsibility, on such a committee.

Can you give us an update as to where we are with that? Is it the status quo or ...?

T. KING: I'm going to actually turn to the ADM of Fisheries and Aquaculture, Lorelei Roberts, and she can provide an update.

C. PARDY: Maybe it was Ms. Roberts who answered that question at the time.

L. ROBERTS-LODER: It was.

C. PARDY: We won't go there anymore.

L. ROBERTS-LODER: Yes, indeed, we do work with DFO. Our staff are involved on a committee with DFO with regard to the management of aquatic invasive species for the province, yes.

C. PARDY: Okay. Is there any update on that? Is there anything new that would be reported on that committee?

L. ROBERTS-LODER: There's ongoing work with regard to green crab, of course, and studies that are occurring, as well as tunicates, which are – they attach to wharves.

C. PARDY: Yes.

L. ROBERTS-LODER: Yeah, there's a study ongoing with that. It's an ongoing piece of work.

C. PARDY: Okay. And will continue to be so.

L. ROBERTS-LODER: And will continue to be so.

C. PARDY: Yes.

The Member for St. John's Centre wondered about the marketing. I think he might've asked a question about whether we can market or whether there is a market for this crab.

L. ROBERTS-LODER: One of the things they've done is studied what the uses of green crab can be. So presently right now there's research ongoing for actually using it as part of fertilizer for gardens.

C. PARDY: Okay.

L. ROBERTS-LODER: In terms of actually selling it to a market or anything else like that, there's a concern with regard to even putting the

shells and things back in the water. There's a concern there with regard to it spreading.

From a harvesting standpoint, you could go from one place to the other in the water. The reality is there is research ongoing, yes, on it, but not from a commercial selling-for-food standpoint, I'll say.

C. PARDY: That's good, thank you very much. Fertilizer seems a good, logical pursuit.

FFAW would speak about corporate concentration. What's the minister's stand on the concern that FFAW would have regarding corporate concentration?

D. BRAGG: Do you mind expanding on that a little more and giving me a great example?

C. PARDY: What they were saying is that, I guess, monopolization of the purchasing for harvesters, instead of having 12 people that are bidding for, now we're down to a small group of, they claim, three corporations. So they're saying that they're getting limited, which happens in a lot of other industries as well, but this is one that, obviously, they have a vested interest in.

D. BRAGG: You live in a district that is primarily a fishing district. You would've seen through your district the closure of numerous fish plants over the last number of years, right?

C. PARDY: Yes.

D. BRAGG: So I guess it's going to be a mix of both. Without some bigger investment, some plants may cease to exist. We saw that example on the Northern Peninsula. I guess you're talking about the Royal Greenland, the investment into this province. You would've seen the Northern Peninsula, without Royal Greenland's investment, plants closing. This is keeping plants opening. In some parts of the province, this is being viewed very much as a positive story. We need to try to find what a healthy balance may be, but as time goes on and time goes forward, we're definitely going to be challenged with maintaining status quo in the fishery.

I look at my town. There was a small fish plant in Greenspond years ago which Whites owned, and Noseworthys. That was sold out to Beothic Fish. That has since closed. There was one in Musgrave Harbour that has been sold out and closed. Beothic Fish has been a mainstay. Barry Group is a mainstay. Fogo Island Co-Op in my district is a mainstay.

You're probably always going to see it, but I worry so much about that, to be honest with you, Mr. Parly, as I worry about the actual harvesters. The problem is also coming with the harvesters because when someone goes to sell out their enterprise, and if they have a half a million pounds of crab in their enterprise, that enterprise is worth in excess of \$30 million. It's not an everyday person who is going to afford \$30 million. As the investment goes up, we may have to reach outside the normal nan-and-pop sort of setups that we've had over the years. Who knows where we're going, but we need to have a balanced control.

Yes, there's some worry about competition, but the competition comes down to the price marketing board, which is the labour board, which gives us the price for the fish that they catch, right?

C. PARDY: Yes.

D. BRAGG: If you talk about competition, no one is coming in on their phone saying: Mr. Parly, Mr. Forsey, how much are you going to pay for my crab? That has been established before they ever came in.

Some degree of it, yes I agree, but we need to have a balance that maintains our rural communities and keeps our fishery alive and vibrant.

C. PARDY: Good, thank you.

You mentioned Royal Greenland. I remember when the previous minister stated in the House in Question Period yesterday that there were no objections raised to the Royal Greenland and the foreign investment into our fishery. I think it was stated by the Fish Processing Licensing Board that they would suggest that we would review foreign investment into our fishery. That came immediately after the Royal Greenland.

I'm not sure whether that should've occurred before or whether enough due process was done or whether there would've been any flags that would've been raised as a result of that occurring. It depends who you talk to; I think you'll get a different opinion. I know that there's a fear that if you have a country that's investing into a company of which our local companies are competing with. Then I can understand that our local companies may look at it and say that might be some unfair labour practices that would be occurring.

So I'm not sure what checks and balances we have in our system to make sure that we don't see that, we'll say, investment from Greenland.

CHAIR: I have to stop the speaker there.

Minister, do you want to answer that? Because his speaking time is expired.

D. BRAGG: Okay.

CHAIR: Before we go to Mr. Dinn, did you want to make a comment to the question?

D. BRAGG: Just I guess any time there's going to be a big investment from an outside company, it will be investigated and discussed throughout our department and, no doubt, throughout our Cabinet. It's nothing's going to be taken lightly.

If you're talking about the fishery, we have two aspects of the fishery. We have the wild fishery and we have the farm fishery. Our fishery is substantially, if not all, investment from outside entities. So there's more to the fishery than in actual the fisherpeople that we see come to the wharf. There's investment. Every one, if it comes up, we'll take it all under advisement and evaluate each and every one of them.

CHAIR: Thank you.

And before I recognize MHA Dinn, I just want to say to the Committee as well, and to the department, feel free to drop your mask if you're answering a question, if you feel comfortable in doing that, and just put your mask back on again after, okay.

The Chair recognizes MHA Dinn.

J. DINN: Thank you, Mr. Chair.

Some general questions first. I think that you mentioned that – well, actually, in the number of employees. How many vacancies are there currently in the department? Or are there any?

D. BRAGG: A hundred and ninety-three.

CHAIR: And I will say, for the record, Mr. Dinn, that we're at 1.1.01 to 1.2.02 inclusive.

J. DINN: Thank you.

In the last round of Estimates, there were some departments that were shifted from one ministry to another as a result of the Cabinet shuffle on August 2020. As a result, there were to be changes in which offices reported under the department for the budget. Have there been any additions or subtractions from this department since that last budget?

D. BRAGG: The deputy minister will take this.

T. KING: The only change in the department is the addition of resource roads that moved from TI back to this department. We'll see that later, but that's the only change.

OFFICIAL: (Inaudible.)

T. KING: Oh, Natural Areas. That's right, Phil, sorry.

In August of last year – so we would have discussed it at Estimates last time, sorry – Natural Areas would have moved from this department to the Department of Environment.

J. DINN: That's no longer with you guys at all.

T. KING: That's right.

J. DINN: Okay, thank you.

I just want to pick up on with regard to invasive species. That was actually a question I wanted to follow up on. I understand from your answer from your answer that there's work with DFO on green crab. I'm looking at green crab and surf clams, too. Now, surf clams, there's a fishery for them.

I'm just curious, then, with regard to the green crab, in the committee what plans have been put forward to actually combat that as an invasive species?

I know you have, I think, a pilot project, but what are some of the measures?

D. BRAGG: The ADM will take that.

L. ROBERTS-LODER: In terms of what's happening with regard to combatting green crab, right now there are studies ongoing. There are two pieces from a study standpoint. There is work that's ongoing through our department with ACAP Humber Arm. They're actually studying the green crab on the West Coast and on the Northern Peninsula. They're looking at whether or not it's spreading, how quickly it's spreading, where it is – that sort of thing. That is done in conjunction actually with DFO.

In terms of the studies, part of that is determining how the species moves from place to place. Essentially, if a boat goes through, they could go from place to place. They're capturing it. They're studying it. They're studying their growth pattern, all that kind of thing, and looking at possible mitigation strategies.

J. DINN: I know that you're speaking to the use of it as fertilizer, and I'm trying to think of the *Land and Sea* episode where actually there were a few chefs in that cooking it, using it. While at this time there is no commercial viability, is there any exploration of a pilot project for food use?

L. ROBERTS-LODER: No, at this point in time they're not exploring it for food use because there are concerns, if there was a commercial fishery, about it possibly spreading. They're looking at other alternative methods for destroying it.

J. DINN: Okay, thank you.

What percentage of fish that is caught in this province is actually processed here? What percentage is shipped out head on and gutted?

L. ROBERTS-LODER: Unfortunately, I can't answer that question off the top of my head.

J. DINN: Okay.

That's no problem. We can get that answer when it's available? I'd appreciate that.

This has sort of been touched on by my colleague from Bonavista: What initiatives are being taken to reduce the dependency of harvesters on a few large processing groups? I know we talked about Royal Greenland, but are there any plans for a diversification of processing to break up the concentration of power into a few large processors?

D. BRAGG: Currently there's no plan to, I guess, reduce it. If you look at over the last number of years, we're actually enhancing some of the smaller areas of the province. I know a couple of days ago the licensing board met and we're going to give out a couple of more licences to areas. I guess the economy sort of needs the workers and the fish plants need the workers. We're working with industry in every way we can and every opportunity we can. We'll take advantage of wherever we can. We'll exploit nothing, but we'll work with people where possible.

J. DINN: Okay.

Tied into that is the separation of the fleet where you have commercial enterprises or processors buying licences. They're the ones sponsoring the licence and they own the licence. It's sort of that concentration of power. I guess it's about putting control back in the hands of the harvesters themselves.

Last year, we talked in Estimates about a fish plant in Hermitage where they installed a robot. It took away the equivalent of two jobs but required four to maintain it, for a net gain of two. Most times, we hear of automation leading to a net loss of jobs. Is Hermitage an anomaly in the industry? Looking into the future, do you see automation as a challenge in keeping seafood processing jobs here in the province?

D. BRAGG: Automation has certainly been a big part of the industry. I had the opportunity to go out to a fish plant out in Arnold's Cove a little while ago and the automated process there, I say, would exceed and increase the production and the yield of that fish. To answer that

question, you need to see it. You actually need to go into a fish plant that employs the technology.

I know one that recently came up in the crab is the butcher part. It is hard to find butchers because people in this industry, basically, are getting older and the butchering is a hard job. Automatic butchering of a crab, from what I have been told by fish plants and by people working in the fish plants that it is not so much replacing people because there are an eroding number of people in most of rural Newfoundland. Finding people to actually go in the fish plants – automation is certainly helping the plant stay alive and well and very competitive in this industry.

I would encourage anybody who sits on the other side, if you haven't had the opportunity to go into the plant in Arnold's Cove, you go to Arnold's Cove and you see how that is done. How a fish is cut and how it is – it is amazing. What a computer can do so quick, so fast, it almost puts me in mind to when I went to Sexton's farm and how logging is done and how that is all belted around. Automation will be a part of this and it keeps prices down and it keeps everybody competitive. Automation is going to be in any industry and you're going to see more and more of it in the fish plants.

J. DINN: So in Arnold's Cove, would you say, then, that the net gain there for people working is positive? Automation is great, but if, overall, it reduces the number of people working in the plant or employment, I guess, in some ways, it is not going to help the community in the long run unless people have a reason to stay there to work.

I was talking to someone in the fishing industry. You can send a lot of crab and that over to China and bring it back and it is still cheaper than processing it here. Part of it is because there is a lot more manual labour. They have people who are picking the meat out of the crab. Here, you just wouldn't be able to do that. I understand the economics of it, but I'm just wondering in the automation piece that you referred to, that the yield is greater. I guess the question I had was with regard to the employment aspect. In Hermitage, there was a net gain. In Arnold's

Cove, is there a net gain or a net loss of workers?

D. BRAGG: My tour through that site was a very positive response from everybody I spoke to in that fish plant. The neighbouring communities that would've – I only wish that the representative was here, because they take in – I'm thinking you go 50 or 60 miles on each side of the fish plant, so it's just not the immediate community that takes advantage of this; it's the overall community. Overall, I think what's happening there has been very positive for that area.

CHAIR: I remind the hon. Member that his speaking time is expired.

I turn it back to MHA Pardy.

1.1.01 to 1.2.02 inclusive.

C. PARDY: I'm going to speak quicker now, (inaudible).

The Icwater plant in Arnold's Cove, and just to piggyback on that, I'm quite familiar with Alberto's plant there. They did a big investment in technology, as was stated, but my understanding is that the workforce remains the same. It has enhanced the quality of the product, but you have a little slightly over 200 people in that plant from Clarendville, from my district, that drive out there and they commute daily and they're working, basically, year-round. So it is a good success story.

Just before I move on, on the foreign investment – and I know the department did their due diligence looking at this because this was different. I'm sure the media and whether it be the union they were talking – is there anything that you would be able to pass on to a fresh set of eyes to say here's the due diligence that we did in anticipation of this purchase and the foreign investment in our fishery? Is there anything that could be passed on to a fresh set of eyes to have a look at to say here is the due diligence that we did, the due process?

D. BRAGG: The records will show of the investigation that went into it and whether it be a success or not a success, as we go forward. It's like life lessons learned. This is the first time in

this province we've had a big investment like that into a fish plant. I stand by my personal thoughts that as we go forward, as things become more and more expensive and as fish plants are sold, we will be facing more and more of this in the future. The option will be to face and look at how we take foreign investment or how we close down an area and put everybody out of work. There's going to be a balance. It's not going to be taken lightly. It's not going to be a stroke of a pen – yes, no. It's going to be an investigation and a conversation around each and every one going forward.

C. PARDY: Minister, I know you're not taking it lightly. I fully realize that and I'm not indicating that I see an issue with it. I know the positives that would come with it. All I'm asking is that we didn't take it lightly when it first came to us. I just wanted to know if there would be something that could be available to us to say here is the due diligence we did with this before we allowed one-third of our corporate concentration to be owned by foreign entity.

D. BRAGG: I'm going to let my deputy minister now pass comment on that.

T. KING: I'll just add a few comments to the minister's notes. Obviously, the Fish Processing Licensing Board does a lot of due diligence as part of this. The department would be privy to that. As you can appreciate, it certainly contains a lot of commercially sensitive information that is difficult to release, given the private information of all of those companies. I would also note – and I think some of this has gone out in ATIPP requests if I'm not mistaken – the federal government has a role to play here in investment, so Investment Canada also weighed in on this matter.

Just to an earlier point, MHA Pardy, you had raised on the foreign investment recommendation of the Fish Processing Licensing Board, certainly their advice to us was that can happen after this decision. I think you had asked that in an earlier question.

C. PARDY: Okay.

T. KING: I just wanted to provide that additional context.

C. PARDY: Thank you, Ms. King.

When I saw the cautionary note come from the Fish Processing Licensing Board after the Royal Greenland was given permission, it seemed like they were part of the process and as soon as it's awarded and it becomes public, then all of a sudden, they issue a cautionary note. That seemed a little bit out of sync.

T. KING: Right. I think it was really as the board looked at the then increased amount of foreign investment that would result from this transaction. That is what would have spurred that recommendation of the board.

C. PARDY: Yes.

Keep in mind, for the record, there are a lot of positives. You have six plants that are processing fish around rural Newfoundland. Listen, there are lots of positives.

T. KING: Yes.

C. PARDY: If I can move on to 1.2.02. There was \$165,400 in Purchased Services last year. I'm just wondering what this was for and if my memory – thinking about previous, was talking about a vessel for the aquaculture.

D. BRAGG: That was upgrades to the St. Alban's laboratory. That's where that money was spent. The \$165,400, right?

C. PARDY: So there was funding for a vessel. I think that may have come out of this subheading last year?

D. BRAGG: That was under the COVID initiative. A new vessel has been built in Glovertown – can I say that? I said it so I guess it is too late to take it back. It is an aluminum boat. That is the one you are referring to, right?

C. PARDY: I didn't have any idea about the vessel; I just knew that the vessel was discussed under this heading. One thing I may add before you talk about it: I know that in the minutes it talked that there was no decision made on it because they were looking at leasing option as well. I think whoever replied that it was also Marine Institute that they may look into.

D. BRAGG: I don't know if there was ever a leasing option. We've decided that we were going to build a boat. It sleeps like six people. It was going to be used as research, going to the aquaculture, whatever sites we need. It is going to be a boat that is going to be mobile. You can put it on a trailer. It is not going to be like a 65-foot longliner; this will be something that we can put on a trailer and tow with a one-ton truck, basically.

C. PARDY: Okay. All right.

So the vessel has been built, constructed?

D. BRAGG: No.

C. PARDY: It is still in the works.

D. BRAGG: We are in the process of finalizing that right now.

C. PARDY: So it is not budgeted here.

T. KING: (Inaudible.)

D. BRAGG: It is going to show up later on.

C. PARDY: In the next year's budget?

T. KING: It will come this year, but just like the COVID initiatives last year, we will see them in the Estimates of next year because of the way the funding from the COVID – it transfers to the departments, as you need it.

C. PARDY: Okay.

T. KING: That money, the COVID contingency, is in the Department of Finance. Then, if we need it, depending on any other savings in the department, then we would draw that down. In next year's Estimates, you'll see it more clearly.

C. PARDY: Good stuff. I understand. Thank you.

Property, Furnishings and Equipment, a significant increase here. \$1.7-million increase in spending.

D. BRAGG: Okay. Variance due to expenditure associated with the department's purchase of

equipment under the department's farm equipment bank initiative, as well as agriculture equipment for Wooddale centre.

So a lot of that would have come from COVID as well?

OFFICIAL: Yes.

D. BRAGG: That would have been from the COVID initiative as well.

C. PARDY: What was the amount we received that was earmarked for FFA under COVID? What was the COVID amount that was last year, \$27 million?

P. IVIMEY: The amount that was earmarked was approximately \$28.7 million. The department spent approximately \$14.7 million of that. There are several initiatives that will continue on into the next fiscal year, into '21-'22, as well.

C. PARDY: Significant pool of money. I mean, that's significant, yes. That's good.

D. BRAGG: Remember that, because you told me yesterday there was no money in fishery.

C. PARDY: I didn't take COVID into account. Live and learn.

That will conclude this section for me.

CHAIR: Thank you.

I'll turn it back to MHA Dinn, 1.1.01 to 1.2.02 inclusive.

J. DINN: Thank you very much.

Are there any plans to foster the development of land-based aquaculture, apart from hatcheries? Or even to do a pilot project or closed containment systems within the ocean?

D. BRAGG: Lorelei will take that.

L. ROBERTS-LODER: In terms of pilot projects, no, we're not planning any pilot projects. Currently, the majority of our fish are raised on land right now. It's only the last 18 months to 24 months that they're actually in the

open-sea cage pens. At this particular point in time, there's no indication or no identification of additional land-based aquaculture sites.

J. DINN: As I understand it, most companies now, they're rearing them on land as long as possible and then finishing them off. So we're almost to that anyway.

L. ROBERTS-LODER: Absolutely, yes. They're minimizing the time from 24 months to 18 months. I would imagine as time goes on and research goes on, they may decrease it again.

J. DINN: I guess where I'm going with this is an opportunity here, maybe, to look at some sort of small pilot project to see if it's possible, if we're already land-based for most of it anyway.

L. ROBERTS-LODER: In terms of the costs for doing the whole amount of time, at this particular point in time we do have water areas available. From the health of the fish, it's not healthy to keep them on land for the full duration. There have been studies done across the world and there have been issues with land-based raising of animals

In terms of the carbon footprint, as well, it's quite high with regard to land-based. There are all kinds of reasons for not to do land-based for full land-based aquaculture in this province and we're one of the only provinces that actually have water available at this particular point in time for sea-based cages. At this particular point in time, we would not do a pilot project because the other piece is we're very far away from the markets in terms of raising the fish, so it would essentially be a detriment or be an impediment, I would say, to marketing or selling fish. The cost would be astronomical.

J. DINN: Thank you.

Is it possible to have an update on the big game donation program, and how much meat has made it so far to food banks?

CHAIR: Are we in –

J. DINN: Oh, that's a little bit ahead. I'm sorry about that. I'll keep that for later.

Are there any plans to partner with DFO to study the seal population and its impacts on our fisheries? If not, is there something that the department would like to do on its own to contract out to scientists?

D. BRAGG: To be clear, you're moved on past 1.2.02, right?

J. DINN: No, that's good. I'm glad you're reminding me, Sir.

D. BRAGG: You're still there?

J. DINN: No, I'm going to carry on. I don't have any questions on the (inaudible).

1.2.01, we see that Supplies were half of what was expected last year and that there was some overspending on Property, Furnishings and Equipment. What accounts for these variations?

D. BRAGG: 1.2.01?

J. DINN: Yes, please.

D. BRAGG: Supplies, variance due to less than anticipated Supplies spending during the year, primarily due to COVID and staff working from home during the year.

J. DINN: My colleague had asked a question in 1.2.02, but I just want some further clarification.

Minister, I thought you had said that part of the Purchased Services – did you say St. Albans laboratory?

D. BRAGG: That was the \$165,000, yes.

J. DINN: What work does that do?

D. BRAGG: It was an upgrade.

J. DINN: Pardon me?

D. BRAGG: It was an upgrade to the lab.

J. DINN: That lab there does work in aquaculture or just –

D. BRAGG: For aquaculture.

J. DINN: For an upgrade.

How much money, then, do we spend on that lab itself? What would be the annual budget for that?

D. BRAGG: In the run of a year –

OFFICIAL: (Inaudible.)

D. BRAGG: (Inaudible.)

OFFICIAL: (Inaudible.)

D. BRAGG: Yes, that's farther through the section as we go through.

J. DINN: Okay, perfect.

D. BRAGG: We'll have that when we flip to it.

J. DINN: Excellent.

You said also that, I think, in the answer – and I may have misheard this – the property had to do with agriculture furniture?

D. BRAGG: Property, Furnishings and Equipment, \$1,728,000, you mean?

J. DINN: Yes.

D. BRAGG: Expenditures associated with the purchase of equipment under the department's farm equipment bank initiative, as well as equipment for the Wooddale Agriculture Centre of Agriculture and Forestry Development.

It would have been the farm bank over in Pynns Brook and then Wooddale; we would have spent money there. A lot of that money was from the COVID initiative.

J. DINN: COVID initiative.

That's a significant chunk. Okay.

That's it. Thank you very much.

CHAIR: Thank you, MHA Dinn.

The Chair recognizes MHA Trimper.

P. TRIMPER: I really don't have any questions on this section so I think I'll just park right now.

CHAIR: Okay.

Is the Committee ready for the question?

Shall 1.1.01 to 1.2.02 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.2.02 carried.

CHAIR: Can I have the Clerk call the next subheads please?

CLERK: 2.1.01 to 2.3.01 inclusive.

CHAIR: Shall 2.1.01 to 2.3.01 inclusive carry?

MHA Pardy.

C. PARDY: Thank you, Mr. Chair.

I know what you're thinking.

2.1.01, Marketing and Development, some general questions there. The Salaries, there's a \$49,000 variance between 2020 and 2019.

D. BRAGG: That's vacancies would cause the variance.

C. PARDY: I'm sorry?

D. BRAGG: Vacancies would cause that variance.

C. PARDY: Okay.

D. BRAGG: Because we're looking at \$19,000 – no, \$12,000, right? So it wouldn't have been a full year either.

C. PARDY: Okay.

In Supplies, there was a \$3,400 increase in spending.

D. BRAGG: We had slightly higher than anticipated supply expenditures during the year. Now, do you want more details on that? I can turn it over –

C. PARDY: During a COVID year, yes.

D. BRAGG: Lorelei can back that up. You want more information?

C. PARDY: If it can be briefly with that, that's wonderful.

L. ROBERTS-LODER: In terms of what we had spent on supply expenditures is we purchased market intelligence that supports the price-setting panel and the parties that are negotiating, the bargaining parties. That's for extra databases and market intelligence, particularly for shrimp and cod.

C. PARDY: So the Sackton biweekly crab update would be coming under this section here?

L. ROBERTS-LODER: Absolutely.

C. PARDY: Okay. That is how we pay for that there.

L. ROBERTS-LODER: Yes.

C. PARDY: Okay.

Can you also share what is in Professional Services? What is included here?

L. ROBERTS-LODER: This is for extra market consultants. We purchased extra market consultants' intelligence. Essentially, instead of going from a database, we actually go out. I made a mistake, actually: John Sackton is included in that particular piece. The other piece is just for databases.

C. PARDY: Oh, okay.

L. ROBERTS-LODER: That's the difference.

C. PARDY: That's quite okay.

Would these consultants be local consultants or would ...

L. ROBERTS-LODER: We go out through an RFP and typically, they are not local. The reason they are not local is because they provide the world market. It is a global market, so you would need Europe and various other places like UK markets, Denmark, those types of things in order to – US market is another big market, China. Of course, in order to have the global market feedback, you would require somebody who has that knowledge.

C. PARDY: Totally understandable.

Am I to assume that the trade shows that we would ordinarily have attended would come under the – would that come under the Transportation and Communications? Which category would the trade shows that we market our products to the world?

L. ROBERTS-LODER: It comes under Purchased Services.

C. PARDY: Oh, Purchased Services. Okay.

L. ROBERTS-LODER: As well, it does come under travel, so attendance for the staff would come under travel. In terms of Purchased Services, that would be the cancellation of trade shows, because we do set up booths and things like that, so we pay for Purchased Services for that. Boston, China and Brussels were all cancelled because of COVID this year, so it actually hits our budget in two places.

C. PARDY: So that makes sense that we didn't spend our money there last year due to the pandemic.

Looking under the Property, Furnishings and Equipment, what we had budgeted and what we had spent last year was significant. Over the big picture, not really significant but nevertheless.

D. BRAGG: But if you look at people working from home, we had to buy laptops to accommodate people working from home. A lot of times, a lot of the people, as you would know, have a desktop. When they moved to home, we had to provide them with a laptop.

C. PARDY: Okay, that's where that came from.

D. BRAGG: Yes.

C. PARDY: Grants and Subsidies, can you give an overview? Is that going to one program or agency? I don't need to go through any list now you have. I will find that in the binder.

D. BRAGG: Lorelei will take this one.

L. ROBERTS-LODER: In terms of the Grants and Subsidies, we actually had the seafood development program, which is one program that we have. It supports fish and aquaculture marketing and industry –

C. PARDY: Sorry, to support ...?

L. ROBERTS-LODER: It supports fish and aquaculture marketing and industry development.

That's one pot, but we also had seafood development grants for COVID marketing because, of course, many industries were hit hard this year because of COVID and they had to realign, I guess, their marketing strategies. There was a pot of money that was associated with that as well.

C. PARDY: Okay, that's good.

L. ROBERTS-LODER: That was a COVID piece.

C. PARDY: The added expense, what we're looking at here on the spreadsheet, was due to COVID that we may have to find different markets or navigate our way to those markets under the pandemic. That will be the difference in the expenditure here, yes?

L. ROBERTS-LODER: Yes.

C. PARDY: That's good.

Generally, the line for \$200,000, we're back to normal now we would think – we would hope – with our seafood development program. Thus, the same line as what we had before.

L. ROBERTS-LODER: We're very hopeful.

C. PARDY: Positive thought, that's good.

2.1.02, Salaries, there was a reduction, but I made a note to myself here that there were

additional – I think it must come from Estimates – aquaculture inspectors budgeted last year, and never materialized, I think, in this line here. That was the difference between – I’m just wondering now. What you budgeted for and what was spent was much less. Not often you see, then, the budget continues with what you actually spent. It usually defaults to what you had budgeted in the previous year. This is a little bit of an anomaly.

D. BRAGG: We’re \$1.5 million down from \$1.8 million, what you’re referring to. In that section, we had 35 positions: a director, five staff and 29 inspectors. That would have been variance due to vacancies during the year. If you’re wondering why it’s down we had some vacancies during the year, which we’ve been actively trying to fill.

C. PARDY: They’re not going to be replaced, Minister? Because we kept the same budget line.

D. BRAGG: Well, \$1.8 million and \$1.5 million for this year – good question. Vacancies due to salary for – salary (inaudible), reprofiled, aquaculture development and management associated with anticipated movement of two positions between the divisions. Two people are going to move, so that’s why can keep it the same.

C. PARDY: Okay.

D. BRAGG: Does that make any sense to you? Because when you get the cheat notes, it will be clear as mud.

C. PARDY: The difference there would be for two salaries, just two salaries, and the difference between those two figures?

D. BRAGG: We’re reprofiling two salaries.

C. PARDY: You have \$1.8 million and you have \$1.57 million.

D. BRAGG: Yes and then there are vacancies, too, that would’ve been. But, yes, we’re rightsizing it now to where it needs to be.

C. PARDY: Right on. We found our new normal.

D. BRAGG: Yes.

C. PARDY: When we go down in this section here, 2.1.02, and look at Professional Services, what would be included in the Professional Services in this category?

D. BRAGG: For the expenditures, you mean? Obviously. I’m going to turn this over to Lorelei.

L. ROBERTS-LODER: In terms of the expenditures with regard to Professional Services, this was a variance. There were more meetings held by the Fish Processing Licensing Board. They’ve had five meetings during the year, which meant that was an increase because there have been more applications for licences.

C. PARDY: Due to COVID?

L. ROBERTS-LODER: No, not really due to COVID. It’s just there’s been an increase in applications.

C. PARDY: Okay.

L. ROBERTS-LODER: Yes, It didn’t go down; it went up.

C. PARDY: Okay.

The Purchased Services, I’m assuming that would be subscriptions.

D. BRAGG: (Inaudible.)

L. ROBERTS-LODER: One is Professional Services (inaudible).

C. PARDY: Purchased Services, 2.1.02. I’m assuming –

L. ROBERTS-LODER: In terms of that variance, it was slightly higher because of services that we did purchase during the year. We have what’s called SPOT communications devices for our fisheries inspectors, so we had to purchase some new ones for that, and as well as Xerox for copying.

C. PARDY: Okay.

L. ROBERTS-LODER: Yes.

C. PARDY: The Fisheries Advisory Council, does it come under this heading here? Would this be the heading that the – no, it's not.

L. ROBERTS-LODER: No.

C. PARDY: Okay, that's good.

2.1.03, Atlantic Fisheries Fund, this was a seven-year plan that has a couple of years remaining in it. So basically primarily taken up on the Grants and Subsidies and these are all application-based. Mostly from harvesters, or from the aquaculture.

L. ROBERTS-LODER: In terms of this, this is for Fisheries and Aquaculture, so it could be from harvesters, processing plants and from aquaculture operators. It runs the full gamut. It is a seven-year program and it expires in 2024.

C. PARDY: Good, thank you very much.

CHAIR: Thank you. I remind the Member that his speaking time is expired.

Before we go to MHA Dinn, I just want to recognize another substitute. For Placentia - St. Mary's, MHA Gambin-Walsh, MHA Scott Reid is substituting. Just for the record.

MHA Dinn, 2.1.01 to 2.3.01 inclusive.

J. DINN: Thank you, Chair.

In 2.1.01, with regard to the Professional and Purchased Services, how much of that line goes to market research and intelligence. I know you said – sorry, for expert consultants – but how much of that goes to market research and intelligence? All of it or ...?

L. ROBERTS-LODER: In terms of for Professional Services, that full amount goes to monitoring seafood conditions. That basically pays for things like – sorry, did you ask about Professional Services or Purchased?

J. DINN: I'm just asking for how much of it actually goes to market research and intelligence.

L. ROBERTS-LODER: Okay.

Professional Services, all of it goes to, what I'll say, databases, which are Undercurrent, Urner Barry or IntraFish. In terms of Purchased Services, that's for consultants. As well, a portion of it goes for trade shows, like marketing of trade shows. In terms of the breakdown, I'm not quite sure.

J. DINN: Okay. We'd like to have that if possible.

With the information you get, what would that be used for then? Just to clarify.

L. ROBERTS-LODER: We support the department of labour in terms of providing the market intelligence to the bargaining parties as part of the bargaining process. Essentially, we generate market intelligence reports that are provided to both the Association of Seafood Producers and the FFAW. They have the same information and they're aware of the markets globally for whatever species that they're going to be negotiating for.

J. DINN: I have a reason to ask this in terms of negotiations: In other words, then, both parties have the same information? Is there any information that seafood producers – plant owners, let's say – would have that the harvesters wouldn't?

L. ROBERTS-LODER: The information that's provided is exactly the same.

J. DINN: Okay. Thank you.

L. ROBERTS-LODER: All parties get it. As well, the price-setting panel gets it, same report.

J. DINN: Is it possible then that we could have a list of the various consultants contracted and the amounts paid to them, and for what work or projects that they were being consulted on? That's the other thing I'd like if possible. If that's a long list, you can have that sent to us.

I'm going to go down to 2.1.03. Is it possible to have here a list of projects funded under Grants and Subsidies along with the amount awarded? Have there been any applications that have been turned down? We've seen, also, that in the last few budgets, I guess, because a certain amount of money was actually left on the table. What

was the list of projects that were funded and what applications were turned down as well?

D. BRAGG: Will you need that from the beginning of this project to current or just for last year?

J. DINN: Both would be good if you have it.

D. BRAGG: Because we have it, but we obviously don't, probably, have it here at our fingertips.

J. DINN: No, that's fine. If you have –

D. BRAGG: Just for some indication, if you give me a second: 2017-18, we spent \$1.5 million; '18-'19, \$6.3 million; '19-'20, \$7.2 million; '20-'21, \$5.3 million; '21-'22, we're anticipating \$4 million; '22 into '23, it will be \$4.8 million, and then we'll clue it up in '23-'24 with \$12.7 million, for a total of \$41.8 million.

That's going to be public knowledge, I guess. It's easy information for us to provide because once it's out there, there's nothing held back. I know that almost every week I'm signing off on some under this. It's a process where we approve, feds approve and then it's jointly announced.

J. DINN: Excellent.

D. BRAGG: It's going to be harvesters, as well as producers and as well as aquaculture. It's going to be industry-wide.

J. DINN: That's excellent.

D. BRAGG: I'll tell you in advance that you're going to see a lot of insulated tubs. That increases the quality of the fish. Next year's question is how many. Lots.

J. DINN: Lots.

Why hasn't the budget for the AFF been reduced by exactly \$5 million this year?

L. ROBERTS-LODER: This is an ongoing commitment. What we don't spend is carried forward, because it is a \$41.8-million commitment, so it just rolls over into the next year. It isn't reduced; the money keeps

continuing forward because it is based on applications received and approved. You could have more applications one year, less applications. This particular year, with COVID, we had less applications.

J. DINN: Thank you very much.

Have there been any aquaculture initiatives funded through the AFF?

L. ROBERTS-LODER: Yes.

J. DINN: Would it be possible to have an idea of how many of those?

D. BRAGG: We'll provide that to you.

J. DINN: Perfect. Thank you.

On 2.1.04, we see that spending on Salaries was down by over \$50,000. Is there a vacant position?

D. BRAGG: Yes. There was variance due to vacancies, but I'll give you an overview. There are seven positions: a director, two fish research planning supervisors, a policy and planning analyst. There were two program and policy development specialists, and another policy and development officer was actually another one of these. There was a variance due to a vacancy within the division during the year.

J. DINN: Thank you.

Under 2.1.05, Fisheries Programs (Cont'd), Grants and Subsidies, I guess, we are looking at here. When was the last time someone availed of money from this fund and how many people received payment?

D. BRAGG: This would have been administered – it's through us, but it actually comes out through the Department of Municipal and Provincial Affairs. I don't know if you're familiar with the CEEP. This is for anywhere a fish plant closes down and there is no employment. It is meant to be the one year. There was none last year, as I understood.

Philip, when would have been the last year we did that?

P. IVIMEY: (Inaudible.)

D. BRAGG: About two years ago, we're hearing, would have been the last time. It would have shown up in the estimates two years ago.

J. DINN: Has government explored any new ways of keeping processing plants open, such as allowing the plants to process more species? I know there is some talk about the redbfish, for example, as a potential. Or making it easier for harvesters to set up or incubate their own processing plants.

D. BRAGG: Harvesters to make their own processing plants?

J. DINN: Yeah.

D. BRAGG: Like actually fisherpeople having their own fish plant?

J. DINN: Yeah, that's one –

D. BRAGG: I guess if they want to apply under the Fish Processing Licensing Board, they could apply. It's open for anyone for any reason to make an application. There's no guarantee –

J. DINN: I guess a co-op of some sort.

D. BRAGG: Like Fogo Island Co-op, you mean?

J. DINN: Something along those lines.

D. BRAGG: Sure, there's always that opportunity for anybody who wants to organize. We're not going to turn down anybody who wants to organize in an area like if they want to form a co-operative similar to Fogo Island. Fogo Island celebrated over 50 years of success. It's a great story.

J. DINN: It's a good model, too.

D. BRAGG: Great model.

J. DINN: Under this, this would be an option that they could avail of or they could – no?

D. BRAGG: They would have to go through the licensing board.

J. DINN: Okay.

D. BRAGG: We wouldn't just say, yes, you get together and we'll give a licence. They would have to go through the licensing board, submit their proposal and whatever that board would agree upon would be agreed upon by us most likely. I have no intentions of going against the Fish Processing Licensing Board, to be honest.

J. DINN: You're talking to a person from a totally landlocked district with no fishery or plant or port in it, but it comes from that interest. I'm trusting that –

D. BRAGG: You like to fish. We want to make sure it's there when you want it.

J. DINN: That's right.

Where does it stand with the processing of redbfish? I know I talked to some people that were looking at a resource that has significant potential. Where are we going with that and are we going to be able to prosecute that resource and avail of its possible wealth from it?

D. BRAGG: The redbfish is certainly one of the bright areas of the fishery right now. It certainly looks to be something that's ready and ripe and ready for taking. The fish; the biomass, I guess; the quota looks like it's going to be strong.

I would only anticipate that the fish plants that are out there now are, sort of, salivating and waiting for this to come on strong. It's not going to be any issue with finding harvesters for this. We have harvesters in the industry right now. I guess some people would have to adapt to the method of catching it, whether it be dragging or nets or longliner, whichever the case might be. The redbfish is certainly a highlight coming forward in the fishery.

CHAIR: Thank you, MHA Dinn.

The Chair recognizes MHA Trimper.

P. TRIMPER: Thank you very much.

I just have one question, sensing we may be nearing the end of this.

Tornat Fish Producers Co-operative, I just wanted to extend an invitation to you, Minister. The next time you find yourself in Labrador it would be good to sit down with them. They've been investing substantial monies in cold storage and very progressive. Works with Arctic char and then ties up the entire North Coast of Labrador and fisheries from there. It's a very important bit of industry.

I did check with them leading up to these Estimates. They said right now nothing is urgent, but they would appreciate being able to sit down with and your team and maybe going over – it's quite complex – the logistics involved in their operation. So just for the record.

D. BRAGG: No problem, MHA Trimper, and I assure you as soon as the House closes, one of my planned trips will be to the Coast of Labrador to visit their fish plants.

P. TRIMPER: With (inaudible.)

CHAIR: Okay.

MHA Pardy.

C. PARDY: I'd also invite you to the District of Bonavista, Minister.

D. BRAGG: Not a problem.

C. PARDY: Add that to your list, whether before or after. That's a big part of the fishery, much the same as your region. I think you'd enjoy your day there.

On the redfish, I just want to tell you a short, quick story, and I'm sensitive of the time. When we talked about the large biomass of redfish, the understanding was that it wasn't mature yet, so we're going to wait. I went down to Bonavista and I noticed a gentleman had six gas cans on the wharf. I pulled in with the truck and asked him: Do you need a hand? He was from Quebec, a fisherman. I picked him up and he went to get his diesel for his boat. He had come all the way down.

One thing he had said, and I just figured I would throw out, the redfish, and his comment was they were concerned up in Quebec while they're waiting for this large biomass. They thought it

was affecting the ecosystem and going to affect the other species that they depended on. I hadn't heard that in my discussions that I had with, we'll say, the corporation side of it, whether the union side or whether even in the government side.

Is the large biomass an issue for ravaging the ecosystem that would affect other species? Is that legit?

D. BRAGG: Without being a scientist, I guess that's a bit of a hard question to answer. If you look at almost anything, if you come to an overpopulation – seals come to mind and I'm sure seals will come up. I don't think the redfish are the problem as a predator, as what the seals probably are.

But keep this in mind: Once we know there's a strong number of fish in the ocean, once we reach that realization, we've already opened up new opportunities for people to get in there and catch this species.

C. PARDY: Yes.

D. BRAGG: Hopefully we can control this, better than the cod was ever controlled, and we can make this a substantial fishery for years to come so that people know that we have a quota of redfish to catch; we know that's going to give us a decent income. That's where we would like to see redfish. That's where we would like to see all the fish right now.

C. PARDY: Yeah. But you're not aware of any science on that?

D. BRAGG: I'm not aware of any science on that, no.

C. PARDY: No. Okay.

Can we move on to 2.1.06? I would assume that during COVID the amount of seals that were reduced or harvested is down. I would assume it is.

D. BRAGG: This year? We have the actual numbers. I don't have them in front of me, but Lorelei can give us the numbers. I know this year, with ice and the way that the season opened for the crab, numbers are way down. I'm

talking about this season, this year. The seal numbers are down, almost non-existent this year. Probably less than a thousand this year.

C. PARDY: If we're looking at protecting the ecosystem and what we have, this is an issue, I think, that we spoke about in the House. It is an issue and all I would say is that your answer to a question that I had asked you, you said: Join me.

D. BRAGG: Exactly.

C. PARDY: If that is what you're saying.

D. BRAGG: I haven't changed my mind on that.

C. PARDY: The only thing I would say on that is that it takes all of us to unite to say let's do something for the betterment or the improvement of the fishery. All I'm saying is I can offer myself to say that I would like to be a voice in that as well. We can stand united to make sure that we do something about something that reduces our capacity on the commercial side with a species that opens our plants and has people working.

D. BRAGG: I have had first-hand experience in the seal fishery and I stand behind my years of going out on longliners, going to the ice in the spring of the year and I actually look forward to it.

I remember I said the last time I went was probably close on 10 years ago, MHA Parly, and if you can take a sheet of paper and if you could take a bottle of pepper and throw on that, that's what the seals looked like 10 years ago on the ice. It was seals as far as the eye could see. All seals. And they were just riding the ice pans.

It was amazing to see, but it is also amazing to know that if we're not controlling that population, those seals eat something. It was said long before me. They don't go through the drive-through so they don't have their coffee and their doughnuts like most people. They eat from what's below the ocean's surface. By all means, anything we can do, we stand unified on that, that we need to control the seal population.

C. PARDY: I would say you're in a position now to champion that and to be a voice for it. I

know the sensitivities all around it, not to repeat, but all I'm saying, that's probably something that we can be united on, to say let's stand and see if we can make a difference.

One last little anecdote from a fisherman who dives for urchins. He said over 10 years ago when he was down diving for urchins, he never saw a seal. Now, he said, they're like bullets when they shoot by him. He said very unnerving. I think that was a story of where we are and how we've (inaudible).

I will end there. I hate leaving time on the clock, but I can't go ahead to the next section and I'm respectful of time as well.

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

CHAIR: Thank you.

MHA Dinn, 2.1.01 to 2.3.01 inclusive.

J. DINN: Thank you very much.

2.1.06. This is a repayment of a loan, I understand, to Phocalux. Are they still on schedule to repay their loan on time?

D. BRAGG: That would be a question for Lorelei.

L. ROBERTS-LODER: Currently, right now, Phocalux is in arrears. We are actually working with the Department of Digital Government and Service NL to look at collecting repayment.

J. DINN: How much are they in arrears, then?

L. ROBERTS-LODER: They have paid \$275,000 on their principal and \$181,000 on interest. Their current overdue balance, including interest and principal, is \$772,000.

J. DINN: Wow. Thank you very much.

At this time, I just go back to a question I had started to ask earlier: Are there plans then to partner with DFO to study the seal population and its impacts on our fisheries? If not, is there something that we can do on its own to contract out scientists?

And before you answer that, I'm sensitive to the whole notion, I guess, of the seal population. However, long before we came seals and cod and that lived here and both populations were healthy. If you listen to the propaganda of Cabot and others at the time, you just had to dip a basket down into the waters and haul them up – teeming with codfish. I'm sure that's a little bit of marketing jargon. But long before we arrived on the scene, both populations were doing well. Of course, now we're prosecuting a fishery as well.

Right here, it's important to get research on this. Are there plans to partner with DFO? If not, are we planning to do something ourselves?

D. BRAGG: I've had a conversation with the federal minister already on the seals. Of course, COVID prevents us from sitting down basically face to face. I'm a fan of face to face more than I am a fan of on the telephone or on a videoconference. We will go forward in a conversation. I know we have some strong support from our federal MPs in this province.

But back to the balance of nature – I guess is what you referred to, back before Cabot – nature does look out to itself. There's no doubt about that. Nature would look out to the seals the same as it would've done to any other species in time. I remember years ago my father worked on a light station; they introduced wild rabbits. You'd go out there and you couldn't move for wild rabbits. A couple of years later, the wild rabbits were gone. Nature looked out to it. Seals are causing us a problem right now. Back in the beginning of time, I guess, before we got here, there was no commercial fishery. Who knows what predates that. We have no idea.

You would've heard, if you want, ptarmigan or partridges. There's a life cycle of these. There's a life cycle for rabbits. The coyote's life cycle is based on the feed it got. Anywhere where we see it gets out of control – a great example of that, we've lost the caribou herd off the Grey Islands. We reintroduced. We had a great story on that. We've seen the population double, and it's going to be over double once we see the calving for this year.

Conversation with the feds, I'm all in for it. I can't be any more expressive than – I live in a

rural community that was – if you go to the top of Greenspond, there are 16 or 18 famous sealing skippers from years gone by. To be a part of that history in Elliston is the Sealers Memorial.

It's something that we need to be actively engaged with the federal government on, no doubt in my mind.

J. DINN: I have no problem with prosecuting the seal fishery. It's always about doing it in a sustainable way.

D. BRAGG: And humane.

J. DINN: And humane, exactly.

Under section 2.2.01, Aquaculture Development and Management: I understand we own wharves that are maintained under this section, but then others, mainly in aquaculture, pay a lease to government for them. I don't think the lease money falls under this section, but how much money do we take in on the leases compared to what we spend on maintenance. Do we make a profit? Are we in the black on it?

D. BRAGG: I could answer that and you would think you know the answer, but I'll leave it to the professionals.

Those wharves and structures predate many of us. That was something that was put there years ago. We're looking at getting clear of some of those. It's a terrible way to put it, but it becomes a liability and a cost to us, the wharves. Anybody who has had a wharf would know that.

I'm going to trust to my ADM now to answer that to the best of her ability. Lorelei?

L. ROBERTS-LODER: In terms of the wharves that we own, we own four wharves: one in Harbour Breton, one in Pool's Cove, one in Hermitage and one in Milltown. Presently they are leased. The lease cost for the companies is \$2,000 per year, plus they pay a lay-down fee. The lay-down fee is 25 cents per square metre per year.

Right now you'll see on the Estimates document that it shows there are \$10,000 estimated for '21-'22 and it wasn't there for 2020-21. This is

because it was captured under another division and it's now moved in under Aquaculture Development because that's where the budget comes from to maintain the wharves. In terms of maintaining the wharves, that falls under the Purchased Services number. You'll see that was higher this year, \$73,300, and that's primarily for snow clearing and wharf repairs, mostly overhead lights, electrical systems and sort of thing. So your question is, no, the leasing cost doesn't cover the cost because the infrastructure is old.

J. DINN: We're basically subsidizing again, if I understand it. We're taking in \$10,000. Is that full \$73,000, then, for maintaining those wharves?

L. ROBERTS-LODER: It's for maintaining the wharves and snow clearing, yes.

J. DINN: Wow.

L. ROBERTS-LODER: That's where that money comes from.

J. DINN: So \$63,000 in the red.

L. ROBERTS-LODER: This year was higher than normal because we had electrical issues.

J. DINN: Any thought to increasing the lease we pay? These are commercial enterprises who are supposed to be quite profitable.

L. ROBERTS-LODER: As the minister mentioned, we're looking at a divestiture plan.

J. DINN: Okay.

How long will that take, do you think, to divest? Would they be buying the wharves?

L. ROBERTS-LODER: As a part of the divestiture plan, we will have to seek options.

J. DINN: Okay.

L. ROBERTS-LODER: At this particular point in time, we can't answer that. The hope is that there would be an option for purchase.

J. DINN: Do we have a value put on selling those assets? Will that be a part of it?

L. ROBERTS-LODER: Absolutely.

J. DINN: Thank you.

The budget for Salaries has gone up significantly this year. Is this money for new positions?

D. BRAGG: 2.2.01, you're referring to, Sir?

J. DINN: Yes, I am.

D. BRAGG: I'll give you an overview first.

There are 13 positions in this section: a director; two managers; two development officers; two aquaculturists; fisheries field reps, there are two; environment specialist, there's one; fish licence administration, there's one; and administrative support, there are two.

The variance this year is due to the salary adjustments for '21-'22. Salary funding reprofiled from 2.1.02, Licensing and Quality Assurance, associated with anticipated movement of two positions between the divisions.

J. DINN: Okay.

Spending on Purchased Services is higher than anticipated for this year. Why was that? That was to do with snow clearing, was it?

D. BRAGG: Snow clearing and wharf repairs.

J. DINN: And it has gone back down to 50.

D. BRAGG: If you want to buy a wharf, here is your chance.

J. DINN: I don't know if you want me buying a wharf down there.

Spending on Property, Furnishings and Equipment was only a third of what it was expected. What anticipated purchases did not proceed?

D. BRAGG: Could you repeat the question, please?

J. DINN: Spending on Property, Furnishings and Equipment was only a third of what it was

expected. What anticipated purchases did not go ahead?

D. BRAGG: Variance was less than required to replace equipment during the year. For example, boat and scientific equipment for monitoring, we didn't buy that. So we are down by \$32,000, I think it is. No, \$31,000.

J. DINN: What is the source of provincial revenue under this heading?

D. BRAGG: Lorelei.

L. ROBERTS-LODER: That would be for wharves, because as I mentioned it is changed over to this division from another division.

D. BRAGG: Thank you.

CHAIR: I remind the Member that his speaking time is expired.

I am going to go back to MHA Pardy. We were sort of a little confused on the subheads, so, MHA Pardy, if you have something left in 2.1.01 to 2.3.01 inclusive.

C. PARDY: They used to always report when I went to school, Mr. Chair, that I didn't listen well. I missed the subheadings because I stopped before 2.2.01. My colleague did a good job of covering that.

2.2.02, Aquaculture Capital Equity Investment. This is the one that the Greene report suggests abolishing. How significant is this program for the aquaculture industry?

D. BRAGG: Under the PERT, you're referring to, right?

C. PARDY: Yes.

D. BRAGG: Yes. Again, as you will have heard the Premier say, those have been recommendations that have been put forward. That is not a final decision on that. We will review this. We have had great success, it is fair to say that, in this division. If there is maybe something we can support, for us this has been positive. We have no negativity coming from this whatsoever from our perspective that I am aware of. Maybe somebody behind me is not so

happy with that answer, but that is certainly how I feel, MHA Pardy.

Was there a question about –?

C. PARDY: I know you are sincere in how you feel, because you state it well.

D. BRAGG: It is going to get me in trouble at some point.

C. PARDY: We have made a \$30-million – I think our commitment is \$30 million to Grieg over seven years?

D. BRAGG: Grieg, yes.

C. PARDY: Grieg, that's what we (inaudible). They had a benchmark of 800 jobs. Do we know where they are now in relation to that goal?

L. ROBERTS-LODER: It was 800 jobs and that included construction. Of course, it's going to ebb and flow. In terms of where they are now, they have 91. They've spent over \$149 million on the development and the buildings to date and they have 91 employees. You'll see as part of what we've agreed to is that you'll have a large number. They did meet that number in terms of the construction and that will go down to an operations level, which is where it's to now.

C. PARDY: Was there an expectation as to what that operational level would be?

L. ROBERTS-LODER: Yes, and they're well within it with the 91.

C. PARDY: It's less than 100?

L. ROBERTS-LODER: Yes.

Now, that will increase again once they actually get the fish in the cages, because they're not out there yet. This is just purely land-based.

C. PARDY: Okay, at that stage.

L. ROBERTS-LODER: At this stage, yes.

C. PARDY: It was stated that there was a working group on the federal government

aquaculture act. Is that working group still active?

L. ROBERTS-LODER: Yes, it is.

C. PARDY: Yes, okay.

Grieg also had a goal. I think it was a benchmark of 75 per cent processed product. That was fresh fillet. Every salmon or every product that they have come out, 75 per cent will be fresh filleted?

OFFICIAL: (Inaudible.)

C. PARDY: When you say processed, is it ready for the market, when it leaves Newfoundland?

D. BRAGG: Depends on what would be ready for the market, I guess. I was in one of the grocery stores last night: Ready for the market was head off, intestines out. It was ready for the market.

C. PARDY: Yes.

D. BRAGG: I don't know if you're looking for more ready for the market: Would it be smoked? Would it be salted? Product goes out in various different ways. From what I see, if you and I were to go into any grocery store today if we wanted to buy a piece of salmon, the go-to for most of us is the fresh unfrozen right there.

C. PARDY: And that's the market.

D. BRAGG: I know that's their plan to make that happen in this province.

I'm sure if you reached out to these people as the critic and you want to go in and tour their site, they'd be more than willing to do that. If you reach out to me, I can assist you in getting the tour because you need to see it. You need to see what's there. You need to see the young people that are in these facilities. You need to see the communities that they're involved in, the new subdivisions that are being built there. You need to see the technology. You need to see this little egg, as I like to say, one little eye and how that grows to be a fish this big, this big and then in the pen.

Once you see it and get a feel for it, the money that the province has invested, you look at what their companies have invested. If they want to tell you that, it is up to them. It is a substantial amount of money that is certainly bringing some good industry to different parts of this province.

C. PARDY: I want to throw a name out for *Hansard*: Julia Norris. Julia is a neighbour of mine in the District of Bonavista in the Town of George's Brook-Milton and Julia is employed with Grieg. She speaks highly of it and has relayed on some significant information about the operation. She is quite proud of it and pleased with it as well.

We can move on to 2.3.01. I'm assuming that the increase in salaries would be probably an additional veterinarian that you might have on staff. Would that be correct?

D. BRAGG: Slightly less, but you're looking at the overall for 966, up from 922. The variance is due to salary adjustments for '21-22, funding reprofiled from 2.1.01 seafood and marketing development related to the anticipated movement of the administrative position between the divisions.

C. PARDY: Can you quickly give me the difference from the Employee Benefits? Would that be COVID-related, some way? What you budgeted to what you spent last year.

D. BRAGG: So we actually only spent \$500, right.

C. PARDY: That's right.

D. BRAGG: Lower than anticipated fees for seminars, conferences – so we went nowhere, basically.

C. PARDY: COVID-related. Okay, good.

I'm assuming the Professional Services, veterinarians?

D. BRAGG: The \$23,800?

C. PARDY: If it is, they –

D. BRAGG: What are the actual Professional Services?

C. PARDY: A veterinarian, I should say. Not plural, singular.

L. ROBERTS-LODER: In terms of Professional Services for this budget, we spent \$23,800 and that is down from what we usually spend. Because of the interim budget coming late, we had to put much of our Professional Services on hold. What we typically spend our Professional Services on is doing case definition. For example, AusVet, we would purchase the service and they would do a case definition on a reportable disease or some sort of case definition for mortality, that sort of thing. It allows us to be able to operate and know what is current in the industry.

C. PARDY: Okay, good.

If the Grants and Subsidies is as I expect it to be, which is primarily our contribution to the Atlantic Veterinary College, do we have them on staff or is that just something that we've committed to, this Atlantic Veterinary College, that we support, even though we don't have them on staff in the fishery?

L. ROBERTS-LODER: No, we have veterinarians on staff that actually works for us, aquatic vets.

C. PARDY: Okay.

L. ROBERTS-LODER: In terms of this particular pot of money for Grants and Subsidies, it does go to the Atlantic Veterinary College and what it's used for is particular projects that are of interest to Atlantic Canada or Newfoundland and Labrador – so as a whole Atlantic Canada or as Newfoundland and Labrador. It's really for the Atlantic Veterinary College to do research that is applicable to us.

C. PARDY: Okay, good stuff.

Last year it was asked in the Estimates when they asked about the permanent jobs Grieg would have. I think the minister suggested last year that it was 250; that's the number he had thrown out. Would that be realistic as to where we're going and what a fair expectation would be after we progressed to that point? That's our benchmark, we'll say, we're looking at.

D. BRAGG: (Inaudible.)

C. PARDY: Okay.

Do we have any data on the fish escapes? I know that they release that and I know they post it publicly. I probably should have searched before I even asked the question. What percentage would we be looking at for fish escapes?

D. BRAGG: Fish escapes, the best I can compare the fish escapes to – and I used this analogy earlier this morning. If you think of the seal fishery, you think about the little whitecoat. If you think about fish escapes, you think about 15 or 20 years ago – reported two last year.

C. PARDY: Okay.

D. BRAGG: One was a cleaner fish and one was an actual salmon that someone dropped over – and I know that got chuckles when I mentioned that in the House, but there's actually a reporting that's available online. Everything in that industry now has come so much further ahead over the last eight or 10 years.

C. PARDY: Yes.

D. BRAGG: We're up where we need to be, but we always need to challenge to make sure the information is there for the people. There have been no mass fish escapes for the last number of years.

CHAIR: Thank you.

MHA Dinn, do you have any further questions in this section?

J. DINN: (Inaudible.)

CHAIR: Okay.

D. BRAGG: I'm not going to need the Estimates, is what I'm guessing.

CHAIR: 2.1.01 to 2.3.01.

J. DINN: (Inaudible.)

D. BRAGG: I knew it.

J. DINN: With regard to 2.2.02, Aquaculture Capital Equity Investment, my colleague from Bonavista does actually say that PERT recommends the end of the capital equity program.

She notes, of course, that establishing aquaculture operations in this province is lower than in many other jurisdictions. I guess I'm going back to a question I asked about land-based. I would posit that a lot of the reasons why maybe even our aquaculture industry here is doing so well, or is so competitive, are because we are subsidizing it in many ways. Even in the fact that there is \$10,000 in lease, it's costing us a lot more to maintain it. That's a subsidy. Even in the \$30-million investment to Grieg, there is government money going into it.

I would also argue that the reason that our water rights, what we're charging, are probably significantly lower than what they're charging in Norway. While we have an abundance of clean water, if we're not careful, we'll soon find ourselves with an abundance of water that's not fit.

Norway and these – we're charging well below. We're undercutting. In many ways, I would argue that the operation is being subsidized by taxpayers for that reason.

Secondly, my concern with a lot of this has to do with – and you look in Conne River, where basically we're watching the local extinction of a salmon run, a river that supported over 10,000 fish a year. Put a price on that and compare it. That's down now to less than 200. In the Little River, there are no salmon returning to it, as far as I understand. Conne River, less than 200. One of the most prolific salmon rivers in the province almost extirpated.

The question with regard to Grieg: Has there been a baseline study done of all the rivers in the area? You have two there: Northeast Placentia and Southeast Placentia, and there are other rivers there. Has there been a baseline study done with regard to salmon stocks as they currently exist to determine – and I'm talking about the genetic interaction and so on and so forth. I understand with Grieg that they are using triploids as opposed to diploids, the attempt to cut down interbreeding. There's some indication

that they might end up going to diploids anyway because whether triploids will actually be as productive or marketable as they are.

I'm just wondering here, has there been a baseline study carried on – and that was the subject of the court case. One of the things that we did want to have done, so I am just wondering what kind of background research before these fish are put into the cages – what is being done?

D. BRAGG: Before I turn this over to my ADM, I just made a note of one of the things that – so you talked about the subsidies and the \$10,000 for the wharfs. Keep in mind those wharfs predate any aquaculture industry in this province. These wharfs were built there years and years ago, before ever aquaculture was there. They just come in now because the existing structure is there. They use our existing structure. If no one ever tied up to that wharf or an aquaculture pen or anything else, it would still cost us to snow clear and maintain these wharfs. I want to be clear on that.

There is no direct connection. We did not build wharfs to subsidise for the aquaculture industry. That was one of your statements from earlier. Just so that we're clear on that, we just didn't build it and say, here, take it for cost or anything like that.

Because you went into eight or 10 different questions – and I know I'm going to turn it back over to Lorelei in a minute. There are other aspects to that. I'm not sure if you've actually visited these sites over the last number of years. I know you have numerous questions that have come up in the House over the last number of years since you and I have both been there. I encourage you, as I did for MHA Parly, to take the time to visit these sites to see how the technology is, to see how this industry has evolved over the years.

I guess I would look at it as the crab fishery. Years ago, people went out and put crab in the holds of their boat, and now there are live tanks that come back. This industry has evolved so much. I know you have an opinion of this that may be somewhat contradictory to what we would find out, and there are so many different aspects of all of this. I am not saying it is perfect

because no industry will be perfect, but this is getting so much better.

So whatever studies, unless you have another burning question, I'll turn it over to Lorelei to talk about what studies have been done in the past.

L. ROBERTS-LODER: In terms of the Grieg particular project, that did go through the environmental assessment process. As part of that process there was discussions about the work that they would do to support wild salmon. In terms of whether or not there has been studies done on rivers, I'm not sure if that was part of the environmental assessment and I'm not sure if that is being conducted, because that would be my colleague Steve Balsom's area with regard to conservation of inland fish.

I do know that Grieg, as well as other aquaculture companies are quite engaged with DFO and our department in leading studies with regard to tracing of fish, genetic sampling of fish and looking at the rivers. There are even talks now. Chief Mi'sel Joe has actually created a committee that is working with his group to actually look at restocking the rivers in partnership with the companies.

Unfortunately, I can't point directly to any particular studies that are done around Placentia Bay, but I know when we look at aquaculture development, we do look at the land-based and we do look at where they're looking at setting up and whether or not there are any rivers. They have to be a certain distance from any rivers that exist. As for the detail that you're speaking to, that would have been conducted as a part of the assessment.

J. DINN: Thank you.

All I can say, Minister, I understand that the wharves were there, but if I owned a wharf that had been there, built, and someone came to me, hey, I'd like to use your wharf, I would be at least charging the amount to cover the cost if I was a private owner of a wharf.

That's what I'm saying. I understand the wharf predated the industry, but when a business opportunity comes along, let's make money off it. Especially if the industry is profitable.

D. BRAGG: All I can say in relation to that, I don't know if you're a property, rental owner, and if someone moved into your property and your roof blew off, would you charge them that monthly rate to compensate for the roof or would you look at it over the course of time?

J. DINN: I totally understand –

D. BRAGG: But we're looking to get clear of the wharf. Let's make no bones about that.

J. DINN: That's good.

D. BRAGG: We're not building new wharves for this purpose; we're looking to get clear of what we have.

J. DINN: No, I understand. Property values in –

D. BRAGG: It's cheaper for us to pay the tie-up dockings than what it is to build a wharf.

J. DINN: I understand. Property rentals in town go up regardless of whether it's in demand, so charge market value.

Under Aquatic Animal Health, 2.3.01: With regard to the sea lice protocols, what are currently the protocols on sea lice, the counts, and what actions will be taken at that time?

D. BRAGG: If you would look on the NAIA site, you will see the sea lice counts were released yesterday. I'm not sure if you saw that or not. It averaged to less than one, in some areas, to about 1.5 per fish. So there's a reporting mechanism there.

My understanding, in the wintertime, like most places in the wintertime, nothing really grows on the fish in the wintertime. Now when the water warms up is when the sea lice counts are being done. There's some great technology for cleaning that. And cleaner fish, I visited that in Belleoram, the site where they actually raised the lumpfish as the cleaner fish. They're having great success with that.

They have almost a carwash system that you put a fish through. It's amazing. You see the bars and the series of tubes that are there and the fish will go through. Basically, it's giving them a little tickle because it's some high-pressure

water. There are no chemicals in that right now. They're using freshwater and higher pressure salt water. It's almost like you getting in the shower and getting the soap out of your hair. That's what it would sort of feel like to the salmon. I've never personally talked to the salmon, but that's what I'm told the feeling would be.

AN HON. MEMBER: Don't give up on that.

D. BRAGG: (Inaudible.)

AN HON. MEMBER: Don't give up.

D. BRAGG: I'm not a salmon whisperer.

J. DINN: My time is up. I'll save my next question.

CHAIR: MHA Trimper, do you want to continue to defer or do you want to take your time now?

P. TRIMPER: (Inaudible.)

I happened to be the minister of Environment and signed off on this project in 2016. I still stand by my decision, because to me, the key mitigation measure that we attached to that release was that the company would proceed with triploid fish and triploid ova. So I have been following it closely in their relationship with benchmark.

One question I would have of you, Lorelei, is have there been any studies specifically to confirm that the fish that are developing now, they are indeed sterile? I believe the numbers at the time – I'm just trying to go back in my mind – were something like 98, 99 per cent of those animals would be sterile so that if in the event of an escape, we would not have that conflict with our wild stocks.

D. BRAGG: MHA Trimper, yes, indeed, I visited that site less than a month ago, and they're committed to the triploid fish. They're sterile fish.

P. TRIMPER: How are we confirming that?

D. BRAGG: Good question.

P. TRIMPER: That's the key thing, but I'm glad to see that still.

D. BRAGG: (Inaudible.)

I'll refer that to Lorelei.

L. ROBERTS-LODER: So those fish, obviously they come in as eggs. That was what the minister was speaking about, the eyed eggs. They actually come in like that and they're tested in the country of origin where they come from; as well, they're tested when they get here. It's actually a double process. DFO tests them; as well, we test them.

P. TRIMPER: Thank you.

CHAIR: Thank you.

It was suggested that we would take five minutes for a washroom break. So if you want to stop that time, Mark.

So five minutes, please.

Recess

CHAIR: Okay, I know there are still some Members missing, but we're in the –

D. BRAGG: We're not voting on anything (inaudible).

CHAIR: Trying to appreciate the time here.

My understanding is, MHA Parady, you have nothing left in 2.1.01 to 2.3.01.

C. PARDY: The well is dry, Mr. Chair.

CHAIR: Mr. Dinn, 2.1.01 to 2.3.01 inclusive.

J. DINN: It just had to do with the protocol around sea lice. What are the trigger levels? If you find that the tank count is two sea lice per fish or three, what happens at each of these levels? I'm trying to get an understanding. What are the protocols surrounding that?

D. BRAGG: For washing them or ...?

J. DINN: No, in some jurisdictions, for example, that once sea-lice levels reach a certain

count per fish, there's a requirement that the cages are emptied and harvested at that point in time, even if they are not grown to full market size. Is there a protocol that we'll treat them with therapeutants or what? Once they get to a certain level.

D. BRAGG: Okay. I'll turn this over to Lorelei.

L. ROBERTS: As part of the Aquatic Animal Health protocols, I'll say, we actually work with the companies and there's an Integrated Pest Management Plan – is what it's called. It includes sea lice, but it also includes any other type of pests that are known to aquatic animals. It doesn't work that way here in Newfoundland and Labrador, where there's a certain number and we require them to harvest. The companies themselves actually have treatment mechanisms that they run the fish through, because Newfoundland and Labrador waters are known for sea lice. It's a natural occurring parasite here. It exists on wild salmon. This is just not a cultured salmon issue. It's in the water, period.

As the temperatures warm, the sea lice grow and they multiply. This is why the water has to be five degrees in order to count sea lice. Essentially, what happens is we don't use, as you said, pesticides-type thing here in Newfoundland and Labrador. That's kind of dissipating. There's more focus on what's called more natural treatments. The natural treatments would be to use, for example, the lumpfish, as the minister referred to, and cunners, which are known as conners in bay language.

In terms of the other treatment that they use, when the fish go into warmer water or, for example, they move upstream into fresh water, like natural salmon or wild salmon do, that's when the sea lice come off them. Again, there are treatments to wash the fish. They go through the same as what a wild salmon would go through, a freshwater hose, and they essentially come out the other end and it removes the sea lice.

They regularly treat sea lice because it's a naturally occurring parasite that happens over warmer weather. Their objective is to get them down to minimal. It's not a trigger for us or a trigger for them; it's just a constant treatment for them.

J. DINN: I did attend the NAIA conference in 2019 on this, so here's a thing with, as I understand it, the cleaner fish: At a certain stage of their life they will feed on sea lice, but it comes to a point where they don't and that they have to be fed as well, because their feeding on sea lice actually decreases. They're not as effective as we might think. Then, it comes down to that they themselves get infected with sea lice.

The other thing is I agree with you that sea lice are indeed a naturally occurring thing; however, when you're looking at concentrating millions of salmon in one area in a pen – which, I would argue, is not a natural way for salmon to be spending their lives – you're actually then increasing the potential of increasing the concentration of sea lice populations.

I would put it to you this way, that any wild animal would be affected by certain diseases, but unless you look at our aquacultural techniques, the farms, when you bring animals together the risk of the disease spreads. You're looking at concentrating sea lice in the area where there's an abundant food source. Wild fish swim by there. They have the possibility of being affected. It's very clear in just about every jurisdiction where aquaculture has open sea pen aquaculture taking place, wild Atlantic salmon stocks have declined.

I guess my point here is that I would like to see something here in terms of when it comes to protocol so that if indeed the sea lice counts get above a certain point, there is something, that the fish are removed from the pen and stop it right then and there. That's what I would like to see, and I'll leave it at that.

I have other questions, but I'm going to leave it and finish there, done.

CHAIR: Thank you.

Is the Committee ready for the question?

Shall 2.1.01 to 2.3.01 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, ‘nay.’

Carried.

On motion, subheads 2.1.01 through 2.3.01 carried.

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

CLERK: 3.1.01 to 3.3.02 inclusive.

CHAIR: Shall 3.1.01 to 3.3.02 inclusive carry?

We’re turning to MHA Forsey.

P. FORSEY: Thank you.

The last debate was good. It looks like I will end up one of those days getting my fish plant on the Exploits River.

D. BRAGG: Right under the bridge.

P. FORSEY: Right under the bridge.

We’ll go to 3.1.01 and we’ll start with Salaries. Can you explain the increase in Salaries from \$2.5 million to \$2.7 million?

D. BRAGG: There was a variance due to retirements and associated costs with retirements, annual leave payout.

P. FORSEY: Okay.

Transportation and Communications, there was a variance there of \$301,000 compared to \$189,000 last year

D. BRAGG: That will be the same as every other subheading: less transportation, less seminars, less everything due to COVID.

P. FORSEY: Grants and Subsidies, the variance there of \$208,400 last year and \$698,900 revised now going back to \$627,100.

D. BRAGG: That’s a variance due to the additional expenditures associated with the department’s economic recovery initiative, enhanced inventory project and Secondary Forestry Processing Innovation Pilot Projects.

COVID funding put into that department to keep her going, basically.

P. FORSEY: Pilot projects, as in what?

D. BRAGG: Good question.

S. BALSOM: They were secondary forestry processing projects. We were supporting the development in, not your traditional lumber production but in secondary processing such as pallet manufacturing. I think one of our successful applicants was involved with the Juniper scrappers, as an example. Looking to diversify and move more into to support some projects that looked at the secondary processing, a step away from our traditional solid wood.

P. FORSEY: Can we get a list, Mr. Balsom, of what’s been tried in that?

S. BALSOM: Certainly.

P. FORSEY: All right, thank you.

3.1.02, we’ll move to Salaries again: \$8 million budgeted, revised to \$8.3 million.

D. BRAGG: The variance are the retirements during the year and associated retirement costs like annual leave, paid leave out, overtime costs incurred during the year associated with point-of-entry testing. So that was a big thing as you would have been aware this year. We put higher staff to point of entry testing. One comes to mind for me is Port aux Basques.

P. FORSEY: Okay.

D. BRAGG: We would have put people out there.

P. FORSEY: Okay.

The Purchased Services, \$90,000 to \$134,000.

D. BRAGG: It was a variance due to higher than anticipated Purchased Services expenditures during the year, such items as moose disposal fees and maintenance of ATVs, snowmobiles and grader costs.

P. FORSEY: Okay.

Under the Forestry, I have a couple of questions on that one before we get into any more of it. Forestry, what is the latest status on the Timberlands project in Northern Peninsula?

D. BRAGG: I'm going to refer this one over to Stephen.

S. BALSOM: The Timberlands project – the Active Energy Group, I think a lot of people might be familiar with that name – there has been no progress on that project to date. The province is reviewing the permits that were allocated to the company in line with our current commercial permit allocation policy, which looks at activity based on the volume of timber cut and benchmarks that have to be met in order to maintain or be provided continuation of the permits. The halfway mark was met at the end of May, so now we're reviewing their activities, which have been very low, compared to our allocation policy for consideration on next steps with those permits.

P. FORSEY: Okay.

Do you think you will go through the extent of the permit before it is revoked?

D. BRAGG: I'm pretty sure we're going to resort to the use it or lose it; we're not going to keep it there forever when there are maybe other interests. You can expect to see the decision on that very, very, very, immediately soon.

P. FORSEY: Okay. All right.

Another forestry question. Mr. Balsom, is it possible that I can get a breakdown of the allocations for pulp, firewood, domestic – the same list that we were provided here a couple of years ago? I know you were doing a new one, as per our conversation.

S. BALSOM: Yes, we can provide you a breakdown by each district on our allocations. It's a bit difficult to get a breakdown by product, but we do have some information that we can provide. We can provide that information.

P. FORSEY: All right. Thank you.

The price of lumber this year has skyrocketed, of course. We know there's a local sawmiller here.

Is government doing anything at all with regard to trying to cut down the cost of the price of lumber?

D. BRAGG: The price of lumber, I guess, is like everything: It's based on supply and demand. Right now, there's a big demand based on supply, which drives the price up. As for us and the ability for government to control the price and control that market, there's not a lot we can do. Not only is it in this province; it's worldwide. Lumber products are up. The actual cost of a two-by-four, two-by-six, one-by-four, the hard lumber is up. If you look at the overall costs of the other things like – I'm thinking about building a house; you may want to buy gyprock. Nails are up, I know that. That price has only gone up what you would anticipate, but lumber has gone up, and if you would notice in the last week, the price is starting to come down right now.

I can only anticipate that during COVID, many mills throughout the world or across North America would have cut their production. We were lucky in this province that our mills continued to operate. A lot of their supplies are exported and it's a good price for it right now.

You can compare it to the crab fishery. We wouldn't dare try to put down the price of crab right now so that someone could afford to buy it cheaper because it's industry-driven. It's driven by the demand. Right now, they're seeing a little bit of a bump, no doubt, in the price. As other mills come online throughout Canada, I would only anticipate that you would see the price slowly come back down.

P. FORSEY: Okay.

The problem here is that our resources are right here, of course, and we see that. Competition, supply and demand, that's all fair game. It's not costing the local sawmillers here any extra in the past year to harvest that wood, to have it cut and dressed and ready for market, especially in our own markets here in Newfoundland. I know outside of Newfoundland, sure, they're getting their pricings, no doubt. Our own economy, the Newfoundlanders and Labradorians, we're getting dinged with the same pricing. I think people in Newfoundland and Labrador see that. I think that is becoming a problem.

I didn't know if there might be some variance that you could do there.

D. BRAGG: Unless you're aware of a way, I'm not aware of a way where we could control that. Now, if you're aware of a way I'd be more than willing to have a conversation after this, but I'm not aware. We can't go out and say we're going to chop the price. We don't know what the bottom line is for any of these mills. I know you're saying there has been no cost but there's no indication to me there's been no cost. Insurance may be up; the cost of a chainsaw may be up. I have no idea what the associated costs may be.

If your indication would be about the profit line for those mills afterwards, that's probably a conversation that can be had afterwards. Everybody right now, the cost is up. Go buy a car, the cost is up. Your insurance, the cost is up. There is no doubt about that.

P. FORSEY: Okay.

Given the time I'll –

CHAIR: Yes.

MHA Dinn.

J. DINN: Thank you, Chair.

CHAIR: We're 3.1.01 to 3.3.02 inclusive.

J. DINN: Perfect. Thank you.

I'll take this opportunity, Minister, with this whole notion of supply and demand, to take that approach with your wharves down on the South Coast.

D. BRAGG: Agreed.

J. DINN: That's what I'm saying.

D. BRAGG: I'm on it. We're on it, I should say.

J. DINN: Good.

D. BRAGG: The first one is coming to your district. The next wharf we build is in your district.

J. DINN: I'm waiting for it. Mundy Pond, that's the only body of water.

Spending on Supply in 3.1.01 – Purchased Services, I should say – was higher than expected. Why was that?

D. BRAGG: You're referring to the \$62,500?

J. DINN: You got it, yes.

D. BRAGG: Okay.

Variance due to higher than anticipated expenditures of ATV and UTV and trailer maintenance. We bought an ATV and a UTV and we had some trailer maintenance. The price went up. We're up \$21,000.

J. DINN: Thank you.

Under that same section, the source of federal revenue for this year's budget?

D. BRAGG: \$50,000 increase reflects the return up to \$150,000 that was reprofiled from 3.2.01 in the Insect Control of spruce budworm spray program for 2021 and the subsequent reprofiling \$100,000 from 3.3.01, Wildlife Operations, and 3.2.01, Insect Control.

J. DINN: Okay.

OFFICIAL: (Inaudible.)

D. BRAGG: Oh, it's Grants and Subsidies? All right, I'm sorry.

J. DINN: It sounded like a good answer.

D. BRAGG: Forest sector management fund – if you read the binder I just gave you, you would have the answer.

The forest sector safety management, \$318,700; Labrador Innu Metis forest management agreement, \$100,000; forestry research, \$100,000; Newfoundland and Labrador Lumber Producers Association, \$75,000; FPInnovations, \$20,000; Canadian Council of Forest Ministers, \$13,400. Grants and Subsidies.

J. DINN: That is helpful.

D. BRAGG: Sorry, I referred to the federal one.

J. DINN: No, that's the one I was interested in. That's fine. That's good.

D. BRAGG: Oh, was it?

J. DINN: Yes, you did well. I got two answers for the price of one, not bad.

Under 3.1.03, Silviculture Development. I know that here, as with a many other lines, there is a portion of Transportation and Communication in the budget that goes to the use of helicopters.

D. BRAGG: Yes.

J. DINN: This has been asked before: Who provides the helicopters? Would it be possible to get a total figure of all money spent on helicopter contracts for this department?

The third part of this, I have asked this a few years now: Is it possible to look at purchasing a commercial drone, even as a pilot project. By the way, this question also applies to enforcement as well. I understand in some other departments they do use drone technology for surveys in lands and mines and so on and so forth. I'm not talking about the out of the box ones that you get in the stores, but something that is robust. So, three parts: the helicopter contracts, who gets them; the amount and how about the possibility of looking at drones and training our people on that.

D. BRAGG: On the helicopters, I know that we use an abundance of helicopters. That it is vital for us, especially if we do surveys. We do surveys where we actually have to get out and count animals. I was lucky enough to go to the Grey Islands a couple of weeks ago and I'm going to bump into your drone one. I have yet to see a drone that can carry the four of us up there to be honest.

We do have a drone in our department that we can use for smaller things, but a lot of what we do we will provide the information that you need. Stephen may have it at his fingertips. I know we're looking at time. We'll get that information to you: how much helicopters are we using, which companies we use and that sort of thing. A lot of what we do, like painting

caribou, for arguments sake, that is not something that you can use a drone for. Some of it is vital that you have to be – people strapped in a seat with a spray gun to paint the caribou's behind so that it is easier to see later on. I can't wait to see that in action, to be honest.

On the drone thing, we are using drone technology where we can. I tell you where it was great for the drone. We did a potato farm. It's nice. You have the drone you can fly all that. You can follow and see as it goes on and give you a time-lapse camera of where we're to from planting to harvesting. We have a drone; we have plans to use it, but some of the things we just can't use a drone for because it's not practical. I'm sure that's understandable.

J. DINN: Even just to start that comparison, as I understand it helicopters are roughly \$1,500 an hour to rent at times. That's a huge –

D. BRAGG: Yes. Without it, we can't do our jobs. Let's be clear.

J. DINN: No. I understand that but let's look at the technology that's out there as well.

D. BRAGG: I don't think we're looking at buying a helicopter, are we?

J. DINN: No. Well, if you do, I want a ride.

For Purchased Services, the budget has decreased by \$600,000. Is that because of COVID? I don't know if that has to do with helicopters or what?

D. BRAGG: So we're at 3.1.03, Purchased Services?

J. DINN: Yes, we are.

D. BRAGG: Variance due to additional expenditures associated with tree planting and site preparation work for the year as part of the department's economic recovery initiatives.

J. DINN: Okay.

D. BRAGG: And variance due to less than anticipated equipment during the year.

Well, that's the lower one. Sorry, two answers again for one question.

J. DINN: Not bad.

3.1.04, Resource Roads Construction, why did spending on Purchased Services come in at more than \$800,000 over budget last year?

D. BRAGG: 3.1.04?

J. DINN: 3.1.04.

D. BRAGG: Just because I'm being blind right now, I'm going to turn this over to Steve or Tracy.

S. BALSOM: That variance was due to additional road construction during the year. That was part of a departmental economic recovery initiative. I can report that we completed 36 additional projects above our normal resource roads program. They were boots-ready projects. We had 20 different contractors. They did nine kilometres of new construction. We did eight kilometres of reconstruction, bridge installation and some various maintenance projects under that economic recovery initiative.

J. DINN: Okay. This would have been the side roads and so on and so forth?

S. BALSOM: (Inaudible.)

J. DINN: Okay.

Would it be possible to get a list of those projects, if that's all right?

OFFICIAL: (Inaudible.)

J. DINN: Appreciate it.

Under 3.2.01, Insect Control: In most parts of this year's budget, we see the actuals for Transportation and Communications was way lower than expected, but here spending was actually over budget. Why was this?

D. BRAGG: Variance due to slightly higher than anticipated expenditures associated with the spruce budworm spray program, helicopters and travel for staff.

J. DINN: There you go. Helicopters again.

D. BRAGG: Yeah. Well, it's the budworm, so we have to be on top of them.

J. DINN: No, I agree with that.

Spending on Supplies expected to go up by over \$700,000 this year. What extra supplies are we expected to need? Is that to do with budworm as well?

D. BRAGG: It's the spruce budworm spray program, yeah.

J. DINN: They're getting an awful lot of attention, I tell you.

D. BRAGG: We have to.

J. DINN: I have to get into the budworm business.

3.2.02, Fire Suppression and Communications: Is it possible to have a brief overview of our fire suppression capabilities, the size of the fleet and number of staff available during fire season, et cetera? Also, my colleague from Lab West would certainly like to have an update on the replacing of the water bomber in Wabush.

D. BRAGG: Replacing or placement?

J. DINN: He says replacing; I think there was one that was damaged?

D. BRAGG: Yeah, I don't think that was Wabush's water bomber. I'm not sure, but I get the gist of the question.

J. DINN: Yeah.

D. BRAGG: In this section, we have 94 positions. That's conservation officers and forest rangers. Last year, we had \$230,000 in overtime. I should have written down some of your questions because you come at me with two or three at one time.

J. DINN: No, no, the size of the fleet, number of staff, just –

D. BRAGG: We have four water bombers. We use helicopters with baskets from time to time.

I'm not going to give you any dialogue any more than the actual facts that are going to come from Mr. Balsom, my most trustworthy assistant minister.

S. BALSOM: Minister Bragg, I think you pretty much outlined it. We do have a complement of conservation officers distributed across the province between our district offices and satellite offices dedicated to the fire program. We also partner with Transportation and Infrastructure with the four air tankers that are guided and placed according to the fire weather index.

We look at forecasts. We have 21 remote automated weather stations that provide localized weather information that guides the placement of air tankers based on our index. We also have the Fire Protection Centre located in Gander. It's kind of a central equipment facility where we keep our main hose banks. We have our pumps. We also repair and clean hoses and do all the maintenance on our pumps. That's located in Gander as well. Plus, we utilize the helicopters under the current contract, whenever required, for bucketing of water, as the minister explained.

CHAIR: Thank you.

MHA Trimper.

P. TRIMPER: Thank you very much, Mr. Chair.

I'm very pleased to be here and have an opportunity at this particular point in the Estimates. Several points I'd like to make.

First of all, to pick up on the conversation started by the MHA for Exploits: On stumpage and royalty rates, I've spoken to the minister and some of the staff. I just wanted to clarify for everyone in the room. I have a fair bit of knowledge and familiarity with the situation. Actually, we are missing an opportunity further to the issue on the wharves and on the docks and so on. We need to increase our stumpage and royalty rates right now.

If you look to Alberta, they had just done this. I think they tripled their stumpage rates so the Crown is making a lot more money. It does not

affect the bottom line of the sawmillers and the processors right now. Their profits are through the roof. We are giving away our wood right now in this industry and there is a golden opportunity to go after that.

I encourage you to look to Alberta. For whatever reason I don't quite understand, New Brunswick just backed out of doing this, but Alberta has moved ahead and they're seeing great revenues. I don't know if anyone has a comment.

D. BRAGG: I don't have a comment. More of a question I think. Is this something that Members of the Opposition would support, increasing the stumpage fees?

P. TRIMPER: To me, it needs to be explained.

D. BRAGG: Yeah, I know, but I'm just wondering. If we're going to bring it out here, let's see if there's support on the other side. If not, you and I will carry on the conversation. But if it is, I look forward to a conversation with Members opposite.

Just asking – Mr. Forsey?

P. FORSEY: (Inaudible.)

P. TRIMPER: I can send you links for –

D. BRAGG: (Inaudible) my question.

P. TRIMPER: I could take it offline. I'll send you links for the information so you'll see exactly what's happening. We could go further. Perhaps a side table meeting.

D. BRAGG: Yeah.

P. TRIMPER: It's a little complicated, but there's a golden opportunity for our revenues right there.

D. BRAGG: But if it's something that we all agree with, I'd be more than willing that we all sit down after this and have a conversation about it.

P. TRIMPER: Perfect.

The next item I'd like to bring up, Minister – I can think of no better place to start. In terms of

the issues of the Red Wine caribou herd right now, I think it's at 28 animals. We may not have much of anything left to count at all south of where I live in Southern Labrador.

I think what we need to do is reconvene. Let's get the band back together. Let's get the Labrador Woodland Caribou Recovery Team back in action. You, Sir, can do that. There's lots of expertise available, both within your department, in retired people and others, including myself, who have published on caribou. We need to get back in. Let's figure this out.

I will also table here today, I have been speaking with different key players, including the Innu Nation in Labrador. There could be a good role that they could play in helping us in terms of what's going on across our border. I just want to put that on the table. That would be one of the best things you could do today walking out of this room, would be to get that back.

D. BRAGG: Thank you.

That is something that is on our radar. As everybody would know, earlier this year we dealt with illegal hunting of the caribou in the southern part of Labrador. I actually went out and had a conversation with one of the Indigenous leaders in the province and said: Would you mind accompanying me? We can have a conversation.

I truly feel, in this situation, for me to come in as the minister and not be overly understanding of the cultural needs and all that and the historical value, I need to bring in people of professional opinions and well respected – anything that we can do. We know the caribou is endangered and I dare to say that it is a crisis where they are.

At one point, one herd was over 700,000 – would that be right – and now they're down to less than 25,000. Anybody who doesn't see that as a problem – if we think seals are a problem, the loss of caribou is just as big a problem for Labrador.

P. TRIMPER: Thank you.

In my career, I've counted sometimes as many as 10,000 to 20,000 caribou an hour. I've seen it. It's shocking.

We had a little chat yesterday; I did miss your VOCM interview. It would be great to see if the department would issue a press release on your review of the *Animal Health and Protection Act*. It was wonderful news. There are a lot of happy people in Labrador today in the SPCA, I can tell you.

We'll follow up with a letter; I'll encourage them to send you a letter on making sure that is a full and comprehensive review of the act. You said as much yesterday and I saw it in your interview.

D. BRAGG: Yeah, it's long overdue.

P. TRIMPER: Perfect.

I just want to put a note out there about enforcement officers and, again, back on caribou. I'm sure there were decisions around the Cabinet table about this. There was a lot of frustration in Labrador, and I would suggest northeastern Quebec, to see wildlife enforcement officers tasked with COVID-19 protocols at the Blanc-Sablon-L'Anse au Clair border. We had people who could have really helped us on the land with caribou issues, which are what they are trained for, over asking people about COVID-19. I get the priority but they had very urgent issues to deal with as well and it's just very frustrating.

D. BRAGG: MHA Trimper, if I could on that – I saw some footage of where our officers went in to the active hunt site this year. The scene, some of the pictures out of that were very disturbing. To see that there were helicopters with our enforcement officers in them – you have to keep in mind this is a civilian pilot who is trying to land and there is someone there with a big tarp that is 30 by 40 waving it. Then a Ski-Doo goes by and someone shows the rifle in their arms. We will never sacrifice a life for a caribou, let's be fair.

P. TRIMPER: I completely agree.

D. BRAGG: We will never do it.

P. TRIMPER: I was in the same spot as you five years ago and I wouldn't do it either. However, all the evidence gathering that can happen afterwards and so on –

D. BRAGG: Exactly.

P. TRIMPER: – and all of that intel, absolutely, the discussion needs to go on in a boardroom, not out there with angry hunters.

We may run out of time, so I also wanted – I know I have a forestry one. I did speak to Mr. Balsom a while ago and I just wondered if the department could give us an update. We have this interesting project going on with JP Forestry. A lot of local people in Upper Lake Melville are trying to see now that the roads are rehabilitated can we get in to provide domestic firewood use.

I think you saw a potential solution there. I just wondered if you had an update for that. There are hundreds and hundreds of thousands of cubic metres of wood that otherwise would not have an opportunity to be used.

D. BRAGG: That wood was made available some time ago, I understand, to coastal communities, to move up the coast. Was there a barge or something dispatched?

T. KING: There are a couple of different –

D. BRAGG: Okay, I'm going to let the deputy minister answer this question.

T. KING: (Inaudible) to Stephen.

D. BRAGG: Okay, I'm going to turn it over to Stephen.

T. KING: But there are a couple of different levels (inaudible).

S. BALSOM: Yes, we've had a few past successful projects to utilize some of that timber, barging it to Black Tickle and also providing it to some of the communities, as you're probably aware, MHA Trimper, in the Goose Bay area and the North West River area.

We have spoken with the company that is looking to utilize Muskrat Falls timber and are

confident that we can find a solution to ensure that there remains an opportunity for firewood and domestic cutting from the Muskrat Falls salvaged timber. We also will keep in mind that in the five-year management plan up there, domestic harvesting blocks have been allocated outside of any commercial – also commercial – harvesting to provide domestic harvest opportunities.

I am aware that there is a request to access firewood centrally in one of the Muskrat Falls pits. We'll certainly work with the people of the region to make that happen.

P. TRIMPER: That's great. Thank you very much, Mr. Balsom.

Most of the requests come from folks who are getting up in age and it's a lot more difficult to get on a snow machine and a komatik and get that wood out, so they're appreciative of an opportunity to do that.

I may not get another chance to speak. Looking over in agriculture, if it's okay, Mr. Chair, I look forward to hopefully in the questions – a lot of the commentary I get from the agricultural folks in Upper Lake Melville is a lot of emphasis on start-ups and attracting new farmers. Oftentimes I'm asked what about the existing farmers?

There are plenty of programs there too, but I just wanted to put that on the table just in terms of some of those financial incentives.

Good programs have occurred. I'm not completely saying that the department is doing nothing at all; in fact, I see them doing a lot. But I just think in some of your communications you could actually also be emphasizing supporting of existing farmers.

D. BRAGG: I know from the letters I've signed since I've been in this portfolio that we do support active farms, not only upstarts but existing ones. Some have been there for almost the beginning of time.

What I would say is if you're aware of anybody in your area on the Labrador portion of the province or the Island portion of the province that's not availing of this I would encourage them to get their proposal in to the department for evaluation.

CHAIR: Thank you.

I remind the Member that his speaking time has expired.

3.1.01 to 3.3.02, MHA Forsey.

P. FORSEY: Two quick questions. Forestry: I'm just wondering if the department has been in touch with any contacts with regard to any industry in the Central Newfoundland area, say 10, 11 and 12?

D. BRAGG: Relating to ...?

P. FORSEY: There was one company, actually – or one business plan – of making aspenite, OSBs, that sort of stuff. Have you been in contact?

D. BRAGG: I haven't seen anything since I've been here. Stephen has been here a lot longer than me so I'm going to defer the question over to him.

S. BALSOM: Yes, I understand that there have been numerous interested commercial operators looking. We have established operators that have been looking for increases in allocations; we also have some new entrants that are looking to enter the market. We direct them through the district application process, which involves a small business plan application that they would submit for consideration.

We are also working on the Central Newfoundland wood supply itself to get a better understanding of the sustainable volumes that we have in those districts to ensure that we not only can sustainably support the traditional operators that have businesses built around the volumes there, but also to get an understanding of if there are additional opportunities to look at new entrants or increases to the current operators that are looking to expand their businesses.

We are giving the Central Newfoundland or Zone 5, Districts 10, 11, 12 and 13, a considerable amount of analysis because of the interest and recognition that it's traditionally been a centralized wood basket for the Island. It is getting a lot of attention from our section.

P. FORSEY: Thank you for that, Mr. Balsom.

I know you're familiar with the area and I'm getting a lot of feedback on that as well. Like you mentioned, we've been known as the fibre basket. There is 280,000 cubic metres unlocked from Abitibi permits. That's still going outside of Central Newfoundland. The thing is that people see this. They really do. It's just something that I'd like to – and I'm sure discussion will be a thing.

When they see those trucks barrelling down the highway with all of their timber going to Corner Brook or out to Bonavista, those places – down in Summerford, all those places. When they see those timbers going out of our area with well-needed jobs – now, I know that is producing jobs, really. But what you have are harvesters – one harvester is probably there on a machine that does the job of 20; you have one truck driver. That's only creating a couple of job for a massive amount of area. If we can get some end product in the Central Newfoundland area, I think that's where we are headed.

D. BRAGG: You have Cottle's Island. That is fairly central.

(Inaudible) lumber.

P. FORSEY: Yeah, I know Cottle's Island is there – I know that. But the thing is, Minister, it's like seeing your fish plants – again, we'll go back to that – all your resources going out of the water and your fish plant being not occupied, you know what I mean? You see it in your area.

D. BRAGG: Yeah.

P. FORSEY: So when you see all the fish – that's our fish – in Central Newfoundland being taken away and nothing produced there, that's what hurts.

D. BRAGG: What I would say to that, MHA Forsey, is if someone could come forward with a proposal of something that can be substantiated and sustainable in Central, we would be more than willing to look at that.

P. FORSEY: I reached out to you a couple of weeks ago –

D. BRAGG: I'm not so sure; I know one came from a while ago, just chipping up some fibre

and sending it off outside. I'm not sure if that's what you were referring to or not.

P. FORSEY: No, that's not the one. I did reach out to you; I didn't get a response back, actually. But I did want to talk to you on that, so maybe if me and you can get a few minutes –

D. BRAGG: Not a problem.

P. FORSEY: – we can sit down and talk about that.

D. BRAGG: But if you can bring a proposal, I'd really look forward to discussing it with you.

P. FORSEY: All right. Great.

D. BRAGG: We can all talk about what if we had it, but we need something substantial.

P. FORSEY: I hear you.

Anyway, where did I lose track that time? We're gone to –

AN HON. MEMBER: (Inaudible) copious amounts of fish in Central Newfoundland.

D. BRAGG: We do.

P. FORSEY: I told you I am going to get my fish plant on the Exploits River.

Anyway, wildlife, the camps, the outfitters – were there extra licences provided to the outfitters for this year? I know during COVID (inaudible).

D. BRAGG: What do mean, did we roll over last year's licences?

P. FORSEY: Yes, did you roll over last year?

D. BRAGG: No. There may be a small percentage, but we didn't double it up. There was a forest management plan that goes with that and a science behind it. So if they had, I'll say, 500 licences last year, they don't have 1,000 this year.

P. FORSEY: Yeah, okay, that's fair.

D. BRAGG: We had a conversation with them. There may be some variance, but there's no double.

OFFICIAL: No, it's not doubled, but we did do a portion of rollover.

D. BRAGG: Yes.

P. FORSEY: You did do a portion?

D. BRAGG: Yeah, we did do a portion.

P. FORSEY: Okay.

OFFICIAL: Twenty-five per cent.

D. BRAGG: Okay, so it was 25 per cent I'm being told that we did do.

P. FORSEY: Okay.

D. BRAGG: But I wouldn't want the illusion there that we rolled it completely over. We did not.

P. FORSEY: All right, fair.

Okay, I'm done with that section.

CHAIR: Thank you.

MHA Dinn.

J. DINN: Thank you.

A quick question on 3.3.02: Why were so few federal revenues collected last year, and what's their source?

D. BRAGG: Stephen, have you got that one?

T. KING: So the variance here is due to federal revenue were received after year-end, so it'll show up next year rather than this year.

J. DINN: Thank you.

That's it for that section.

CHAIR: Is the Committee ready for the question?

Shall 3.1.01 to 3.3.02 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.3.02 carried.

CHAIR: Can the Clerk call the next subhead, please?

CLERK: 4.1.01 to 4.5.01 inclusive.

CHAIR: 4.1.01 to 4.5.01 inclusive.

MHA Forsey.

P. FORSEY: I'll start with a few questions on this one because I think the time will be pretty well up. So I think I'll just go on into questions on some of it.

Age-old question – let's go with the big one.

D. BRAGG: Oh, it's getting better. It's getting better.

P. FORSEY: Let's go with the big one.

D. BRAGG: (Inaudible) getting better than that.

P. FORSEY: The 90-day standard certainly didn't work with regard to – one of the previous ministers brought in the 90-day standard for approvals of Crown lands. We're hearing two to five years. Why is there this kind of hang up?

D. BRAGG: So the 90-day standard is 90 business days, not 90 calendar days. It's 90 business days. Lots of times it's referrals. People will say, well, I haven't heard talk of the referral; where is it? We're going to try and streamline that as best we can, but never, never take it for granted that it's always the department's fault. There's more often than not that we would go back to an applicant and say you didn't provide us with adequate information, could you give us more information, and sometimes it stalls there.

That has happened in so many cases. Since I've been an MHA dealing with Crown lands has become – I used to say to the regional manager, Rodger Primmer, this is my Friday question. I used to leave them all until Fridays. It wasn't always the same people that went through.

I don't really have a feel for the ones who don't call because I have no idea, but I know I have some, I guess, repeat callers. Lots of times I will go back – I learned this a long time working with the town. A lot of time people don't give you the information you need. So without everybody doing their due diligence – but we're going to work on it. We're going to work with Digital Government, we're look at doing ways to make it hopefully more easily to access it and know where you're to and the referral system, we're going to look at that. I met with the Premier this morning; he sort of basically put my feet to the fire and said keep on Crown lands.

I'm going to give it to Keith. What Keith has done in that department has been outstanding. You guys are never going to come here with the good stories; it's always going to be that horror story that we get. But lots of times there are so many different things that tie it up. I'm trying to (inaudible).

P. FORSEY: I see you.

Speaking of Keith actually, I'd like to thank Keith for what he did for me. You gave me an answer last night, actually. For what you did to move that project along, thank you very, very much. Certainly well outstood the 90-day thing.

Another one, as far as Crown lands, where was an application gone in for Peterview for the Wigwam Point program. The Sple'tk First Nations didn't hold up to the end of the bargain with regard to the activity on the land within five years. Has there been another decision? Has that gone back for revisal?

D. BRAGG: MHA Forsey, I would just ask: Let's take this outside of Hansard and bring it into our office so that you and I and Keith can have a conversation about that. There may be some details we don't want – not that we don't want. Not that we're hiding from anything. You know some of the sensitivities there as well as

what I do. Let's bring that outside of this venue, if you don't mind.

Keith and I will certainly set up a Zoom call and talk to you about that.

P. FORSEY: We'll go through those couple of issues and do it all at the one time, how's that?

D. BRAGG: No problem.

P. FORSEY: I will look forward to your Zoom – you set it up and we'll get it done.

D. BRAGG: We'll set it up. When it comes to Keith, I have full confidence in this gentleman.

P. FORSEY: All right. Okay, perfect, thank you.

We'll move on a bit more. Agriculture: \$2.75 million this year –

D. BRAGG: Which heading are you on?

P. FORSEY: – was granted to the agriculture area. And it is great to see it. It is, really great. Most of that went to the potato farms in Glenwood and west. Is there a recovery program on that or is that just \$2.75 million grants – there is no recovery plan on it?

D. BRAGG: Because I don't know which line number you are at, I'm going to refer it over to Keith.

P. FORSEY: Okay.

K. DEERING: Thank you.

You are correct, MHA Forsey; we did allocate \$2.75 million last year under the economic recovery initiatives. It was dual purpose; it was both for land development as well as road construction to access new land. The areas that we had selected were probably some of the best opportunities we have in this province currently for potato production.

We had developed, with miraculous timelines, over 500 acres in Junction Brook, an additional 100 acres in Deadwater Brook, as well as – it didn't cost us much money to develop this particular piece – the former seed potato facility

in Glenwood. We have basically relocated that operation – the seed potato production – to Wooddale.

This was a one-time infusion, an investment of cash, in land development and road construction. In fact, all three of those parcels that I just mentioned are well underway to production as we speak. The Glenwood facility, we expect, will be in full production this year. There are already 100 acres planted in Junction Brook. The land base in Deadwater Brook, we managed to allocate one of those properties. The proponents are doing a little bit more enhancement of that land – spreading limestone and stuff like that. As we speak, there is an expression of interest advertised on our website for the unallocated block at Deadwater Brook.

We do expect that this will result in a substantial increase in the local potatoes that you'll see on store shelves this fall. Certainly, by this time next year, we do expect to see all of it in full production.

P. FORSEY: Those farms – you did grant the \$2.75 million for potatoes. Will they be able to expand into other crops as well?

K. DEERING: Yes. The way potato production works, it's actually grown in rotation. One way to limit the heavy use of pesticides that you normally see in potato production, we like to utilize rotational methods in this province in order to control that. Suffice to say, it won't be 100 per cent potato production in all the acres I just described forever. Next year, what's potato production this year might be soybean production the year after that and so on.

So, yes, absolutely, we fully expect that there will be more than potatoes grown on this land base. But the primary value of the land that we've selected will be to maximize potato production.

P. FORSEY: Okay.

I get the point there, but when you have experienced farmers out there that know how to grow potatoes, basically, and know where to go and you're giving \$2.75 million to somebody to move in and now they're able to expand into other crops that the experienced farmers are

already doing, I think that leaves the question: What are you doing for the experienced farmers in order to expand their crops?

D. BRAGG: This leads toward food sustainability. If you talk about experienced farmers, the actual ones that I actually turn over the key with outside of Deer Lake – Junction Brook – were people experienced in the farming industry. They're experienced farmers. There was one new entrant; there were two experienced farmers that took over those three fields. These are new fields to enhance and give us some food sustainability.

Our ambition is to meet the 20 per cent goal. We will exceed that in production of potatoes. As Keith said, you look at this field and you look at one-third of it for potatoes, because every three years you would rotate the crops. So you would have two other crops, hopefully, and you would get, I think it was, 35 million pounds of potatoes as a potential to come off these fields. That is going to get us towards food sustainability. I encourage everybody, then, to buy local potatoes as much as you can.

P. FORSEY: My sentiments exactly, Minister. I hope everybody buys every vegetable that they can from this province. I really do.

Saying that, will those potatoes be competitive to the price of the PEI potato market?

D. BRAGG: One would hope they would be. It comes to a volume that you grow so many you can be competitive. I grow about 15 to 20 buckets of potato. If I had to sell them to you for what they were worth you and me would need to go out and do a collection, because it costs a fortune. When it comes to a certain volume, it gets to the point that the cost would be competitive.

Keep in mind, we always pay a little bit extra when we know it's grown right next. I mean, if you guys would drive past Gambo turnoff, you would see on Joey's Lookout there's always a farmer sat up there. People stop constantly to buy local. You buy a bag of potatoes – I've never looked at the price, to be honest. I've looked at what I'm doing and what I'm supporting. Let's hope that this province and the people – and we've been known to do this. We

support our own. We've done it through COVID and we'll do it with potatoes.

CHAIR: Thank you.

MHA Dinn, 4.1.01 to 4.5.01 inclusive.

J. DINN: Thank you, Mr. Chair.

Under 4.2.01, government has made it a priority to expand agricultural production. I think we have had some discussion on that as part of its broader goal of improving food security. Have there been any new initiatives funded here with that specific goal in mind? I think the potato is one.

D. BRAGG: The potato is the biggest one.

J. DINN: The biggest one.

Would there be other initiatives under other headings that would be here?

D. BRAGG: I will refer this to Keith.

K. DEERING: I guess there are substantial things happening under this particular subhead as well. In addition to all of the innovative research that we are doing to enhance productivity of land, one of the other things, I think, that is worth highlighting here is our Transplant Program. We started the Transplant Program at Wooddale as a pilot. Initially, in its first year, we grew 225,000 transplants. The following year we grew two million. Last year we grew three million. This year we are in the process – this week and next week, hopefully – of finalizing shipments of four million vegetable transplants.

That has been a game changer for the agriculture sector. I notice MHA Trimper applauding this. In fact, we are on their way back now from delivering a load to Goose Bay this week. Farmers have told us that it has literally been a game changer for them. That has had substantial costs associated with it in terms of cost of production and so we hope at some point that farmers will see enough value in this.

I should say that initially our intent was to educate famers about alternative crops, things like kohlrabi and broccoli and things like that

they hadn't concentrated on before. Our asparagus transplants have been a huge success. These are things that were never grown in this province before. Now farmers are marketing it to some of the larger retail stores in the province.

Hopefully, we are growing four million this year. I can't predict what next year might bring, but suffice to say, we anticipate and expect that farmers will develop their own greenhouse capacity, learn the value of what planting advanced stage transplants in the ground has meant to their bottom line and will get into growing transplants themselves.

J. DINN: Thank you.

And this a program, then, is open to any farmer who wishes to avail of it or is it a – because, obviously, it is increased, which is remarkable.

D. BRAGG: This is open (inaudible).

J. DINN: I'm sorry?

D. BRAGG: It's open to anybody who's running a farm.

J. DINN: Excellent.

D. BRAGG: I'll pass it over to Keith.

K. DEERING: The only thing we're limited on is the numbers of transplants that we can produce. In fact have had to curtail requests that have come in from some individuals but we accept all applications from any commercial producer when it comes to transplants.

J. DINN: Perfect.

Excellent I'm encouraged by the asparagus. Some recent research suggests that it's actually beneficial to the liver and counteracting the effects of a hangover – just putting that out there. Not that I would know.

D. BRAGG: You're asking for some plants?

J. DINN: We can support –

D. BRAGG: It's a good news story.

J. DINN: It is a good news story for craft brewers and farmers, too.

D. BRAGG: That's right.

J. DINN: Do we have an update on how the regional abattoir and beef industry initiative is progressing? Will we expect to see beef from this initiative on grocery store shelves?

D. BRAGG: I'm going to refer this one over to Keith.

K. DEERING: This year we would have invested \$2.5 million in beef enhancement. That included both new abattoir development as well as introduction of more genetically superior breeding stock in beef.

This started out as a research project a number of years ago. We would have supplied in three different years, I think, farmers with five Hereford or other genetically enhanced beef. It went to a commercialization stage this year.

We introduced 200 beef cattle to the province. We received proposals for these animals at various places throughout the province, placed them on farms and we are following up now to ensure that the animals are calving and having healthy calves. Ultimately, this is intended to produce a very big jumpstart to the province's beef industry.

We also, as you know, advertised a request for proposals to build new slaughter capacity in the province. The proposals that we received were to establish brand new facilities in the communities of Hopeall and Botwood. Those facilities are under construction as we speak. As well, we received a proposal, which we supported to convert from provincial inspection to federal inspection on a farm and abattoir facility in Cormack.

That is a particularly exciting project that will allow this particular producer to market his products in larger retailers, like Sobeys and Dominion. Sobeys and Dominion don't necessarily require federal certification or inspection in order to market their products, but the equivalency of federal inspection in order for them to be comfortable with the products that they are marketing is what they're looking for.

J. DINN: Thank you.

K. DEERING: Once again, we hope that the level of sophistication that we see in the federal inspection facility will entice other producers to do the same thing so they can increase their market access into Sobeys and Dominion.

J. DINN: Thank you.

I'm going to jump to 4.2.01; actual expenditures on Professional Services came in under budget last year and this year. This year, the budget has been cut by about 80 per cent. What accounts for these variations?

D. BRAGG: Was it Purchased Services or Professional?

J. DINN: Professional.

D. BRAGG: Professional Services – I'm trying to follow along here now. I'm going to give you what I have. Variance due to less than anticipated professional service expenditures associated with land purchases during the year, such as land surveys and environmental study cost.

J. DINN: And the budget has been cut as a result of that or it won't be anticipated?

D. BRAGG: It probably reflects that we're rightsizing the budget.

J. DINN: Okay.

On to 4.2.03, Limestone Sales. We noticed that revenue was lower than expected last year. How many clients purchased limestone? How much is agricultural limestone subsidized right now?

K. DEERING: I'd have to provide you with a list of the details. We do have that information at our fingertips – I don't have it in front of me right now – in terms of the people who actually were given subsidy.

J. DINN: Perfect.

K. DEERING: You do see some variance here. Number one, we did expend the full budget. The reason why you don't see as much provincial revenue is that we actually used some of this

limestone, the excess that was left over at the end of the year, to put limestone on Junction Brook, the potato property east of Deer Lake. I will be able to provide, fairly quickly, the list of people who actually did receive subsidy last year.

J. DINN: Perfect.

Would sod farms be included in this? Would they be subsidized or is it basically for agricultural products, such as potatoes and that?

K. DEERING: What we found, particularly in the last couple of years, is that the appetite for limestone has substantially increased the more that we have increased our agriculture production footprint and the more new farmers we have entering the system. So our focus is on food.

Sod producers need limestone and they can get it, there's no question about that. But they're much heavier users of limestone than our food producers because the environment that they're growing in is much more acidic. So what we've committed to sod farmers is that if we happen to have a year whereby food producers don't utilize the full budget, then we will make it available to them at the subsidized rate. They can get limestone today as much as they could before at a non-subsidized rate.

J. DINN: No and I support that. I think the focus has to be on food production and food security.

In 4.3.02, Agriinsurance and Livestock Insurance, how many projects here are funded out of Grants and Subsidies? What kinds of projects were there? Actual spending is almost half of what was expected, so I'm just wondering what the Grants and Subsidies were.

K. DEERING: There are no actual projects here. The agriculture livestock and crop insurance is actually an insurance program whereby if farmers don't achieve the level of production they expected, either because of some weather peril or something of that nature, they can make a claim, provided they are subscribers to crop and livestock insurance.

The reason why the grants are down is because there were less claims and the government had to make less contributions to top it up.

J. DINN: Thank you.

CHAIR: Thank you.

4.1.01 to 4.5.01, MHA Forsey.

P. FORSEY: Just a couple of more questions on (inaudible) land – you mentioned drones there earlier. How much are drones being used with regard to mapping of Crown lands?

K. DEERING: To be honest, up this point not at all.

P. FORSEY: No? Okay.

K. DEERING: We have, as the minister mentioned, acquired a new fairly sophisticated drone within the department; it's actually in Chantelle's division. We have a couple of people trained to use it. We do expect this summer and into the fall to be able to use it across all divisions and branches within the department. Crown Lands is one place where we could certainly use it.

Give you an example: for surveying inspection. Typically on a large tract of land, we would be required to send a couple of people out, maybe for a few days, to walk transects. It's something that we could use a drone for, perhaps, in maybe a couple of hours. There are many, many uses of this type of technology in the work that we do.

P. FORSEY: Okay.

In the meantime, if you get into the drones on it, I'm sure it might be a bit of a complication there with regard to access to waters, that sort of stuff, where a drone doesn't see the actual growth where it's all grown in, the access to waters or trails that already exist to be there. How would you compensate for that?

D. BRAGG: You would have to do a visual inspection. Obviously, we would use a drone where we could use a drone. Where we can't use a drone, people would physically have to walk the site. It would make more sense than flying it in and not knowing what you're looking at.

P. FORSEY: Okay, 4.1.01 – I don't know, Jim, if you asked this one or not. I lost track of you.

J. DINN: (Inaudible.)

P. FORSEY: Professional Services, \$119,000 budgeted and \$8,000 revised.

D. BRAGG: So the variance is less than anticipated professional service requirements during the year, such as land surveys and appraisal services.

P. FORSEY: Okay.

4.2.01, Supplies: There was \$501,000 budgeted, versus \$1.3 million needed in the revised.

D. BRAGG: Which section was that again?

P. FORSEY: That was 4.2.01, Minister.

D. BRAGG: Okay, I was on the section behind. I'm sorry about that.

P. FORSEY: I know it's hard for you to catch up. I know.

D. BRAGG: So it's not under Salaries. You're going to have to give it to me again because I have to flip the page.

P. FORSEY: Supplies.

D. BRAGG: Supplies.

P. FORSEY: Under Salaries there, right down to Supplies there.

D. BRAGG: The variance is due to additional expenditures associated with the beef cattle abattoir development program, the Honeybee Development Program, the Wooddale equipment initiative and some departmental economic recovery initiatives. A lot of that would've been COVID-related money.

P. FORSEY: Okay.

Getting into the livestock part of it, if you raise your own livestock, raise your own animal, can it be butchered at your own – take it to a regular butcher to get it butchered, or does it have to go

to a slaughterhouse to be butchered? What are the stipulations on that?

D. BRAGG: I should let Keith answer this, but I'm going to answer what I do know of this. I did visit a site on the Burin Peninsula; there are Angus beef cows. They slaughter enough on site and get a butcher to cut it up for them.

The abattoir is not really available to them, but their sales have been local sales. It is almost like the vegetable stand on the corner. Keith mentioned earlier about getting into the Dominion, Sobeys and Costco. You would need the slaughterhouse for that.

There has been no substantial, mass amount of cows butchered in the province that meet that standard yet. We're growing that industry. If you go visit the Giovanninis, it is the best one, I can tell you. The best looking beef cows, they're like this high, 1,600 to 1,800 pounds. Barbecue waiting to happen, that's what I could see when I saw it for myself.

They haven't grown their crop big enough yet to make it more commercial. Point Leamington Farms comes to mind. You see the pickup going around with the little container in the back. There are a number of them around the province that does a smaller version of that.

Keith, have I dug my hole too deep and you can't get me out of it?

K. DEERING: I think that is a really good overview, Minister.

We do have, if my numbers are correct, about 27 abattoirs in the province. For the circumstances that you described, if you were growing an animal in your backyard and you wanted to have it slaughtered for your own consumption, any one of these facilities could do it. The provincial inspection system is voluntary. Inspectors from Digital Government and Service NL provide the inspection services. A pork operation in Point Leamington, one that you'll be very familiar with, utilizes provincial inspection to expand his own market access to the retailers that he sells to.

For somebody to slaughter an animal for their own consumption is not much different than

getting moose meat cut up. You can bring it to your local butcher, whoever that might be, and have that done.

P. FORSEY: Okay, good. That's the question. It seems to be people are getting tangled up. I've had a couple of questions on that: people raising their own animals and taking it to the moose butcher, we'll call him, and getting it done. Are they allowed to do it? You're saying yes?

K. DEERING: Yes, you can do that. Again, the inspection process is perhaps more about expanding market access opportunities. Dominion and Sobeys will not sell meat that comes from one of those abattoirs because they want to have comfort in the rigour of the inspection process that comes from federal inspection.

Costco actually has their own inspectors that take it a step further than Canadian Food Inspection Agency. They're even more rigorous. They routinely visit facilities. None in this province yet, incidentally. Costco's meat that they sell comes from other provinces. But, yes, the level of rigour of inspection is all about giving consumers the comfort that they need to know that the product is safe to eat.

P. FORSEY: Okay, thank you.

That's it for me on that section, Mr. Chair.

CHAIR: Thank you.

Mr. Dinn?

J. DINN: I have other questions, but I'd rather have a few questions on the next section, so I'm going to stop right here.

CHAIR: Okay, thank you.

If the Committee is ready for the question.

Shall 4.1.01 to 4.5.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.5.01 carried.

CHAIR: Can the Clerk call the final subheads, please?

CLERK: 5.1.01 to 5.2.02 inclusive.

CHAIR: 5.1.01 to 5.2.02 inclusive.

I will start with Mr. Dinn.

J. DINN: With me?

CHAIR: Mr. Dinn, yes.

J. DINN: Thank you. I wasn't expecting that. Caught me almost off guard.

I want to jump, possibly, to Enforcement if I can. I just want to get to that one first, 5.2.02.

What has been the total cost of the merger of conservation and forestry?

D. BRAGG: Totals of the merger? We have the total costs for the department for enforcement. I can tell you this much: We have one director, one chief enforcement, three regional managers, manager of corporation services and conservation officers, we have 90 and administrative support. Some of our conservation officers have been cross-trained over.

You're looking for actual dollar amount. I'm going to refer it to Chantelle or Philip. I'm not sure who would take the actual cost of that.

J. DINN: I'm not sure if there are new uniforms that had to be purchased, because there's also, I would assume – and I saw them last year out at the Rod and Gun Club doing firearms training. I'm just looking at the total cost of bringing people – I think it was – from forestry into the enforcement role.

D. BRAGG: Tracy.

T. KING: I mean, we can get you where we are year to date after this, but we're still in the final round of competition so the whole process isn't

concluded. I don't have a final cost for that because there's still more to come. We can provide after something to date if that's helpful or we can wait until we're done.

J. DINN: No, that's fine.

Is it possible to have an update on any work done with the Labrador Resource Enforcement division?

D. BRAGG: Chantelle.

C. MACDONALD NEWHOOK: I'll preface my comments by mentioning that I'm one month into this role, so please indulge me if I take a bit longer than my colleagues.

J. DINN: You're ahead of me.

C. MACDONALD NEWHOOK: With respect to Labrador, could you be a little bit more specific, please?

J. DINN: In previous years, I heard that the number of enforcement officers for the area was not adequate to meet the need. We've just heard, I think, my colleagues here with the PCs talking about the fact that officers had been taken and put on to COVID screening. I'm just looking at the complement and the necessary coverage and the resources there.

C. MACDONALD NEWHOOK: Okay.

We have 17 officers in Labrador – 17 positions for enforcement officers in Labrador. Five of those are in Lab City. Two are in Churchill Falls. Five are in stationed in Happy Valley-Goose Bay. One in Cartwright. Two stationed in Port Hope Simpson. And two in L'Anse au Loup.

We do have, at the moment, five vacancies of those 17 positions, but there are interviews ongoing for what we call phase two of the restructuring related to the Resource Enforcement Division.

J. DINN: I take it two of those officers in L'Anse au Loup are the two who regularly check my salmon licence when I'm on the river. Okay.

D. BRAGG: I'm going to ask them to step up enforcement.

J. DINN: I'd have to catch an awful lot more for you to worry about me. That's for sure. A moose licence in my hand is the best form of conservation you can have, that I can tell you. I'm keeping it out of the hands of a more qualified hunter.

The large jump in Salaries budget, is this the result of the merger?

D. BRAGG: 5.2.02?

J. DINN: Yes.

D. BRAGG: Yes.

J. DINN: Okay.

And what was the source of increased expenses last year in Supplies? Would that be to do with the side arms, things like that?

D. BRAGG: Firearm training as part of the enforcement, yes.

J. DINN: Okay.

And what was the source of the unforeseen expense on Professional Services?

D. BRAGG: PPE for COVID.

J. DINN: PPE.

D. BRAGG: And for the three snow machines.

J. DINN: Three snow machines? They weren't used on –

D. BRAGG: And two gas cans (inaudible).

OFFICIAL: Is that Professional Services?

J. DINN: Professional Services, yes.

D. BRAGG: Oh, Professional Services. Yes, but that –

J. DINN: And \$19,900.

D. BRAGG: (Inaudible) firearms, right?

OFFICIAL: (Inaudible.)

D. BRAGG: Right.

J. DINN: Perfect.

And spending on Purchased Services came in far under budget last year, yet we haven't changed the budgeted figure for this year. Why is that?

D. BRAGG: Because we're hoping to spend the same thing as we did the previous year. It wouldn't be right to just rightsize it because we were affected by COVID.

J. DINN: Excellent.

What accounts for the drastic jump in actual spending on Property, Furnishings and Equipment?

D. BRAGG: All right, so I jumped ahead two questions too fast for you. We had three snow machines purchased last year, and PPE.

J. DINN: Okay.

I had certainly talked about the use of drone – and I'm going to bring this up again here – technology in terms of enforcement use here and monitoring rivers and so on and so forth, especially where stealth sometimes is actually important.

I have attended a number of workshops where I listened to some of the conservation officers, and I have to give them credit: They're a dedicated bunch when they stake out a salmon net and so on and so forth – people are netting rivers. I understand some conservation officers actually might use their own drones, sometimes, just to get a view of the river. I'm just wondering: Has there been any consideration here to using drone technology in surveillance and enforcement?

D. BRAGG: I think it's something we can look forward to as technology goes by. It has to be the ability as well. Me, I wouldn't be able to fly a drone, I don't think.

J. DINN: Not me.

D. BRAGG: But my daughter, no doubt, could take it and fly circles around me.

As we evolve and go through, anything that can help with enforcement, we'll look forward to it.

We have one right now which is very high-tech. I think we could probably buy an off-the-shelf one with the video (inaudible). But it would have to be an officer who would have the training for that. You may observe it, but I'm not so sure that the drone would hand down the ticket, sort of thing. Do you know what I mean? But it certainly would see what illegal activity is happening upstream or downstream.

J. DINN: Right, and if someone has a net there or if someone is actually – any of those things. Sometimes, it may not even be looking at laying charges, but a matter of educating some people. Even, just say, seeing a drone flying overhead might keep some of us a little bit more honest. I'm thinking about people who are netting rivers, too.

D. BRAGG: Yes. And drones, as we all know, there are certain areas you cannot fly a drone.

J. DINN: Yes.

D. BRAGG: Close to an airport, you have to be very careful, and privacy reasons, you have to be careful going over residential or something like that. You would never want to be caught thinking you're spying on someone in their backyard having a suntan when you're an enforcement officer. That's the last thing you would want. The body camera comes to my mind, how quick that gets in the news.

It's not the quick and easy on the drone, although we've become aware that people are using drones for moose hunting. If they can use a drone for moose hunting, we can use a drone, I'm thinking, to catch somebody who's illegally moose hunting.

J. DINN: No, I agree.

Vehicle replacement, especially now with the extra people that have come over. I understand that a lot of vehicles are certainly in need of repair and there's probably not enough now to

accommodate the extra people who are coming in.

What are the plans for vehicle replacement with ones that are more roadworthy and probably less expensive to repair?

D. BRAGG: From my past portfolio in TI, TI would maintain our fleet and they would administer out so many fleet to us. We reprofiled some money in TI last year to put some new fleet into it. We have a lot of older vehicles. You have to appreciate, most of these vehicles, there's an individual by themselves down an old dirt road, down a cabin road, down in a wilderness area. We need decent vehicles for those people to be in. Earlier, someone talked about the little device they wear so we can track them. We need good equipment.

For us to replace our full fleet, I don't think that's possible. We need a good plan and we're going to work with TI to make sure and encourage it.

I use it this way: If you drove to work every day in – how can I say this – a piece of crap, you would kick it to the curb, basically. You need people to be able to go in something that they're safe in on the road. I'm on the highway every week twice a week, in and out.

And you're looking at your time, because it looks like you have one more question.

J. DINN: Yeah, I have one quick question.

D. BRAGG: I'm going to let you go. Safe vehicles are a top priority for us, and to maintain our fleet will be a top priority.

J. DINN: And this is related to that: What about the possibility of purchasing electric bikes for conservation officers?

Often, if they're using an ATV – I understand some officers will actually use bicycles – there is a silence aspect. If you're driving an ATV down a road, anyone who's got a net in the river is going to be hearing that thing coming quite a ways, but an electric bike is silent, allows for greater coverage, but it's also a practical way of allowing conservation officers to do their job.

D. BRAGG: Sounds like a great idea. Sounds a little Panasonic at the time, but let's get to it. We're going to get there with electric vehicles. The Member who just left is a strong supporter of electric vehicles, and as the future progresses, we'll be there.

J. DINN: Stealth mode, Sir, stealth mode.

Thank you. That's it for me.

CHAIR: Thank you.

5.1.01 to 5.2.02, MHA Forsey.

P. FORSEY: No further questions, Your Honour.

CHAIR: No further questions?

D. BRAGG: Let the defence rest.

CHAIR: Thank you very much.

Is the Committee ready for the question?

Shall 5.1.01 to 5.2.02 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 5.1.01 through 5.2.02 carried.

CLERK: Total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Department of Fisheries, Forestry and Agriculture, total heads, carried.

CHAIR: Shall I report the Estimates of the Department of Fisheries, Forestry and Agriculture carried?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: Before we adjourn, if you'd just take a half a minute each – MHA Parody, go to MHA Forsey and MHA Dinn, just for a minute.

I'm recognizing MHA Parody, please.

C. PARDY: Thank you very much, Minister.

To the staff: Great job. I often think one of the biggest discoveries I had when I came into this position – I've been here two years now – is the quality of the staff that we have. We hear it in the House many times being stated by ministers, but when you see it in Estimates first-hand that they're very knowledgeable, we're in good hands. So congratulations and keep up the good work.

CHAIR: Thank you.

MHA Forsey.

P. FORSEY: Again, I basically echo the same sentiments, but I would like to thank the department. I am the lands critic for the Opposition; you've been good at getting back to me. I do get replies. Sometimes probably not the answer I want, but I certainly do get replies. The department, I must say, has been very co-operative with me.

I look forward to having that meeting, Minister, myself and Mr. Deering there. Certainly, as soon as we can set it up would be great.

CHAIR: Thank you.

MHA Dinn.

J. DINN: Thank you.

I've been in enough positions, I think, as a teacher and as the president of the Teachers' Association, to know that you're only as good, in many cases, as the people you have behind you and the expertise. I don't have all the answers, so certainly thank you for the dedication.

Thank you for coming in here, for those from other parts of the province and being stuck in here on a beautiful sunny day; you could be elsewhere. Thank you very much.

CHAIR: I'll leave it to you, Minister, to close it up.

D. BRAGG: Thank you, Mr. Chair.

I'd like to thank my staff. I'd like to think I probably have the best staff and the best department that anybody could ever do Estimates with, because we have good news in this department. We're growing things; we're growing it to its full potential. Not only are we growing it, we're harvesting it and we're feeding the people of the province.

I don't think you could ever stand behind a better department. We don't deal with potholes; we deal with – whatever it is, we can grow it. If you can envision it, we can grow it. The potential in this province of where we've come over the years is amazing, and it's thanks to the people that sit around and behind me that are helping to make this possible.

If it's all right for you guys, I'd like to give these guys a round of applause so they can (inaudible).

(Applause.)

CHAIR: Thank you, Minister.

I'll just do final remarks. Certainly, I want to express my appreciation to the department as well. A job well done on the Estimates this morning.

Thank you to the Committee for some great questions and getting us out on time. I thank the Clerk for keeping us on time.

I will remind everybody that the next meeting of this Committee is Tuesday, June 8, at 9 a.m. where we will be considering the Estimates of the Department of Immigration, Population Growth and Skills.

I would look for a mover for adjournment.

C. PARDY: So moved.

CHAIR: MHA Pardy.

Thank you.

On motion, the Committee adjourned.