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**Proceedings of the Standing Committee on
Government Services**

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Department of Transportation and Infrastructure
Public Procurement Agency

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Honourable Derek Bennett, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Transportation and Infrastructure and Public Procurement Agency

Chair: Paul Pike, MHA

Vice-Chair: Loyola O'Driscoll, MHA

Members: Jordan Brown, MHA
Lela Evans, MHA
Scott Reid, MHA
Lucy Stoyles, MHA
Brian Warr, MHA

Clerk of the Committee: Sandra Barnes

Appearing:

Public Procurement Agency

Hon. Elvis Loveless, MHA, Minister
Heather Tizzard, Chief Procurement Officer

Department of Transportation and Infrastructure

Hon. Elvis Loveless, MHA, Minister
John Baker, Assistant Deputy Minister, Marine and Air Services
Greg Butler, Budget Manager
Greg Clarke, Assistant Deputy Minister, Infrastructure
Joe Dunford, Assistant Deputy Minister, Operations
Tracy English, Assistant Deputy Minister, Strategic Corporate Services
Cory Grandy, Deputy Minister
Patrick Morrissey, Departmental Controller
Brian Scott, Director of Communications

Also Present

Hon. John Abbott, MHA, Minister of Children, Seniors and Social Development
Hon. Gerry Byrne, MHA, Minister of Immigration, Population Growth and Skills
Hon. Andrew Parsons, MHA, Minister of Industry, Energy and Technology
Barry Petten, MHA
Perry Trimper, MHA
Tony Wakeham, MHA
Adam Coombs, Researcher, Third Party
Darrell Hynes, Director of Legislation and Policy Affairs, Official Opposition
Carlson Young, Researcher, Official Opposition

Pursuant to Standing Order 68, Andrew Parsons, MHA for Burgeo - La Poile, substitutes for Scott Reid, MHA for St. George's - Humber.

Pursuant to Standing Order 68, Barry Petten, MHA for Conception Bay South, substitutes for Loyola O'Driscoll, MHA for Ferryland.

Pursuant to Standing Order 68, John Abbott, MHA for St. John's East - Quidi Vidi, substitutes for Brian Warr, MHA for Baie Verte - Green Bay.

Pursuant to Standing Order 68, Tony Wakeham, MHA for Stephenville - Port au Port, substitutes for Lela Evans, MHA for Torngat Mountains.

The Committee met at 6:02 p.m. in the Assembly Chamber.

CLERK (Barnes): Good evening, everyone. I'm Sandra Barnes. I'm the Clerk of the House.

The Chair of the Government Services Committee was elected on a temporary basis at its first meeting on Friday. Before we get down to the examination of the Estimates, we need to elect a Chair. I call for nominations.

Minister Parsons.

A. PARSONS: I nominate the Member for Burin - Grand Bank.

CHAIR: Okay. Are there any other nominations?

I declare the Member for Burin - Grand Bank Chair.

Could you please assume the Speaker's Chair.

CHAIR (Pike): This is nice.

Good evening, everyone. You'll have to put up with me. I said to the Clerk earlier that this would be my first time and she said: Well, you haven't been here before. And I said: Well, I certainly have. She said: You didn't pay attention. I said no. And she said: And you were a teacher.

Anyway, I guess the first order of business then will be the election of a Vice-Chair.

T. WAKEHAM: I would like to nominate Loyola O'Driscoll, the Member for Ferryland.

CHAIR: Okay.

Any other nominations?

If not, nominations cease, and congratulations, by the way, to the Vice-Chair.

SOME HON. MEMBERS: Hear, hear!

CHAIR: I know we'll work well together and you'll be certainly helping me out, as best you can.

First, we have recurring business. We have substitutions. Committee Member Reid; substitute, Andrew Parsons. Mount Pearl North, Stoyles; substitute, Gerry Byrne.

Stoyles is here.

G. BYRNE: I'm here.

CHAIR: And you're there.

G. BYRNE: No one told me I was going to be substituting.

CLERK: You can sit in anyway.

CHAIR: Brian Warr; substitute, John Abbott. Torngat Mountains, Evans; substitute Port au Port, Wakeham; and Labrador West, Brown. All good?

CLERK: (Inaudible.)

CHAIR: Ferryland, O'Driscoll; we have Conception Bay South, Barry Petten.

Administrative matters. Are there any administrative matters?

CLERK: You need to confirm the arrangement for the independent Member to participate.

CHAIR: Perry, just to say that you get, as independent, you get 10 minutes on Procurement and 20 minutes on Department of Transportation.

B. PETTEN: That's not what we agreed to. It's 10, 20 total. There's only one heading.

CLERK: No, there are two heads of expenditure.

B. PETTEN: Two heads of expenditure tonight?

CLERK: Yes.

CHAIR: Perry, I'll put it back to you. Would 10 be fine for Procurement and 20 be fine for Transportation or would you rather 20 and 20?

B. PETTEN: It's 10, 10 – 20 total.

CHAIR: Is 10 and 10 okay, Perry?

P. TRIMPER: To be honest with you, I'd rather have the 20 in Transportation and Infrastructure.

CHAIR: I don't think it works that way. We'll give you 10 and 10, if that's what was agreed with.

CLERK: If the Committee is okay with it, it is okay.

P. TRIMPER: (Inaudible.)

CHAIR: Okay. So you won't talk on Procurement, just Infrastructure?

P. TRIMPER: (Inaudible.)

CHAIR: Is that okay with everyone?

All right, that's what we'll do.

This didn't happen the last time I was here.

We have the minutes of June 4, 2021, Department of Finance, Public Service Commission. Can we get a mover and a seconder for that? Mover and a seconder for the minutes, please.

Okay, Clerk, you have the mover.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, minutes adopted as circulated.

CHAIR: Our new business: We are going to start with Public Procurement. We are just going to do Public Procurement first and it's item 1.1.01.

CLERK: Public Procurement Agency, 1.1.01.

CHAIR: I would like to have the Committee first to introduce themselves.

We will start over here.

G. BYRNE: Apparently, I'm not on the Committee, so –

CLERK: Yes, no, you're substituting.

CHAIR: You're a substitute tonight.

T. WAKEHAM: But Lucy is here. Who is he substituting for?

CLERK: (Inaudible) substitute. You're a Committee Member.

CHAIR: No, he's talking about – Lucy's here, see?

T. WAKEHAM: Tony Wakeham, MHA, Stephenville - Port au Port.

CLERK: Okay.

C. YOUNG: Carlson Young, political staff.

B. PETTEN: Barry Petten, MHA, Conception Bay South.

J. BROWN: Jordan Brown, MHA for Labrador West.

A. COOMBS: Adam Coombs, Political Staff.

L. STOYLES: Lucy Stoyles, Mount Pearl North.

A. PARSONS: Andrew Parsons, Burgeo - La Poile.

J. ABBOTT: John Abbott, St. John's East - Quidi Vidi.

G. BYRNE: If I may, Mr. Chair, on point of order. I believe that we read into the record those who are replacing the Member for – what's your district, Ms. Stoyles?

B. PETTEN: Mount Pearl North.

G. BYRNE: The Member for Mount Pearl North has been read in as present. I don't think that the Member can be read in as a Member of the Committee.

CLERK: (Inaudible.)

CHAIR: Okay, Minister Loveless, if you'd like to introduce your staff.

E. LOVELESS: I'll ask the staff to introduce themselves.

I'm Elvis Loveless, the Member for Fortune Bay - Cape La Hune and Minister of Transportation and Infrastructure and Public Procurement.

H. TIZZARD: Heather Tizzard, Chief Procurement Officer of the Public Procurement Agency.

C. GRANDY: Cory Grandy, Deputy Minister, Transportation and Infrastructure.

T. ENGLISH: Tracy English, Assistant Deputy Minister of Strategic and Corporate Services.

J. BAKER: John Baker, Assistant Deputy Minister of Marine and Air Services.

P. MORRISSEY: Patrick Morrissey, Departmental Controller.

G. CLARKE: Greg Clarke, ADM of Infrastructure.

J. DUNFORD: Joe Dunford, Assistant Deputy Minister of Operations.

B. SCOTT: Brian Scott, Director of Communications.

G. BUTLER: Greg Butler, Manager of Budgeting.

E. LOVELESS: Okay, we'll get started.

First and foremost a couple of housekeeping items. I noticed the nominations for the Members were all Habs fans so I don't know if there is a connection here or whatever so that's a good thing, and at last year's Estimates there was some movement given to a Boston Bruins fan because there was a game after Estimates and they wanted to get out. So I'm going to ask the same for the Habs fans that are here this year. I know Loyola O'Driscoll back there is cheering it on so we'll ask for that.

In terms of housekeeping items, we're going to begin with Public Procurement with my right-hand lady over there, Heather. We do have the binders. They're not actual binders; they're on these fancy little things here for each and every one of you after. You can grab them and use them for your work.

Before I do that, just some intro remarks, I guess, to thank everyone for coming tonight. Certainly, as the Minister of Transportation and Infrastructure and the Public Procurement Agency, I just want to say to those people that are behind me and to each side of me: Thank you very much. I know a lot in this Chamber appreciate what they do, but until you're directly involved with them you really don't know what they actually do. I thank each and every one of them for that and I'm going to be leaning on them tonight for answers during this Estimates process.

In terms of the department, I speak to the Public Procurement Agency as we continue to modernize public procurement towards achieving the best value in government purchasing, and that's very important.

The Infrastructure piece, I want to speak to \$519 million worth of projects, supporting a number of activities in the province. Just to name a few: We have over \$70 million that is ongoing for health care infrastructure spending; over \$20 million for ongoing construction of new schools in Gander, Paradise, Bay Roberts and even in my own district that service the Bay d'Espoir area that's being built in St. Alban's and, hopefully, cutting the ribbon on all of them this year; \$9.9 million to advance the new correctional facility in St. John's and expand the

Labrador Correctional Centre facility in Happy Valley-Goose Bay; \$138 million for municipal infrastructure projects related to water and water-sewer systems, road construction and paving projects, municipal facilities, waste management projects and other improvement projects. We all know, especially those that are in rural parts of the province, how important it is.

Just to touch on roads, we all know how important that is, Mr. Wakeham, we certainly do, the budget this year of \$170 million, and we do leverage federal money, as we all know, on a cost-shared basis and that's certainly important.

Ferry service: In 2019, we began providing a new ferry service across the Strait of Belle Isle, while a new ferry service for Northern Labrador began in mid-2019. All those services are certainly important and we will certainly continue to work with those who use them.

I know the Member for CBS asked a question today and I didn't have it readily available but the Minister of Finance did in terms of leasing. Our department has made it a priority to reduce spending on leased space and unused assets. Since 2016, we reduced our office space footprint by 201,082 square feet, which is currently saving taxpayers \$5.2 million every year. We're reducing leased space, which is all important.

To our COVID-19 strategy and plan, last fiscal year we have incurred expenses related to the tune of \$1.2 million and that is for PPE, Plexiglas and other supplies to help our employees face the challenges of COVID-19.

In terms of employees, I'll conclude: We have 1,670 employees as of March 31, 2021. This includes 47 13-week employees. Of the other 1,670 employees, we have 1,485 unionized/non-management and 185 management; 1,447 male and 223 female; 789 permanent, 303 seasonal, 562 temporary, 16 contractual. In terms of Operations Branch, we have 965; 235 Air and Marine Services. As you can tell it's a large department, I can keep going on.

With that, I'm going to start, I guess, under the Public Procurement Agency umbrella.

T. WAKEHAM: Good evening. It's Tony Wakeham, MHA Stephenville - Port au Port.

Just want to start off with a couple of quick questions relating to the Estimates here. Under Transportation and Communications, there was only 25 per cent of the budgeted amount spent, yet the budget for '21-'22 is set at pre-pandemic amounts. I'm just wondering what you intend to do there. That is 1.1.01.01, Transportation and Communications.

H. TIZZARD: We just anticipate going back to travel again to conferences, to meetings and travelling for audits. Where it was reduced this year due to the pandemic, we anticipate doing more of that next year.

T. WAKEHAM: Okay, thank you.

The other one that I wanted to point out is how many employees are working in Public Procurement?

H. TIZZARD: We have 32 positions in the agency.

T. WAKEHAM: Okay. And how many of them are working from home?

H. TIZZARD: I don't have that exact number of how many are working from home. I could do a quick count, but I would estimate about 60 per cent are working from home right now.

T. WAKEHAM: Okay. Is it the intent to have them remain working from home?

H. TIZZARD: Pending further direction, for the time being, yes.

T. WAKEHAM: But I mean long term, is there a plan to look at the future of whether or not they would continue to work from home or come back into a general office area?

H. TIZZARD: Sure, we could look at a plan like that if there was government direction that is where we are going. We could absolutely look at something like that, but I would wait on general government direction in that regard.

T. WAKEHAM: Okay.

The NLC is adding 16 stores to the current 30 for the retaining of cannabis. Were there any issues with the rolling out of the program thus far and the procurement of the retail stores?

H. TIZZARD: Nothing was raised with me with respect to their stores; they would undertake that procurement on their own. No concerns were raised to me personally with how that was done.

T. WAKEHAM: Okay.

Would you be able to explain why retailers earn either 8 per cent or 15 per cent on the sale of cannabis?

H. TIZZARD: No, I can't.

T. WAKEHAM: Okay.

In terms of Purchased Services, only 25 per cent of the budgeted amount was spent and, again, you're budgeting at pre-pandemic levels. Is it the same reason for that one? You spent \$14,800 and the budget estimate is \$52,800.

H. TIZZARD: Yes, so we would anticipate running back to normal levels if we have to rent facilities for training and that sort of thing.

T. WAKEHAM: Right.

Under the Public Procurement Agency, the talk was about strategic sourcing, strategic purchasing. Can you provide examples of where this is happening now?

H. TIZZARD: In general, we have changed the approach that we take to procurement. For example, we rarely use tenders right now. We use other forms of procurement, such as request for quotations, request for proposals and that sort of thing, to include other aspects in the evaluation of procurement of goods and services.

We recently posted a procurement for P-Card process, for example – a government P-Card. The last time that we posted that procurement, it was undertaken by a large consulting firm. We have taken that process in-house now and it has been done by staff. We are leading that process for a number of entities in the province and we

are also leading it for three other Atlantic provinces. We are that head of that consortium for the other Atlantic provinces as well, so it is a big project that we wouldn't have taken on previously if we had not made this change.

T. WAKEHAM: With the *Public Procurement Act* small businesses are supposed to have more opportunities to bid on government services. In May 2021, I think you moved to e-bidding only. Will that be a deterrent for small businesses?

H. TIZZARD: I don't think so. Since the e-procurement has come in, we, personally, in the Public Procurement Agency, haven't had any complaints with respect to the roll out of e-procurement.

T. WAKEHAM: Okay, that's good.

Certainly, the COVID crisis has added a lot of stress to small businesses. Government, during COVID, introduced a 10 per cent preference vision and increased the threshold for small businesses. Government continued to justify these changeovers, but many small businesses are still unsuccessful. Should more changes be made to assist our small businesses in the bidding process? I don't know, Minister, if you might want to ...

E. LOVELESS: It's a good question. I have to ask for some leniency tonight because it's fairly new to me in terms of the public procurement process. We've certainly had a lot of conversations around local preferences, whether it be small business and savings for small business. I'm certainly open to anything that we can help out when it comes to the small business, especially in this province.

T. WAKEHAM: I appreciate that.

I know, in my view, public procurement systems sometimes force small businesses to compete against national companies and are unsuccessful. Sometimes small businesses in this province have not even been given an opportunity to bid. I've experienced that in the health care system. Again, I was going to ask if you've requested the report of the CFIB where they list the businesses harmed by public procurement.

H. TIZZARD: No, I haven't seen that report.

T. WAKEHAM: Okay.

Then, a couple of years ago, the English School District and the NLCA realized procurement theft resulted in millions of dollars lost. Were measures put in place to ensure it would not happen again?

H. TIZZARD: I can't speak for the school district and the measures that they may or may not have put in place. Much of what was uncovered during the audit at that time by the Auditor General actually fell outside of where our procurement legislation would have covered.

We did conduct an audit of the school district shortly after, under this new legislation, and didn't find anything strictly under this legislation that was really offside or concerning at the time. But, like I said, a number of the things that were uncovered at that audit really, purely fell outside of this legislation.

T. WAKEHAM: Okay.

I think in March of 2018 the new *Public Procurement Act* and regulations were brought into force. "Immediately after the Act was brought into force, the Public Procurement Agency developed training materials and commenced training on the new procurement framework for core Government departments and other public bodies." What would those other public bodies be?

H. TIZZARD: Who received the training?

T. WAKEHAM: Yeah, or what other public bodies come under your public procurement?

H. TIZZARD: It's larger public bodies, health authorities, school districts, that sort of thing, but also municipalities and LSDs, we provided training to all of them.

T. WAKEHAM: Right.

But in terms of actual procurement, who do you actually provide procurement for?

H. TIZZARD: The agency?

T. WAKEHAM: Yeah.

H. TIZZARD: We provide procurement for government departments and also any public body who wants to delegate their procurement authority to us. Occasionally we'll do a procurement for some sort of commodity. One of the public bodies will delegate their authority to us, we'll purchase on their behalf and they'll become a part of our contract.

T. WAKEHAM: How many of those have actually gone to -?

H. TIZZARD: I don't have a number, but most of the procurements that relate to general goods or services we'll reach out to other public bodies and invite them to participate. Things like office supplies, parts, cleaning supplies or that sort of general commodity that most public bodies would use. Vehicles we did recently and some public bodies were a part of that.

T. WAKEHAM: Would you be able to provide a list of which public bodies are taking advantage of that?

H. TIZZARD: Yes, I can get that list.

T. WAKEHAM: Yeah, I appreciate that.

H. TIZZARD: Sure.

T. WAKEHAM: There are still a lot for purchasing opportunities, I guess, to look at consolidation. We've heard the Minister of Health talk about the consolidation in health care and certainly there's lots more consolidation, I guess, from back-up office functions in terms of procurement across the entire government.

I'm wondering if you are a part of any discussions when they talk about the bigger, broader picture of procurement as it exists in the province. I mean, Memorial University, I assume, still does its own and the health authorities still do their own. I'm just wondering if there are any discussions around or coming up in the fiscal year about where we go as a province with procurement for all agencies, boards and commissions that are funded by government.

E. LOVELESS: Thank you. Good question.

(Inaudible) curiosity sake, but some discussions were had today, certainly with the Minister of Health, and there are a lot of conversations going on around that exact point that you just made.

T. WAKEHAM: Yeah, future opportunity.

It was noted in July, I think, of 2019 that a contract was issued to MERX – correct me if I’m saying it wrong – for the provision of a new electronic notification system and because of COVID it was supposed to go live, I think, in the fall of 2020. Is that system live now or is it still on hold?

H. TIZZARD: Yes, that system is live now. That’s the eProcurement system that you referenced earlier, and that went live in November.

T. WAKEHAM: November of this year?

H. TIZZARD: November 2020.

T. WAKEHAM: Oh, 2020 I mean.

H. TIZZARD: Yes.

T. WAKEHAM: Okay.

That’s all the questions I have right now.

CHAIR: Okay, thank you.

Are there other questions?

J. BROWN: No, my colleague there asked all my questions that I was going to have for this section. I’m good there now, too.

CHAIR: Okay, thank you.

Shall 1.1.01 carry?

T. WAKEHAM: Mr. Chair, could I ask one more question?

CHAIR: Okay.

T. WAKEHAM: My apologies, I thought my colleague was going to ask some questions.

Today the Minister of Municipal and Provincial Affairs, we talked about who is doing the audits on the tendering of Municipal and Provincial Affairs. If a municipality is not compliant with the tendering act, if they’re not doing what they’re supposed to do, in other words, who is responsible for ensuring that the municipalities when they actually go out to tender they’re following their procurement regulations? Does anybody audit that? Because the minister kind of passed it over to you guys. I just wanted to know who, in fact, is responsible. If municipalities aren’t following the procurement legislation, who would be responsible for reviewing that?

H. TIZZARD: We have an Audit and Compliance Division that conducts audits relating to the procurement legislation, and we also undertake investigations when they’re requested or as we see fit, as things are brought to our attention, which would include municipalities.

T. WAKEHAM: If somebody had an issue with a municipality, a vendor or a supplier or was questioning a tender, then the complaint would come to your particular area.

H. TIZZARD: Yes, it could. Yes.

T. WAKEHAM: Okay.

CHAIR: Okay. Is that it?

T. WAKEHAM: Yes, thank you.

CHAIR: Thank you.

Again, item 1.1.01, shall it carry?

All those in favour, ‘aye.’

SOME HON. MEMBERS: Aye.

CHAIR: Contra-minded, ‘nay.’

Motion carried.

On motion, subhead 1.1.01 carried.

CLERK: The total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Public Procurement Agency, total heads, carried.

On motion, Estimates of Public Procurement Agency carried without amendment.

CHAIR: Thanks for the coaching, by the way.

Now, we'll move into Transportation and Infrastructure.

CLERK: Transportation and Infrastructure, Executive and Support Services, 1.1.01 through 1.2.06 inclusive.

E. LOVELESS: I'm going to allow Heather to lead. I did note that Transportation and Infrastructure are on these little things, but she does have binders there if you're interested in having a binder.

T. WAKEHAM: Sure.

CHAIR: All right.

Shall 1.1.01 to 1.2.06 inclusive carry?

Okay, go ahead. Sorry, I'm writing down a few notes.

B. PETTEN: Thank you very much.

Minister, are you still following your attrition plan? Any changes from last year?

E. LOVELESS: We are, and I can ask the deputy to give us those numbers.

T. ENGLISH: We have a two-year attrition plan that has 26 positions in it and the amount is \$678,300.

B. PETTEN: Twenty-six positions eliminated –

T. ENGLISH: Yeah, over two years.

B. PETTEN: Over two years, okay.

I know, Minister, you said this. How many people are employed in the department? I probably should know that number.

E. LOVELESS: One thousand six hundred and seventy as of March 31, 2021.

B. PETTEN: And retirements over the last year?

T. ENGLISH: Forty-three this past year.

B. PETTEN: Forty-three?

T. ENGLISH: Mm-hmm.

B. PETTEN: Are there any vacancies not filled?

T. ENGLISH: As of March 31, we had 99 funded vacancies. But, of course, we have ongoing competitions going on in the department and there are about 76 ongoing competitions right now.

B. PETTEN: And 90 unfunded?

T. ENGLISH: Ninety-nine funded as of March 31, 2021.

B. PETTEN: And 76, okay.

Have any positions been eliminated?

T. ENGLISH: That would just be the attrition that I mentioned earlier, the 26 positions.

B. PETTEN: Okay.

And no layoffs?

T. ENGLISH: No.

B. PETTEN: Okay.

T. ENGLISH: Now, except for our seasonal layoffs, Barry.

B. PETTEN: Okay.

How many short-term employees do you have, contractual or short-term employees? Do you have an idea what that number is?

T. ENGLISH: We have 47 thirteen-week employees.

B. PETTEN: Forty-seven.

How many new hires over the last year?

T. ENGLISH: That I don't have because of the rotational (inaudible) of TI. I can certainly probably give you a breakdown and get back to you.

B. PETTEN: Okay, perfect.

Minister, did the department get any funds from the COVID fund last year? Did you get any funds out of that fund?

E. LOVELESS: We did and (inaudible).

C. GRANDY: There was funding approved under the ICEP program. The federal government allowed 10 per cent of our total ICEP funding to be put in, what they referred to as, a COVID-resilient stream. That was approximately \$55 million that the province is using for alternations and improvements to existing facilities, so that would be core government, schools and health care facilities.

B. PETTEN: Okay. That's the federal infrastructure fund, right?

C. GRANDY: Yes, sorry, the Investing in Canada Infrastructure Program.

B. PETTEN: Yeah.

What about the contingency fund, has there been any funds gotten from the contingency fund?

C. GRANDY: No, there was nothing there specifically for us in the contingency fund.

B. PETTEN: Okay.

More department-related now. Again, I probably should know this, too. It might have changed. Cold patch verses asphalt recycling and the cost and effectiveness. I have my own opinion on

that, but I guess my argument is asphalt recycling, to me, would be the most beneficial way to repair potholes as opposed to cold patch because I think cold patch is one of the biggest wastes of money, bar none. No matter what municipal governments use, some don't even get a day out of it.

Has there been any analysis done on the effectiveness? I know we have some recyclers that have been purchased over the years. I see Joe Dunford is probably ready to answer that question, so I'll wait.

E. LOVELESS: I'll speak generally and I'll hand it back to Joe.

I hear what you're saying, because we get the same concerns in my own district. We all go to our own districts and stuff. I hear that concern. Analysis? I think probably the first day I was on the job we started talking about things like you're talking about right now.

I'll hand it over to the expert behind me to discuss a little further.

J. DUNFORD: Not any analysis, per se, but we have gotten great feedback from our staff on cold patch versus recycled asphalt. We tend to use recycled asphalt in the shoulder seasons when hot asphalt is not available. The cold patch seems to be better suited in the wintertime.

With that being said, we do use the asphalt recyclers in the wintertime at times when we have a very significant repair. A good example would've been Romaine's River Bridge this past year. We did use the asphalt recycler during the late winter season to provide a longer repair in that area.

But we haven't done any analysis, per se. Just qualitative feedback from our own staff says cold patch is better from December to about early March. Then, say, March until late May we use the recyclers a bit more, and as well in the fall we'll use recyclers a bit.

B. PETTEN: Has there been any investigating done on the effectiveness of using sandbags? They appear to get longer life in the Town of Paradise. I've noticed one place. The Town of CBS won't use it either, but I'm just curious

because it seems like that'll last longer. It's going to break down eventually, but you will get longer than a 24-hour span out of it.

J. DUNFORD: We have not done an analysis on that. We have a pothole procedure that we use and our staff are to use, and that's not part of our procedure.

E. LOVELESS: So are you telling me that is a better way to do it?

B. PETTEN: It's better than what we're doing now.

E. LOVELESS: Yes, I know. Listen, I don't disagree with that, because the way I look at is that potholes are everywhere in this province. If we can find a way that has some common denominator to it to keep our public safe – but potholes would always be a challenge. I'm open to any idea, so bring them forward.

B. PETTEN: Not a problem.

I have a question now. My colleague from Port au Port, it's more directed for him. The Romaine's River Bridge, who's doing the design work and, basically, what's the status on that bridge? I guess, another part of that question, too, is did any of the local community leaders have any input?

C. GRANDY: I don't have the name of the firm the contract was given to. I just don't have it here with me tonight, but we can get that for you.

In terms of input from the community, we haven't done any formal consultation. I will say that the intent of the project, the scope of the project and the project budget was basically to replace like with like. We didn't anticipate any major changes to the way we were building the bridge from a lane-configuration perspective. I'll describe it again as just sort of like with like.

The Romaine's River Bridge is part of a larger cost-share funding agreement with the federal government under their Disaster Mitigation and Adaptation Fund. There are a total of five bridges, of which Romaine's is one. We are administering, I guess, that as a program and

trying to live within the project budget that was established for all five bridges.

B. PETTEN: Okay.

Minister, can you update on the surplus assets? The status, I guess, of where we're to with surplus assets. Included in that, obviously, is the Grace Hospital.

E. LOVELESS: Are you asking what the status of surplus assets that we have is?

B. PETTEN: Surplus asset sales and, of course, the Grace Hospital is in that group.

E. LOVELESS: Right. Well, I'm going to ask Cory.

C. GRANDY: I'll start and then I'll probably just throw it over to Tracy just for a few more details.

The Grace Hospital site and the former nurses' residence, which still sits there on the property, are probably one of our biggest examples of a large asset. The department, as you can probably remember, has a lot of small pockets of land that are scattered across the province, and that is largely the result of, I'll say, the fringes of land that we acquired to build new roads or land that reverts to the Crown for any number of reasons.

We have disposed of some smaller assets. I think Tracy can provide a little summary of that.

T. ENGLISH: In the past year, we've sold about \$100,000 worth of these small assets we were talking about. These would be little bits of land behind people's homes or lots that would not be suitable for public procurement. They don't actually fit a building-lot size, so no one else could buy them but the neighbour.

Then we sold a home up in Tors Cove that we were willed by an individual a number of years ago. We didn't do any large building sales last year. As you can imagine, during the pandemic year wasn't a good time to be selling property. We focused definitely on the smaller pieces that people had been asking for. We also put out a number of tenders that would be on Heather's website for things that we have put out there in

buildings in Millertown and other areas such as that. They are still working their way through.

CHAIR: Thank you. Time is up.

We'll now move on to Jordan.

Please put your hand up before you speak so the camera can recognize you.

J. BROWN: Thank you, Mr. Chair.

I have to start off with a few general questions now. One, to continue on with my colleague's question there, can we get a list of assets and land that are currently up for or will be up for tender or disposal of from the department?

T. ENGLISH: We have about 10,000 pieces of land. It is quite an extensive list.

J. BROWN: Are there 10,000 pieces of land –?

T. ENGLISH: No, I'm saying there are 10,000 pieces of land that we hold. Those pieces that I mentioned to you, those backyards and things, we generally get requested for those. We don't proactively offer them. I can certainly provide a listing of the tenders that we have in the queue.

J. BROWN: That would be perfect.

Another thing that caught my interest there: The deputy minister mentioned about the program with the federal government for mitigation for disaster and stuff like that. Can we get a list of those bridge projects that are currently being done under that program?

C. GRANDY: I think I can riddle them off now, actually.

It's Romaine's River Bridge; Hughes river, Hughes Brook – I can't recall which – Bridge; Balam's River Bridge on the West Coast; the Deer Lake spillway bridge in Deer Lake; and Rushy Pond Bridge, which is just west of Grand Falls-Windsor on the TCH.

J. BROWN: Perfect, thank you so much for that. I really appreciate that.

Last year in Estimates, it was the inaugural year for Transportation and Infrastructure that

absorbed a lot of other departments and responsibilities. Is there any update into subheadings here that have come over in this budget from other departments? Have any been removed or are we operating the same exactly as last year?

E. LOVELESS: I'm going to take a shot at it. Not that I am aware of. Infrastructure came over to the Department of Transportation, which is now Transportation and Infrastructure, so I don't think there are many –

C. GRANDY: There is one.

E. LOVELESS: All right, there is the deputy.

C. GRANDY: The resource roads had previously been in the Fisheries, Forestry and Agriculture Department and it came to us back in 2017. On reviewing the effectiveness of that program, resource roads have now gone back to that department again. They are no longer inside of TI. It is a relatively small budget, but it was more effective in the other department so we transferred that back.

J. BROWN: Okay, perfect. Thank you so much.

Did the return to Level 5 in the winter affect any delivery of service? Did the new precautions hamper any departmental obligations? Did you have any issues under Level 5 providing service when we went back to that stint there in, I guess, February, March?

E. LOVELESS: Again, I'll have to lean on the staff for that because I was not in the department, so if anyone wants to take a stab at that they certainly can.

C. GRANDY: I think we are all pretty proud in the department, actually, that when that second shutdown happened in February, we were very effective in adapting back to working from home – those that were in the office that had to. There were no notable reductions in service delivery as a result of that.

Now, there might be any number of smaller examples on a very localized level but, by and large, we continued to operate very effectively. I think we learned most of our lessons last year in 2020 in the first shutdown. It almost became – I

hate to use the word easy, but it was easier and I don't think we lost much. We were pretty proud of that and proud of our staff, when I say that.

J. BROWN: Excellent.

Another thing I noticed from my colleague there: You never received any funding from the COVID contingency fund, but were there any additional costs incurred in the department because of COVID that had to be made up in other ways?

P. MORRISSEY: Yeah, there was approximately \$1.2 million spent on COVID supplies specifically – supplies and of the like.

J. BROWN: Perfect. Thank you, Patrick.

I know in the recent Auditor General's report there was a mention from 2017 about how the process of road maintenance and everything is carried out in a centralized system. Have any progress been made towards that recommendation in the department about centralizing complaints and stuff about road maintenance, the scheduling and stuff like that?

E. LOVELESS: Yes, there has been. When the Auditor General made mention of it, Cory and I had conversations with department officials around it, even before she had mentioned it. We reached out to the Auditor General because we'd like to get her perspective on it, because it's a good conversation to have in terms of ranking roads in our province. I like where the conversations are right now internally, but we're certainly open to ideas from yourself as a Member for Labrador.

J. BROWN: Perfect. Thank you, Minister.

The Provincial Roads Plan – I know every so many years there's a Provincial Roads Plan. Where are we in the current plan and are we in the process for the next so many years of the Roads Plan?

E. LOVELESS: In terms of the five-year Roads Plan, I've certainly had conversations too with different – I call them – stakeholders. Whether they be the Heavy Civil Association, even contractors themselves, to talk about, in terms of a planning perspective, is five years effective.

For me, right now, I'm not announcing tomorrow that there'll be a five-year Roads Plan, but we want to take a closer look at rankings for roads in our province. That will happen between now and late fall and we will come out with – I call it right now – a multi-year plan in early 2022 to address road plans for roads in our province.

J. BROWN: Perfect. Thank you, Minister.

Now a more fun one I guess, just to lighten things up. The Colonial Building, I asked about it in Tourism. They told me I had to talk to you. I ask: How is the restoration of the Colonial Building going? When can we see that open? Especially that we're in the 50th sitting now.

C. GRANDY: I don't have the specific scheduled details here with us tonight. We're all looking around just to see if anybody can remember, but nobody wants to misspeak so we can follow up with that information for you.

J. BROWN: Perfect, I appreciate that.

Also, another question that I would do is about warranty work. I know we have an issue with sometimes pavement – I know I have my own issues up my way that the contractor actually went under, so we can't get warranty work done on some of the work that was done up there. Sometimes we see that roads are not lasting as long as they normally typically do. How are we following up and categorizing what's the average warranty for roadwork and are we inspecting it or following up on that frequently?

E. LOVELESS: Yeah, it's a good conversation, I say to the Member for Labrador West, right?

J. BROWN: Yeah.

E. LOVELESS: There you go.

I can't speak really to the average warranty piece or whatever, but I have had that conversation even with some contractors involved in chemicals that go into asphalt and all that stuff. Because I know in my own district, there's a part of a road that the pavement was pink in colour and it seemed like it lasted forever. And so we're like, what's in that? Can we use that everywhere?

So it's a good conversation and it's part of the conversation, not just the ranking system, but how do we build our roads and build it more efficiently.

In terms of the warranty issue, I don't know if anyone wants to comment further on that.

C. GRANDY: So our typical warranty on a roads project is a two-year period. In terms of asphalt life, the more important, I think, variable is really traffic volume, as opposed to age. People see us regularly on the Outer Ring Road continuing to do what we refer to as the mill-and-fill projects. Despite appearances, we're not always doing the same section over and over. But on the Outer Ring Road at traffic volumes of greater than 30,000 vehicles per day, those roads will wear out a lot faster than roads in Terra Nova National Park, for example, where I think traffic volume is less than 10,000 vehicles per day.

When a contractor goes in and does a road rehab project, the scope of that project will impact how long that asphalt – if we're going right back to a roadbed and building, I'll say, from the bottom up and full rehab with ditches and culverts, we would expect that to last longer than situations where we go in with a simpler scope of work to do recapping.

We make those decisions based on the condition of the existing asset, recognizing that we can do a surface coat for far less cost than we can do on a full road rehab. We have to look at each project on a case-by-case basis and make the best determination we can at a technical level in terms of what the appropriate scope would be. That will have an impact on how long it lasts. You can have a long conversation about this. I think the answer is a very complex one, but those are some of the high-level parameters.

J. BROWN: All right, thank you, Deputy Minister.

CHAIR: Okay, thank you.

Next, go ahead.

P. TRIMPER: There we go.

Thank you very much, and thank you to the Committee for an opportunity to participate this evening with some questions.

I think I'm going to start with something I've been raising in the House lately, and this is these great, long expanses of highway along the Trans-Labrador Highway. Along Route 500 and 510, some of those sections are in excess of 400 kilometres, zero conveniences or emergency support, with the exception of the facilities that your department has with contractors and so on. I've been pushing for a couple of years now. I'm starting to get a bit more traction home as people realize, more importantly, how essential it is.

My suggestion to the department – and I wonder if there's appetite here – short of just going out and awarding a contract, would be just to see what ideas could be out there in the private sector. I'm aware of one entity that has put a fair bit of energy and work into establishing communications, washrooms and perhaps some other basic capabilities. It would be staffed and we'd have one at Cache River, Cartwright Junction and Crooks Lake, those three locations.

I wonder if the department is looking to this. Should I try to convince someone? I've got one entity who's been pushing this; I've been encouraging them. I think, in fairness and with procurement considerations out there, we really need to get to the broader opportunities with contractors and see what might come forward.

E. LOVELESS: Well, it's certainly a conversation I welcome and that you and I could certainly have.

But I'll ask the staff, anyone that can speak directly to what Mr. Trimper is asking.

C. GRANDY: There are no initiatives planned, I guess, to create new facilities from that perspective.

One thing we are looking at, though, and what we've made some strides toward is to improve Wi-Fi connections at some of our existing facilities so that if people are travelling, they'd be able to avail of that. In terms of a specific initiative to create, I'll say, washroom facilities, there's nothing planned for that at this point in time. As the minister said, it is something we

can look at, but there is nothing currently in the plans.

P. TRIMPER: I guess it might be best if I, perhaps, have a meeting with the department. I have been raising it as petitions on the floor, for your team that is driving this. Sorry for the colourful language, but it is probably a pretty steady string of toilet paper from one end to the next stop. From Happy Valley-Goose Bay to Port Hope Simpson, there are essentially no facilities.

To me it is quite a priority and for folks who – well, you can just imagine when travelling it is a pretty awkward situation. There is interest in the private sector.

Yes, go ahead, Minister.

E. LOVELESS: It is a conversation, and not that I'm using it as an excuse, but I have been in the department for a short period of time. I'm still learning. I'm certainly open to ideas, because it is all about providing a good service to all Newfoundlanders and Labradorians. Yes, I am open to sitting down with you in the department, no doubt.

P. TRIMPER: Okay. Thank you.

I want to follow up on my colleague's on the Roads Plan and just where you are. As you know, it's uppermost in my mind. Just wondering if we are going to proceed with 520 this year at all. Sorry to zero in on a specific highway, but it's one that has dominated my district for years. I know you said you wanted to review rankings and so on. This one, I can't see how you could drop it any more than its importance right now.

E. LOVELESS: It is a good question, Perry, because it is in your district and it is important to you. I can't make an announcement for you here tonight to say: Listen, we're committed to whatever needs to be done. We are discussing that actual commitment to Route 520.

I have looked at the conditions of Route 520 and I have looked at many conditions of routes and hoping to travel them sooner rather than later to get a real appreciation for them. That way, once I am discussing them and I visualize them in

conjunction with staff, we can certainly make good decisions to what roads should be done.

Again, 520, I guess, as an example, is going to be used in our discussion under what that ranking system is going to look like. We know with anything, if we're going to discuss a Cadillac ranking system, it is going to cost something, and we all know where we are in terms of the finances of this province. We have to keep that in consideration as well when we plan for routes like 520.

I know it is passion for you, because we discussed it earlier when we were in the House of Assembly as well. There will be a decision on that soon.

P. TRIMPER: Okay, I will hold my patience.

I guess all I can say to you, Minister, is it's often said by this side of the House that taking the politics out of the pavement is really important. I really welcomed the objectivity of what we've been working with to date. I just would like to see that continue. I'll be there to support it.

This is the last guy who's going to fight for something when, frankly, we don't need it. I'm sitting here and I can readily jump on board with anybody in their situation and I do get to drive a lot of highways. Frankly, I see some that are worse than 520, but in terms of Labrador and a really important district and a lot of traffic, it's well needed. Thank you for that.

E. LOVELESS: Just one final comment: You're doing what you should do and I appreciate it.

P. TRIMPER: Yes, okay, thank you, and I'll work with you guys.

I wanted to follow up. This morning, I met with Minister Davis on the Low Carbon Economy and ICIP programs and so on. The region that I'm in – and there are other locations here on the Island here as well where we're starting to see the effects of climate change and so on. I just wondered if you guys are actively pursuing, if you're looking for ideas for stabilizing shoreline erosion, situations like that where it is affecting municipal infrastructure. I have an engineer,

Will Lacy, and Kim Kieley. These are the people I should be in touch with?

C. GRANDY: Those two officials you just mentioned are on our Municipal Infrastructure group. If it's inside of municipal boundaries, Municipal Infrastructure, they would be the appropriate contacts.

More generally, on provincial assets that are managed by Transportation and Infrastructure, it's part of our active consideration on our roads projects to address those issues with coastal erosion, and coastal erosion is something that is very lively. There's a project this year in Flat Bay, for example, where we're realigning the road. We're moving the road away from the bank that is eroding as opposed to trying to reinforce the big expanse of bank along the coast. Those types of projects.

P. TRIMPER: Perfect. Good.

I may need an office in your suite there because that's two meetings now. I think I have another here.

I just want to put a plug in for broader Labrador, and I think broader province and really sort of nation building, and that's the road to the North Coast. I see Mr. Scott in the background – we had a chance to tour that last year with your predecessor. It is a very important project. I just wonder what your plans were this year to spend some of that money and how you might proceed.

E. LOVELESS: Yeah, we've committed \$200,000 – there are two different feasibility studies that I get mixed up in so I have to ask for forgiveness for that. That's the same one that we're doing, that was \$200,000. Forgive me if I have a little bit of a memory lapse here, but for the prefeasibility study, we've been in consultations with the Nunatsiavut Government on the terms of reference on that. So –

P. TRIMPER: And Innu Nation, I assume, yeah?

E. LOVELESS: Pardon me?

P. TRIMPER: And Innu Nation as well.

E. LOVELESS: Yes, yes, yeah.

Forgive me, Perry, for not knowing all the dynamics of the Big Land at this point, but I'm hoping to travel there sooner rather than later as well.

There have been ongoing discussions and I look forward to the further ongoing discussions around that.

P. TRIMPER: Okay, I'm just going to wrap up with my last few seconds just to say that – and I think some of your department knows – I spent two years flying that route, know it well. There is a lot of information that's available and a first part would be just to put out a contract to get some of that information collected together. You're going to find a lot of your design work is available for you now.

Thank you.

E. LOVELESS: Just one point. You want an office with – you wanted a washroom with that office?

P. TRIMPER: Doesn't matter, I'm used to driving the highway without a washroom, so I'll be fine.

CHAIR: Okay, thank you.

So if there are no more questions in Operations, will we move forward, or are there more?

I'm sorry, that's Executive and Support Services.

B. PETTEN: We're on 1.1.01, right?

CHAIR: Yes, we are, yeah.

B. PETTEN: Thank you, again. I have lots of questions here, I'm going to ask one and then I'm going to go to some line by line.

What's the latest with the Team Gushue Highway? What's the status?

C. GRANDY: So the Team Gushue Highway, there's no funding left in the approved funding that was in the federal agreement. The Team Gushue Highway from the Outer Ring Road to Topsail Road exhausted the funds that were in that federal agreement. Depending on how we

finish the road and how we tie it into existing infrastructure at Route 2 and at Route 3 will determine what the cost will be to complete, but it could be as much as \$40 million to complete the piece that's left from Topsail Road to Route 3, Robert E. Howlett highway.

B. PETTEN: Okay.

I'm just going to look back to one – when I asked about assets at the Grace Hospital, what's the plan?

E. LOVELESS: I tried to answer it the other day, but you can't really do an answer in the House of Assembly for 45 seconds or whatever.

Discussions are ongoing, we have different – I guess, I've had discussions with the City of St. John's and also there are other departments that are involved in that, I guess, the bigger parcel of land. I think way back in 2006 when it was piecemeal they didn't want to sell it piecemeal because they wanted to look at the property as a whole. All of that is being discussed right now.

I guess, as I said in the House of Assembly, we're doing our due diligence to ensure that the return that we do get is the greatest return for the taxpayers of this province. But we do have some Newfoundland and Labrador Housing – the minister is here as well – discussions with them on some ideas from his perspective, his department's perspective as well.

I hope that helps your question.

B. PETTEN: Thanks.

I'm going to go to some line-by-line stuff now.

Under 1.1.01, there's nothing to earth shattering there, but I'm just curious: That \$3,700, it's only a small amount in the big scheme of things, but any explanation what that's from? In Minister's Office, under Professional Services.

E. LOVELESS: Yeah, I'm getting to it.

That was a one-time consulting cost for an in-trust for previous ministers.

B. PETTEN: For what?

E. LOVELESS: Consulting cost for a previous minister.

B. PETTEN: Can you take your mask, I can't (inaudible).

E. LOVELESS: Oh, sorry. Sometimes I don't know if I have it on or I don't have it on.

One-time consulting cost in '20-'21 for a previous minister.

B. PETTEN: Any idea what the consulting cost, what that entailed?

E. LOVELESS: For a trust account, in-trust account.

B. PETTEN: Okay.

E. LOVELESS: If I'm using the right terminology.

OFFICIAL: (Inaudible.)

E. LOVELESS: Yeah, legal fees.

B. PETTEN: Okay.

Transportation and Communications, I know that's going to run right through the line items, but has there been any opportunity to reduce this amount permanently? Is there any consideration being given to more virtual as we go forward? Because I know that's been a line item, I think, that's been reduced right through government.

E. LOVELESS: I think it's probably an answer, I suppose, that we can be the same for all of it. I guess COVID-19 has kind of opened up all our eyes in terms of what work we can do from home and what we can do in the office.

Now, for me, work can be done from home effectively, but I believe a return to the workplace is effective as well on a lot of fronts, I guess. But in terms of what we would do moving forward from a cost perspective, I think it's probably too early to tell what the ultimate plan would be that I can say to you that every department will be doing this moving forward with all that in consideration.

B. PETTEN: I just have to loop back to the legal fee question because I'm curious. Would that, by any chance, have to do with the legal case the department is involved in between employees and a construction company some time back this last year?

E. LOVELESS: I don't have the answer to that question.

B. PETTEN: No? It just seems odd.

1.2.01, under Executive Support, Salaries dropped by almost \$80,000, were there positions eliminated? Was that benefits or –?

E. LOVELESS: For Salaries, the 1.1 to 1.08?

B. PETTEN: 1.2.01.

E. LOVELESS: 1.2.01. Yeah, I believe, if I am correct in saying, the elimination of an additional pay period from prior year, which is mainly offset by general step increases and personnel changes within department's salary plan.

B. PETTEN: Okay.

E. LOVELESS: And noting that, there was an ADM vacancy there for several months.

B. PETTEN: Okay.

1.2.02, under Administration and Support.

E. LOVELESS: We're moving along fast.

B. PETTEN: 1.2.02.

E. LOVELESS: 1.2.02.

Sorry, what – say that again, which heading?

B. PETTEN: Administration and Support Services, under 1.2.02.

E. LOVELESS: What is your direct question on that?

B. PETTEN: The Salaries, it's \$178,000 extra.

E. LOVELESS: Okay. And –

B. PETTEN: It was less and then it went back up again.

E. LOVELESS: The variance relates to multiple vacant positions throughout the year and delayed recruitment. For example, manager of Corporate Services and A/P supervisor and summer students.

B. PETTEN: Okay.

Under Employee Benefits, there was \$377,000 spent. Salaries are down, yet it was an extra \$377,000 spent. Any explanation for that?

E. LOVELESS: For Employee Benefits under 1.2.02?

B. PETTEN: Yes.

E. LOVELESS: That is the \$97,500, correct?

B. PETTEN: I have \$377,000 here.

E. LOVELESS: Oh, Petten, you are really going fast.

Those are variances related to workers' compensation payments.

B. PETTEN: Workers' comp.

E. LOVELESS: Another note is it is demand-driven and can vary based on the number of claims submitted.

B. PETTEN: In the Revenue - Provincial, in that same heading, it went from \$600,000 to \$393,000 and back to \$600,000. What is the revenue, I guess, in that less of it was spent last year – I am assuming it was because of COVID but what is that?

E. LOVELESS: That is under 1.2.02, again?

B. PETTEN: Yeah.

E. LOVELESS: That is \$206,700 less than anticipated revenues received, a lot of the revenues in this account are demand-driven and can vary year over year. And an example, last year the revenues were \$1.056 million due to one-time insurance claims.

B. PETTEN: Okay.

Insurance claims are people basically – because I know government don't pay a lot in insurance fees. They don't pay a lot in claims. So when you say insurance claims, you're talking about damages that are done by government to personal properties – is that correct?

T. ENGLISH: Last year, we paid about \$1.6 million in insurance claims. We insure the hospital facilities and the school facilities as well. So those claims were paid for that. There is about \$30,000 in small claims. For the most part, it is the larger facilities.

B. PETTEN: Okay.

Under 1.2.03, Salaries, there is a drop of \$3.2 million. Where am I seeing that to, Salaries? I don't see that, though.

E. LOVELESS: Which one is it, Barry, that you are referring?

B. PETTEN: No, that is not jiving. There is something missing. Disregard that one. That doesn't make sense to me either.

Under Supplies, under 1.2.03, it increased last year by, I guess, \$20,000 from what they were. So, I guess, I'm answering my own question. I'm assuming that's through COVID.

E. LOVELESS: Yeah. You're talking about the \$96,500 up to \$116,000?

B. PETTEN: Yeah.

E. LOVELESS: Yeah, that's the increased expenditures related to COVID-19 supplies for security staff and stuff, hand sanitizer, gloves.

B. PETTEN: Okay.

CHAIR: Okay, time is up.

Jordan.

J. BROWN: Thank you, Mr. Chair.

Last year in Estimates the minister then referred to the need required to rebuild the TRIM system for the department. It was a budgeted item. Has

that been completed, and did it come in on time and on budget?

T. ENGLISH: Yes, it is complete, and it did come in on time and on budget.

J. BROWN: Oh, perfect. Good to hear.

Section 1.2.04, Air Subsidies – are we on that section? Is that correct? Are we over to 1.2.04 there now? Is that under the same section we are –?

CHAIR: Yes, you're good. You're in range there.

J. BROWN: Okay, I just wanted to make sure, because sometimes I get ahead and everyone gets mad at me.

All right, Air Subsidies. Last year you budgeted for \$600,000 and come in at \$476,900. What was the reason for the savings for there?

E. LOVELESS: That was due to a decrease due to less than anticipated emergency services during the year.

J. BROWN: Okay. What emergency services – like, what aircraft or would that be under that program?

E. LOVELESS: The notes that I have here: It's around a requirement. I guess any of the marine vessels cannot operate due to ice conditions or mechanical breakdowns and/or to transport residents/employees due to road washouts.

J. BROWN: Okay, that's directly for that.

Perfect, thank you, Minister.

E. LOVELESS: You're welcome.

J. BROWN: 1.2.06, Land Acquisition, last year I was told that was just something we keep just in case we have to acquire land. I noticed we almost used up our entire budget under Property, Furnishings and Equipment. What was purchased under Land Acquisition for that year?

E. LOVELESS: Tracy, you want to take that?

T. ENGLISH: It is not just the projects that are currently ongoing; we also have the payments for previous expropriations. So there were some road realignments that we paid the land fees for this year and also a couple of legal fees and expropriation fees related to Team Gushue.

J. BROWN: Okay, so it's mostly Team Gushue that was acquired.

T. ENGLISH: No, there are about six or seven different payments that we made during the course of the year. The biggest payment would have been Team Gushue, but certainly, there are other payments that we made for other pieces as well.

J. BROWN: Okay, perfect. Thank you so much.

Also, for that section there, another question: The tunnel, what is the status of the tunnel? I know the report and everything came out with that. Are we still pursuing anything with that, or is that a report to collect dust?

E. LOVELESS: Since becoming a minister, I would have to say that I haven't had a lot of discussions about it, but there are discussions ongoing. Without making any commitment or whatever, I am open for discussions.

We know there is a federal election coming as well. When it comes to the tunnel, we have a valuable service in the Western part of the Island, and that is the Marine Atlantic, which is very valuable to the province. That is a piece of the pie as well in terms of Newfoundland and Labrador. I hope that helps.

J. BROWN: Perfect.

I'll let my colleague there finish that up. I am done with this section right now for line by line.

CHAIR: Okay.

Mr. Petten.

B. PETTEN: I had a couple more questions in this section and then I'll be done too.

Go back to 1.2.03; the Salaries are down by \$200,000 this year.

E. LOVELESS: 1.2.03?

B. PETTEN: Yeah.

E. LOVELESS: You are asking Salaries from \$3.4 million down to \$3.2 million, correct?

B. PETTEN: Yeah.

E. LOVELESS: If I'm reading it right here, it's – is that the –

C. GRANDY: (Inaudible.)

E. LOVELESS: Yes, sure. Go ahead.

C. GRANDY: I just want to make sure. We might not be looking at the same numbers you're looking at, Barry. In 1.2.03, Salaries?

B. PETTEN: Yes.

C. GRANDY: Oh, I understand now. I was looking at from budget to revised. You were looking at budget to budget.

B. PETTEN: Yes.

C. GRANDY: That's a reduction due to an elimination of the additional pay period. It's a difference of \$115,500.

B. PETTEN: Okay.

Grants and Subsidies, what is the drop I guess? I wonder if we could also get a list of those. It went from \$40,000 down to \$27,000. In the same section, Grants and Subsidies, under 10.

E. LOVELESS: That's one-time savings in '20-'21. We're anticipating that the full grant allocation for '21 will be used. You wanted a list, did you say?

B. PETTEN: Yes.

E. LOVELESS: You want me to list them out now or you want a list of them?

B. PETTEN: Either-or. You can provide a list after if you want to.

E. LOVELESS: It would be on this.

B. PETTEN: It will be on that?

E. LOVELESS: Am I correct in saying that?

OFFICIAL: Yes.

B. PETTEN: Okay, that's great.

E. LOVELESS: There's no problem taking it home.

B. PETTEN: Be careful. You shouldn't give me stuff like that. Just saying.

I think that's it for this section, for me.

CHAIR: Thank you.

Will that be it for 1.1.01 to 1.2.06?

Shall 1.1.01 to 1.2.06 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.2.06 carried.

CLERK: The next subhead, Operations, 2.1.01 through 2.4.03 inclusive.

CHAIR: 2.1.01 to 2.4.03, shall it carry?

Go ahead, Barry.

B. PETTEN: Thanks again.

I'll go back. I can be all over the place, but I have the questions and I'm going to stick to some line to line now, because there's a lot in this department.

Under 2.1.01, Administration and Support Services, under Salaries, in Road Maintenance: Why the extra \$489,000 in Salaries? Why was that spent last year in the revised amounts?

E. LOVELESS: Related to unfunded severance cost and increased overtime due to emergency call-outs.

B. PETTEN: Severance and overtime?

E. LOVELESS: Unfunded severance cost and increased overtime due to emergency call-outs.

B. PETTEN: Okay.

Transportation is up, which is strange during COVID. It's up an extra \$200,000, where other Transportations have been down. That's going against the grain.

E. LOVELESS: You're asking about Transportation and Communications?

B. PETTEN: Yes. It went from \$1.232 million up to \$1.436 million, and now it's gone back down to the original budget. But it went up by \$204,000, a one-time bump in the revised.

E. LOVELESS: That was due to increased Communications costs for Internet services, radios in remote locations and satellite phones in Labrador. It goes back to the same amount for the next budget and that's – the department will make every effort to reduce travel to offset the Communications cost increases. We're returning to our original budget.

B. PETTEN: Why did that bump made things different last year and it's not going to come up this year?

E. LOVELESS: I don't know if anyone wants to add to that.

C. GRANDY: I'll make a general comment and then I'll ask Joe just to elaborate.

In this activity, unlike what you would see in a lot of, what I sometimes refer to as, the office dwellers, this activity is the people, the boots on the ground. There wouldn't have been any meaningful reduction in what this group of people do. This is basically our management group in our depots, our MEPS and OPS. Their travel wasn't reduced or their Communications weren't reduced as a result of COVID.

The minister alluded to the increase was due to Communications costs for Internet services and radios in remote locations. I don't know, Joe, if you can add any more colour to that answer.

J. DUNFORD: Not a lot, really. Actually, it's pretty explanatory. This really covers our costs for our depots, specifically the MEPS and the OPS, who are boots on the ground covering emergency services on a daily basis. So anything to do with provision of Internet for them so they can do their job and the satellite phones in situations where they have to respond to emergencies, say, in Labrador where phone service wouldn't necessarily work in some areas. That is what that covers there.

B. PETTEN: It is safe to say that is not going to be anticipated to happen again this year? It is not budgeted, so that's why I ask.

J. DUNFORD: There are a number of different things that can drive that up. You don't always budget necessarily for an emergency. Last fall we did have a weather event down on the South Coast we did have to respond down in the Placentia area. Some of that does drive up your cost.

B. PETTEN: Okay.

Under Professional Services, there is a one-time spending there of \$4,800. There is nothing budgeted last year or this year, but it was a revised amount of \$4,800. Any idea what that amount is for?

E. LOVELESS: That is a minor variance, but it is an incorrect charge for the 511 program that should have been incurred under Purchased Services.

B. PETTEN: Okay.

So it is more of an accounting exercise?

E. LOVELESS: Yes.

B. PETTEN: Okay.

E. LOVELESS: And I'm not an accountant.

B. PETTEN: I'm half of one. There's no such thing as a half accountant.

Purchased Services: Additional \$127,000 from last year.

E. LOVELESS: That was overrun primarily related to 511 enhancements plus utility and maintenance costs for street lighting. The street lighting is in demand and cost-driven and can vary year over year.

B. PETTEN: Okay.

2.1.02, under the Summer Maintenance and Repairs, Salaries, there was an increase of \$700,000 extra in the revised amount.

E. LOVELESS: That was due to unfunded severance payments and increased summer maintenance requirements. Also, the increase can be attributed to rate increases throughout government.

B. PETTEN: Under there, too, Professional Services, this amount, \$7,900. Any explanation of what that is for? Again, it's not a budgeted item.

E. LOVELESS: The \$7,900 was for increased consultant requirements for the summer maintenance program and it can include various engineering consulting services, including inspection services for railways.

B. PETTEN: Okay.

Grants and Subsidies: The listing of those and what's included, will that be included in that memory stick?

E. LOVELESS: Yeah, those would be listed on the USB, correct?

OFFICIAL: (Inaudible.)

B. PETTEN: That was a one-time funding thing, too, so that's not a normally funded item. Without getting into the list, what is it?

E. LOVELESS: Yeah, the \$78,400 that you're referring to was due to COVID-19 pandemic summer maintenance highway repairs. It took longer to complete as maintenance operations were modified to help prevent the spread of the virus and ensure the safety of crews. There's

more information here that I could read to you. I can do it or you can take the USB.

B. PETTEN: No, that's fair enough.

E. LOVELESS: Okay.

B. PETTEN: Under Revenue - Provincial there's a fluctuation there. Can you explain that? It went from \$198,000 to only \$28,000 and back up to \$65,000, so those three different figures.

E. LOVELESS: The budget for highway access fees revenue was moved to the Department of Digital Government and Service NL. The revised for '20-'21 to the budget for '20-'21 – I don't know if you're following me. Are you following me?

B. PETTEN: Somewhat.

E. LOVELESS: The decrease there was for a reduction in revenue received from municipalities, reimbursement of guide rails and the budget for highway access fees was incorrectly allocated within TI. This has been fixed for '21-'22.

B. PETTEN: So, again, probably another accounting exercise.

E. LOVELESS: Indeed.

B. PETTEN: 2.1.03, Snow and Ice Control: There's an unbudgeted additional expenditure under Supplies of \$1.132 million, any explanation for that?

E. LOVELESS: You're on 2.1.03?

B. PETTEN: Yeah.

E. LOVELESS: Under Supplies?

B. PETTEN: It's under Supplies, yeah. There's a variation there of over \$1.1 million. That's from budgeted to revised, right?

E. LOVELESS: Right. I did make a comment there that winter conditions vary and so do the figures. But I'll get to Supplies, what you're asking there.

The increase was an increase in salt and sand supplies requirements. I don't know if I need to tell you this, but salt and sand requirements are highly dependent on weather conditions and road safety for the travelling public.

B. PETTEN: That's something that goes over budget and under budget yearly anyway, right? So you're shooting in the dark, somewhat, trying to get your figure on that anyway, if memory serves me right. Makes sense.

Under Professional Services, \$25,800, again, this one-off jumps out at me. Not the amount. There's nothing budgeted again, so can you explain that one?

E. LOVELESS: That's an additional expenditure for expert engineering services for a legal matter.

B. PETTEN: Interesting, okay.

2.2.01, under Maintenance of Equipment.

E. LOVELESS: 2.2.01, Maintenance of Equipment.

B. PETTEN: Salaries, there's an extra \$398,000 spent last year.

E. LOVELESS: That's primarily due to backfilling requirements and unfunded severance payouts.

B. PETTEN: Okay. So that seems to be the theme with Salaries. That was the severance payouts last year.

E. LOVELESS: Yeah.

B. PETTEN: All right, well I guess my time is up on this.

CHAIR: Okay.

Jordan.

J. BROWN: Thank you, Chair.

Back in December the minister announced a five-year lease purchase agreement for snow clearing equipment for \$19.2 million. We received 62 plows. Does this purchase reflect the

total number of snowplows in our fleet, and how many are going to be retired out of service at the end of this year?

E. LOVELESS: Joe.

J. DUNFORD: Yes, that 62 is included in our fleet now of approximately 313 plows. We don't know how many will come out of service this year at this point. Our plows typically go through an annual inspection between now and the end of September, early October. During that time, some will come out, but we don't know yet until we get the annual inspections completed, and we're in the early stages of that at the moment.

J. BROWN: Perfect.

Also on that, from my understanding from back when I was back in that world, those 62 plows, are they under a maintenance and warranty contract from the dealer for maintenance and warranty work on them?

J. DUNFORD: Yes, that's correct.

J. BROWN: Okay.

Do you expect any savings in maintenance from this contract for these 62, going through that way?

J. DUNFORD: Possibly. It depends on how quick we need to get the plows back into service. For example, if it's early in the season and we are having some issues and we get them to the dealer, if we don't get them back in, say, three or four days then that's probably okay. If we need the plow back immediately or the next day if we're anticipating weather, then we would have our own staff work on it to ensure we get it back in service on time so that service delivery is not impacted.

J. BROWN: Perfect. Thank you so much, Joe.

Under Summer Maintenance and Repairs, another question there, too. I know some people got a chuckle out when you talked about Purchased Services and stuff and you talked about railway inspections. I do have a railway question. I mentioned it before and I don't know if (inaudible). There is one railway crossing in

Lab West that does come up a lot in my office and it's the Emeril Station crossing. It's the only crossing currently that doesn't have automated lights, and it's a stop sign. What bothers a lot of people is the stop signs are in French and it's on a blind turn, the stop signs are. I've asked in the past about it.

Has the department looked at putting up lights or having the railway operator put up lights on that turn? Because of the increased traffic on the Trans-Labrador Highway and also the increased traffic on the Tshiuetin railway, especially in the summer months, when they're shipping ore down that way people have gotten a bit of a fright and stuff in that area when a train unexpectedly pulls out of the station.

E. LOVELESS: All I can say is that I'll certainly take a look at it and have a discussion with the staff.

I don't know if anyone wants to add anything to that for the hon. Member.

J. BROWN: Perfect.

Jump up and down, Joe.

J. DUNFORD: Yes, we are aware of that crossing and we've seen that request come in recently. It's something we are looking at this summer. So yes.

J. BROWN: Thank you, much appreciated, Joe.

Another question there, too, on that in this area there, too, is (inaudible). Under Equipment Acquisitions – so, I guess, this is a part of it there – it was for \$5 million, we came in under budget, but we're expecting more in the coming year.

Under 2.2.02, Equipment Acquisitions: Is this where those 62 truck payments and stuff are coming out of?

J. DUNFORD: Just so I understand it correctly, you're in 2.2.02 and you're looking at the \$5.3 million and the \$5.1 million (inaudible).

J. BROWN: Yeah.

J. DUNFORD: Yes, that's for the lease payments for the plows. It came out of this. That's correct.

J. BROWN: Okay.

Are there any more acquisitions of equipment this coming year?

J. DUNFORD: Not presently budgeted.

J. BROWN: Perfect. Thank you so much.

It was budgeted for revenue, we never got it last year, but we're budgeting it again for this year. What's the reason for this revenue and why didn't we receive it last year?

E. LOVELESS: 2.2.02?

J. BROWN: Yes, Minister.

E. LOVELESS: That was revenue that was received for the sale of old equipment and all OHS-related expenditures for equipment maintenance, which are 100 per cent recoverable from WorkplaceNL. So we got \$100,000 for the old equipment and \$25,000 for WorkplaceNL.

J. BROWN: Okay. We didn't receive it last year, but we're expecting to receive it this year?

E. LOVELESS: Yes.

J. BROWN: Okay, perfect. Thank you so much for that.

Under 2.3.01, Building Utilities and Maintenance, the Salaries went up in the revised from the '20-'21 budget, and going into the following year there are less Salaries than budgeted. Is this elimination of positions?

E. LOVELESS: No, the increase from the revised to the budget, \$223,900, is attributed to unfunded severance payments and backfilling costs.

J. BROWN: Okay.

Then we're budgeting less salary than we did in '20-'21. Are they unfilled positions or elimination of positions?

C. GRANDY: That reduction is primarily related to the reduction in the extra pay period from last fiscal, but no reduction in staff.

J. BROWN: Okay. Also, in there we noticed that under Purchased Services there was a reduction in building maintenance. What was the reasoning for that?

Sorry, my apologies. No, that's a \$2 million savings.

E. LOVELESS: It was in Purchased Services, correct?

J. BROWN: That's correct. For 2.3.01.

E. LOVELESS: Okay.

Savings are primarily attributed to the reduction of maintenance, as some of the utility bills for '20-'21 were delayed in getting paid. So it will be paid out of new year funds in 2021-'22.

J. BROWN: Perfect.

Also, I noticed that provincial revenue, we budgeted for \$1.3 million, we received \$1.087 million, but we're not expecting the same amount again this coming year. What's the reasoning for the reduction in revenue?

E. LOVELESS: Are you talking about a decrease from the 2021-22 budget to budget, you mean?

J. BROWN: Yeah. We budgeted for \$1.3 million, the actuals were less and then we're budgeting again this year for less.

E. LOVELESS: Right. Reduction in revenue is to rightsize the budget to reflect actual revenues.

J. BROWN: Do you know where these revenues are coming from, Minister?

E. LOVELESS: Yeah, they're coming from the rental of government buildings, sale of steam heat and other sources, such as parking meter revenue and a percentage of sales revenue as per the contract agreement with Compass Group, like cafeterias in Confederation Building.

J. BROWN: Okay.

E. LOVELESS: That would be all on your ...

J. BROWN: On my little drive.

Okay, perfect. Thank you, Minister.

E. LOVELESS: You get a white one.

J. BROWN: Leased Accommodations: What was the reasoning for the unexpected cost under 2.3.01 under Purchased and Professional Services?

E. LOVELESS: Professional Services?

J. BROWN: Yeah, under 2.3.02, Leased Accommodations.

E. LOVELESS: The \$2,700 is what you're referring to?

J. BROWN: That's correct, Minister.

E. LOVELESS: Okay. That's a one-time charge for air quality tests.

J. BROWN: Air quality tests. Okay.

Under Purchased Services for Leased Accommodations, what accommodations are we leasing under this?

E. LOVELESS: Are you asking about the decrease?

J. BROWN: No, I'm asking: Under this section, what are we leasing under this heading for over \$20 million?

T. ENGLISH: There's actually a full accounting on the website. If you search leases, it's there. It basically is a mixture of offices, garages, outdoor storage spaces and airport hangars.

J. BROWN: So that's everything.

T. ENGLISH: Everything.

J. BROWN: Everything is under this \$20 million.

T. ENGLISH: Yeah.

J. BROWN: Okay. I just wanted to make sure that's (inaudible).

Also, we're getting provincial and federal revenue from these and we're budgeting \$1.1 million from the federal government here. What are we getting from that?

E. LOVELESS: I'm sorry, 2.3.02?

J. BROWN: Yes, 2.3.02.

E. LOVELESS: The revenue?

J. BROWN: Yes.

E. LOVELESS: The revenues are associated with cost-sharing agreements with the federal government. The decrease was the delay in some federal revenue being received. The department will invoice for this revenue in 2021-2022.

J. BROWN: Okay.

E. LOVELESS: Does that answer your question?

J. BROWN: Absolutely, Minister, thank you.

E. LOVELESS: Okay.

CHAIR: Okay.

Are there any other questions?

P. TRIMPER: Thank you.

Just a little throw-out point, but if there's any possibility to not let Mr. John Baker retire in the next few years that would be much appreciated. He, like so many of the other staff, Minister, has always been available to myself and I know others in Labrador, and we really appreciate it very much. I've gotten to know this guy very well.

I wonder, John, if you could just give us a little description of the Black Tickle ferry and just how that's working? I see some good moves this year.

J. BAKER: The Black Tickle ferry starts on June 25 and will make her first run. Of course, the air service has started already and that will

continue on through to approximately the first week in December.

P. TRIMPER: Right on. Thank you, my friend.

The Labrador Training Centre, I know the department has been doing a review as to what to do with it and I'm just wondering if you've reached a conclusion on it. My recommendation is to put her out to tender and let it go.

C. GRANDY: We're working with the Department of Tourism, Culture, Arts and Recreation. They're our client; they're a tenant in the building. That building closed when it had some structural issues and, of course, now the new facility is open in Happy Valley-Goose Bay, the municipal –

P. TRIMPER: Soon.

C. GRANDY: Soon, sorry, yes.

We're working with the other department to determine the future of that building, but I think you're point is well taken and probably shared.

P. TRIMPER: Right on.

Then my last question, any further comment – I'm just watching Facebook and its alive tonight with the status of paving on Route 510, JCL's activities and so on. I mean, the intention from the department's perspective is to get as much done as possible. I'm thinking in the vicinity of 100 kilometres; I think that's what I heard Minister Dempster saying a while ago. I'm just looking for a confirmation to deal with some of the silliness I see on here.

C. GRANDY: We have two paving seasons left. A hundred kilometres on the TLH is a good paving year and so that's what we would hope to achieve, sometimes a little more, and then whatever is left over we should be able to complete that project and complete the paving next year.

The contractor has mobilized the site and has started work this year. It can get a little frustrating sometimes because sometimes from a public perspective the project doesn't start until asphalt gets laid, but as many people can appreciate there's a lot of work that goes into it

before the contractor actually starts laying asphalt. The contractor is at that point now, mobilized the site and work has begun.

P. TRIMPER: I think I'll stop there.

I have some other questions, but they're detailed site – go ahead, Minister.

E. LOVELESS: I'll just add, you should take the advice that I'm taking: Stay off Facebook.

P. TRIMPER: Thank you, Minister.

I have some other small details, but I thank you very much.

CHAIR: Thank you.

I'm sorry, Barry, I think we're going to take a five-minute recess. I think everybody needs a breather. We'll just take five minutes.

B. PETTEN: Good.

CHAIR: Okay.

Recess

CHAIR: Unless the question is directly for Cory Grandy, we go ahead. Let's move.

E. LOVELESS: I do not know where we ended off.

CHAIR: Mr. Petten was about to ask a question.

B. PETTEN: Thank you.

Under 2.3.03, Alterations and Improvements to Existing Facilities, the Salaries dropped last year by almost \$300,000.

E. LOVELESS: That was due to alterations and improvements and work being delayed during the year. Fewer employees were working on these projects; therefore, less salary recharges occurred during the year, for a total of \$290,100.

B. PETTEN: So you're charging salaries off to those areas when they're working in that specifically. So when they're not working, their salaries don't get charged to that specific budget line – is that correct?

E. LOVELESS: Correct me in saying that paid for work done?

OFFICIAL: Yeah.

B. PETTEN: Okay.

Purchased Services: Those are huge fluctuations there from \$8.6 million to \$3.7 million up to \$5.7 million.

E. LOVELESS: Purchased Services. Yeah, okay ...

B. PETTEN: He's on break, too.

C. GRANDY: I'll just give a bit of a broader outlook on this on the overall activity. So I mentioned earlier – you asked a question about COVID money – that some of the funds from the COVID resilient stream went to this activity. It is the same story you'll see when we get to the next section on School Facilities - Alterations and Improvements. The money got added to the budget, but it took the better part of the fiscal year before the actual agreement with the federal government got signed and we weren't able to advance projects until the agreement was signed.

As a result of that, we couldn't spend a lot of money that was budgeted. Because it is cost-shared money, it just carries over to the next fiscal year. So there is no money lost or revenue lost from the federal government. It is basically a reflection of when it was approved and when we could actually start executing on the project. There was \$5 million added to this activity, above what our normal base fund is and similar on schools. If you take off \$5 million of the extra money, what was spent is a better reflection of our base as opposed to the additional funds.

B. PETTEN: So Revenue - Federal, that's what that refers to?

C. GRANDY: Exactly.

B. PETTEN: Okay.

2.3.04, I am looking at Purchased Services under School Facilities - Alterations and Improvements. There is a \$6-million decrease.

E. LOVELESS: Purchased Services – I am told it is the same explanation, so do you want him to explain it again?

B. PETTEN: No, same explanation. I'll trust him on that.

E. LOVELESS: Okay.

B. PETTEN: Professional Services dropped to \$2.4 million?

E. LOVELESS: That was a savings attributed to construction delays due to COVID-19 pandemic.

B. PETTEN: Construction delays?

E. LOVELESS: Delays, yes.

B. PETTEN: Okay.

Local Carbon Economy, 2.3.05. It looks to be no funding for this year for Salaries. Is this being phased out or –?

E. LOVELESS: Do you want to take that, Cory?

C. GRANDY: That was actually an oversight in the budget process, the fact that there's a zero in Salaries for this activity. There should be something there.

B. PETTEN: So where is that money?

C. GRANDY: It's probably spread over the rest of that activity. There's probably more money in Purchased Services, for example, that should be in Salaries.

B. PETTEN: So you have \$8.1 million in Purchased Services, some of that should be in Salaries, is that what you're saying?

C. GRANDY: Yes.

B. PETTEN: And spread out through the other things, too, the Supplies and what have you.

C. GRANDY: Yes, it was a budget oversight when this activity was put together.

B. PETTEN: Got you.

So that \$8.1 million is added up in those lines above, basically?

C. GRANDY: Correct.

B. PETTEN: Okay.

B. PETTEN: All these school facilities, all those projects, are there on budget and on schedule under this?

C. GRANDY: There are literally dozens of projects that would be under this activity. By and large, the program is certainly on budget. Individual projects, some may be up and some may be down, but nothing that we would note or be of particular concern.

B. PETTEN: Nothing earth shattering.

2.3.06, Low Carbon Economy, once again, \$4.25 million. Where's that coming from? It's new money, but it's not in previous years. Can you explain that? Then there's Revenue- Federal piece, too.

C. GRANDY: So I'm going to turn around and I'm just going to look at my controller as I'm answering this, because I think this is the activity that it was previously budgeted in Finance and this is the first year it shows up in Transportation and Infrastructure Estimates. It would have previously been in the Department of Finance.

B. PETTEN: What does it cover, though? What's it for?

C. GRANDY: Oh sorry, the program. I'm going to look back the other way. Joe can jump in with more details, but the Low Carbon Economy is funding some of our boiler conversion projects going from oil fire to electric, as well as a biomass conversion project in the Central region.

B. PETTEN: Okay.

Airstrip Operations, under 2.4.01, Supplies is an extra \$83,800 from revised to budgeted. The revised number was up by \$83,000.

E. LOVELESS: (Inaudible) 2.4 –

B. PETTEN: 2.4.01. Is that COVID supplies?

E. LOVELESS: For the Salaries, do you mean?

B. PETTEN: No, under Supplies.

E. LOVELESS: Oh, Supplies, sorry.

The Supplies would include airport lighting, fuel and parts. Supplies can vary depending on fuel costs and use.

B. PETTEN: Okay.

Revenue seemed to be dropped down to – it's \$140,000, the line item, then down to \$43,000. Was that, again, due to the effects of COVID, that drop?

E. LOVELESS: Yes.

B. PETTEN: Okay. What's the status of the Nain airstrip upgrades?

C. GRANDY: Are you asking about the existing airstrip, or would you be referring to the –?

B. PETTEN: I guess, both, really.

C. GRANDY: The upgrades to the Nain airstrip are largely complete. There's a commitment that the province has made to the Nunatsiavut Government. The Nunatsiavut Government has made an application to the federal government for funding for a feasibility study for a new Nain airport and the province has committed 50 per cent of the cost of that. I think the overall estimate for the feasibility study is \$7 million.

B. PETTEN: But there's nothing moving with that yet?

C. GRANDY: The Nunatsiavut Government has not heard back yet on their federal application. That will be expected later this summer or early fall.

B. PETTEN: Under 2.4.02, Airstrips, again, that's like a new line item, \$337,800. Can you explain that one?

E. LOVELESS: Yeah, go ahead.

C. GRANDY: I think there are normally two activities: Airstrips Current and Airstrips Capital. I think perhaps in the last fiscal it was all in Capital and now this year we have a Current expenditure. So it's not a new activity, it's just a reflection of the type of projects. Sometimes there would be Current account money and sometimes Capital account money.

B. PETTEN: Okay.

Under 2.4.03, under Airstrips, Purchased Services, there is an extra \$1 million spent in the revised but there is nothing budgeted for this year, can you explain that one?

CHAIR: We'll answer that question and then we'll move on because the time is up there.

C. GRANDY: Oh, sorry. That was on Purchased Services?

B. PETTEN: Yeah. There is an extra million, right.

C. GRANDY: Yeah. I'm just reading the – so that's the Nain airstrip upgrade project that you were referring to and I think we had some additional funding under the LCARP agreement for that work and that's what you're seeing.

CHAIR: Thank you.

Mr. Brown, are you going to have other questions.

J. BROWN: Yeah, I have a couple questions there.

Thank you, Mr. Chair.

Under School Facilities - Alterations and Improvements to Existing Facilities, the list of activities under this one and the work list of work that's being done in the schools: Can we get a copy of that list of what is being done or is it going to be on my thumb drive?

E. LOVELESS: We'll follow up with you on that.

J. BROWN: You'll follow up. Prefect, thank you so much.

Also on Alterations and Improvements to Existing Facilities, can we get a list of that, too, on projects on the other facilities as well?

E. LOVELESS: Yes, we'll follow up.

J. BROWN: Perfect, thank you so much, Minister.

2.4.03 is the end of that section?

Yes, okay.

I have no more questions for this section.

CHAIR: No further questions?

J. BROWN: No.

CHAIR: So 2.1.01 to 2.4.03, shall the totals carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

Carried.

On motion, subheads 2.1.01 through 2.4.03 carried.

CLERK: The next subhead is Infrastructure 3.1.01 through 3.5.02 inclusive.

CHAIR: Shall 3.1.01 through 3.5.02 carry?

B. PETTEN: Thanks again.

3.1.01, Administration and Support Services, there's a drop in Salaries, almost \$200,000 in the revised from the budgeted.

E. LOVELESS: That was a savings due to delayed recruitment/vacancies.

B. PETTEN: Okay.

3.2.01, Improvements - Provincial Roads. It looks to be under Salaries there's \$2.7 million less in the revised and even this year's amount it's still only less than half what was budgeted for last year.

E. LOVELESS: If you don't mind, I'm just going to read a few notes that I have here that I have written down in terms of these sections that we're going to be discussing now.

They're activities that support our Roads Plan. We fund paving projects, bridge projects and so on. There are different buckets of funding. That's 100 per cent provincial Treasury and others are cost shared.

I just want to make reference, and this was in conjunction to conversation with the deputy and staff: To complicate matters in accordance with public sector accounting standards some projects are considered a Capital account expense and others are considered a Current account expense.

Within each of those activities, you get the various line objects for Salaries, Supplies, Professional Services, Purchased Services, et cetera. These breakdowns in the line objects are generally driven by standard percentage allocations, but the actual expense that is charged to those line objects can change significantly over the course of a fiscal year.

Looking at these six activities individually can be cumbersome as variance and I think it's important that – not that I'm an expert on this but I think it's worth announcing or reading out for all of our purposes in looking at this. It's cumbersome as variances on a line-by-line basis may be significant.

The summary of all this: Last year, we had approximately \$170 million approved for our roads program. As a direct result of the pandemic, we had over \$50 million in incomplete work, which carries over to the current year. This year, including that carry-over, we also have approximately \$170 million in approved road spending. We believe this year's roadwork productivity will improve and we'll start to get closer to where we were in 2019.

We have to keep in mind that in April of last year we did not know if we would have a construction season at all. COVID-19 had everyone scared, no doubt, and we didn't know much about it. Contractors were scared about the health of their employees, which is most important. They were scared about being the

cause of a COVID-19 cluster in communities, as we saw throughout the province.

To help with their concern, very early on TI made a commitment that we would not penalize contractors for late completion or carry-over, and we lived up to that commitment. I believe that was the right direction and the right decision. While it wasn't our most productive year, we're still proud to say we completed \$112 million of important roadwork last year and so we look forward to the year ahead.

With that all said, I'd certainly be happy to address any questions that any of you may have in the context of the \$170 million to be invested in total roadwork.

B. PETTEN: Okay.

Ultimately, I suppose, really, these numbers are fluctuating – big fluctuations and you're saying it's because of COVID: delayed getting a lot of work out the door, not penalizing contractors and on and on.

Under Federal-Provincial Cost-Shared Agreements, in 3.2.02, I suppose in a nutshell: The Salaries went down to \$20,000. Was that a result of the COVID or was that a result at the tail end of this Federal-Provincial Cost-Shared Agreements? I know we're still in the ICIP – these acronyms in government, but anyway. Is that under the same program or is that in a different program is what I'm asking, I guess.

C. GRANDY: 3.2.02 does have ICIP funding in it, specifically in the substream for rural and northern communities, and that's the Current account. Then, of course, there's another activity for the Federal-Provincial Cost-Shared Capital. I think that's 3.2.06. Again, that's what the minister just spoke to, the Capital account versus the Current account.

The Salaries component is time spent on task. As you can appreciate, there are multiple projects going on, even inside the same region, some from these various different buckets. We're charging our employees' time; we're trying to spread it across appropriately to each project. That's why you'll see some of these big variations from one activity to the next; we tend to manage it on the whole.

We have six funding buckets, as the minister explained, but we have to manage the entirety of the program, basically on the whole. That would apply to Salaries, Supplies, Purchased Services, which is the contract payments and on and on.

B. PETTEN: Would that be why – and I just missed it there in the previous section – 3.2.01, Purchased Services doubled to almost \$23 million? Is that why? That’s big, from \$12 million to \$23 million. Would that be tied to the same rationale?

C. GRANDY: Yes, so that’s year over year. We came pretty close on Purchased Services and that’s in Provincial Roads, Current. We were almost dead on our planned expenditure. This year, we have more funds put in Provincial Roads, Current. That’s as a result of the public sector accounting standards, in terms of if you call something a Current account expenditure versus a Capital account expenditure. Again, on the whole, it’s \$170 million and it’s spread across those six activities.

B. PETTEN: Okay.

I’m looking at the number now: \$70 million for this year’s Road Maintenance program.

C. GRANDY: \$170 million across all six activities.

B. PETTEN: But it’s \$70 million when you look at directly paving roads, the roads budget. I always call it the roads budget – \$70 million.

C. GRANDY: What activity are you seeing the \$70 million in? I just want to make sure that we’re on the ...

B. PETTEN: Under Improvement and Construction – Provincial Roads. I’m gone to the next section but I was flicking over as you were saying \$170 million. But \$70 million of that is what we call repairs to the Outer Ring, the main provincial roads, what I call paving. Paving is what I’m referring to.

C. GRANDY: Right. So I think the \$75 million in ’21-’22 – is that the number you’re looking at in 3.2.03?

B. PETTEN: 3.2.03. No, I’m looking at the \$70 million being budgeted under Purchased Services this year.

C. GRANDY: Yes.

That’s Provincial Roads, Capital. But Provincial Roads, Current, which is the earlier activity, to us is all part of that same activity. Depending on the scope of a project and whether you can recapitalize that asset or whether the existing asset has been completely capitalized in Public Accounts, it’s those inputs that dictate whether something is going to be a Current account expenditure versus a Capital account expenditure.

Again, on the whole, we look at the \$170 million roads program across all six activities.

B. PETTEN: I got you.

Under 3.2.02, the Professional Services – you’re probably going to repeat yourself on this too, but I apologize. Professional Services went from – \$8,800 was spent. Is that an accounting – COVID? It went from \$10 million to \$8,800 and then it is just back to \$100,000.

E. LOVELESS: Sorry, can you say what activity you’re on again?

B. PETTEN: What is it? Yeah, it just seems out of whack; the numbers are out. That is under Professional Services, 3.2.02. You see right across the line that it’s \$100,000, \$8,800 and then \$10 million.

E. LOVELESS: When I’m looking at 3.2.02, I don’t see \$10 million, so I am just trying to ...

OFFICIAL: You’re on a different one there.

B. PETTEN: Oh, I’m on 3.2.03. Sorry, typo. I never put it there.

OFFICIAL: You want my glasses?

B. PETTEN: No, no, my glasses are fine. It was a typo. The glasses are perfect.

Sorry about that.

C. GRANDY: That \$10 million in 3.2.03, Professional Services, shouldn't have been in Professional Services. That should have been in Purchased Services because it is for contractor payments. It was inadvertently put in Professional Services as part of last year's budget process.

B. PETTEN: Okay, I'll wait for my next turn.

CHAIR: Thank you.

J. BROWN: Thank you, Mr. Chair.

Where are we here now? I just want to make sure I'm on the right page in my notes.

Under the Federal – Provincial Cost-Shared Agreements, last year we budgeted \$2.8 million for – or it was budgeted \$2.8 million under 3.2.02 for federal cost-shared. We only got \$1 million out of it and we're budgeting to only receive \$500,000 from it. What is the reasoning, the rationale? Is this project coming to an end soon? Is it winding down and that is why we're only getting a portion of what was budgeted originally last year?

C. GRANDY: That would be a reflection, again, of not having as much work completed as we had a lot of carry-over in the last construction season. If we didn't complete the work, we can't put the claim in to receive the revenue back from the federal government. It's not lost revenue; we will receive it in future years.

J. BROWN: Okay, so we just have to catch up from this year and we should be reimbursed eventually for the work.

C. GRANDY: Correct.

J. BROWN: Okay, so the \$500,000 is just a placeholder number at this point in time? Okay.

Under 3.2.04, obviously, it's another infrastructure framework agreement with the federal government. It was budgeted for \$2.2 million. We didn't get anything last year, and we're budgeting again for \$2.2 million this year. Is it because of the same thing? The work never got done and we never submitted our receipts, I

guess, to the federal government to receive that money?

C. GRANDY: Correct. That's on revenue, you're asking?

J. BROWN: Yeah. I think it's all revenue for 3.2.04, Canada/Newfoundland and Labrador Infrastructure Framework Agreement.

C. GRANDY: (Inaudible.)

J. BROWN: 3.2.05, Trans Labrador Highway, a personal one here for me. Obviously, we all know about what happened last year with paving and everything like that. We budgeted \$2.5 million for Salaries; we only spent \$1.3 million, and we're only budgeting \$1.2 million. Is that a reflection of carry-over work, that kind of thing, for Salaries there?

C. GRANDY: Correct.

J. BROWN: Okay.

Obviously, too, last year we budgeted \$33 million for Purchased Services. We only spent \$30.8 million, and now we're budgeting only \$20 million. Is this a reflection of the wind-down of the remaining paving work on the Trans-Labrador?

C. GRANDY: Yes, that's correct. That's how much we would expect based on productivity this year.

J. BROWN: Okay, all right.

And now with the revenue from the federal government, is it the same thing? We were expecting \$21 million; we ended up with \$19 million and we're only budgeting \$12 million. Is it the same thing? Because of the lack of work completed, we can't receive from the federal?

C. GRANDY: That's correct.

J. BROWN: Okay, I just wanted to make sure.

Another thing with the Trans-Labrador, so we're expecting two more paving seasons until the completion of that work?

C. GRANDY: Yes.

J. BROWN: Okay, so we're expecting just two more seasons.

3.2.06, Federal - Provincial Cost-Shared Agreements there. Same thing here with Salaries – obviously, I'm guessing the same thing. We're expecting \$4.5 million in Salaries this coming budget. What projects would be under this one? Because out of all the other ones, there's such a spike in Salaries in this area. What projects would be covered under 3.2.06?

C. GRANDY: 3.2.06 includes the work on the five bridges that we referenced earlier under the DMAF program. It also includes the conclusion of some projects under the older New Building Canada Fund agreement with the federal government. Then you have the various subcategories under the Investing in Canada Infrastructure Program, particularly under the rural and northern substream, which is, again, your typical paving projects.

J. BROWN: Okay, perfect.

Under Professional Services, it's up significantly there. Would this be engineering and drafting services?

C. GRANDY: The Professional Services on this activity would be specifically for those five bridge projects. We've outsourced a lot of the design work on that. The question earlier on the Romaine's River falls in that category.

J. BROWN: Perfect. Thank you, Deputy Minister.

3.3.01, Administration and Support Services, we have an increase in Salaries under this section. What was the reason for the increase in Salaries under 3.3.01?

E. LOVELESS: That reflects salary plan changes, which includes the step increases, vacant positions being filled and the amount of funding charged off to building construction projects.

J. BROWN: Last year, under revised for the '20-'21 budget there, there was \$267,000 in Professional Services. What were the Professional Services for that?

E. LOVELESS: Bear with me.

J. BROWN: No worries.

E. LOVELESS: That was funding that provides for the hiring of consultants for project management design infrastructure projects. The \$267,000 increase: additional expenditure related to fairness advisory services for communications procurement projects.

J. BROWN: Perfect.

Last year in Estimates, it was mentioned that there was an ICT review on all the telephone systems for the department. Has his work been completed? Were there any additional upgrades required as a result of this review?

C. GRANDY: On ICT, we have just in the last week issued an RFP for wide-area network and Internet. That's a joint initiative between TI, the Office of the Chief Information Officer as well as the Newfoundland and Labrador English School District. That's all part of that work that we talked about before.

J. BROWN: Another question there, too. A lot of older government buildings don't have Wi-Fi in the buildings. Is that something that the department is reviewing, to put Wi-Fi in the older government buildings that are still being used extensively?

T. ENGLISH: (Inaudible.)

C. GRANDY: Thank you, Tracy.

That is more of an OCIO question, as opposed to a TI function. We would support their work in our buildings but ...

J. BROWN: They're different layers.

C. GRANDY: Yes.

J. BROWN: Perfect, thank you so much, Deputy Minister.

Health Care Infrastructure, 3.3.02: Last year we budgeted \$1.5 million, but now there is an increase to \$2.9 million under Purchased Services. What is the rationale for the larger increase there this coming year?

E. LOVELESS: That is under Purchased Services?

J. BROWN: Yes, for 3.3.02, Health Care Infrastructure.

E. LOVELESS: The increase in 2021-22 is due to the completion of the Central Health long-term care facilities in Gander and Grand Falls-Windsor in 2021-22, as well as the completion of the parking garage component of the new adult mental health and addictions project.

J. BROWN: Okay. So this is the payments to Marco and the other operators?

E. LOVELESS: (Inaudible.)

J. BROWN: Okay.

Under 3.3.03, for Salaries, for School Facilities - New Construction and Alterations to Existing Facilities, we budgeted \$500,000, but we spent \$624,900 on Salaries there. What was the reasoning for the increase in Salaries?

E. LOVELESS: Just a note that during the year the department reallocated funding from its operating budget to Salaries. TI staff worked on various school construction projects, and a portion of their salary is charged to these projects based on the amount of time spent on them. Again, paying for work done.

J. BROWN: More work had to be done on a particular file, I guess.

E. LOVELESS: Right.

J. BROWN: Under Professional Services, we budgeted \$1.2 million. We didn't spend near close to that under revised, but now we are budgeting \$2.8 million for Professional Services. What is the reasoning for that?

E. LOVELESS: Well, I am told this was an oversight during the budget and it should have been allocated to Purchased Services.

J. BROWN: Okay.

So if we go to Purchased Services, we've budgeted \$49 million and we spent \$48 million, and now we're only budgeting \$16 million.

What was purchased in that area there for that time?

E. LOVELESS: That is for 3.3.03?

J. BROWN: 3.3.03, yes.

E. LOVELESS: For Purchased Services correct?

J. BROWN: That is correct.

E. LOVELESS: Okay.

Do you want to take that one, Cory?

C. GRANDY: The main projects that are under this activity are the five new schools that are under construction: Coley's Point Primary, Gander Academy, Paradise, Bay d'Espoir school and a small school bus depot in Corner Brook. Those projects are all winding down, so the reduction in Purchased Services this year reflects what is residual on those contracts to be completed.

Last year was a busy construction season and now those projects will be complete. We expect those schools to open in September of this year, and work is done.

J. BROWN: Oh, perfect. Thank you so much, Minister.

There is a line item for provincial revenue here as –

CHAIR: Sorry, your time is up. I was watching people getting water – distracted. Thanks, Barry.

Go ahead.

B. PETTEN: I have a few questions I'm going to throw out there now, Minister.

What's the status of that fifth water bomber that was damaged? What are the plans for that?

E. LOVELESS: I'll leave to Cory in terms of the fifth one. But in terms of operational, as a department we feel that the current inventory we have is, I guess, working in terms of providing the service that is necessary.

In terms of that fifth, I can ask Cory to speak to that.

C. GRANDY: I think the expectation is right now that we will be disposing of the fifth aircraft and we're working through, I guess, to make sure that we achieve best value in terms of disposing of that asset.

B. PETTEN: That would go through tendering or public offering, whatever, yeah. Okay.

The road to the North Coast, what's the status of that? I know it's been announced and reannounced, but is there any ...?

C. GRANDY: The minister made reference to it earlier. There's \$200,000 committed to a pre-feasibility study for the road to the North and we're in the process of developing an appropriate terms of reference for that work. The minister alluded to the fact that we've had some discussions with the communities on the North Coast and we will consult with them more as we develop the terms of reference.

B. PETTEN: Okay.

What about the issue of the helicopter service of the St. John's Regional Fire Department? Are talks on again, off again? Where are we to with that?

C. GRANDY: A part of that answer should probably come from Justice and Public Safety, as they're responsible for that element of search and rescue.

The contract that we have in place is not a reduction in service relative to what we had before, but there's a nuance in all of this that the equipment that was previously mounted to the helicopters is no longer permitted by Transport Canada. The codes and standards have changed. What was previously used and how it was done is no longer acceptable. We're working with not only St. John's Regional but – and we're working through the Department of Justice and Public Safety on this and with Search and Rescue NL, SARANL, to find an appropriate solution. Those discussions are ongoing.

B. PETTEN: Twenty-hour snow clearing was an issue that hasn't been much about it the last couple of years. Is that in place anywhere now?

C. GRANDY: Twenty-hour snow clearing.

OFFICIAL: As you recall, we changed our method of service delivery on that from a fixed shift to a flexible shift which we've kept in place ever since. It's worked quite well. We've even added a route for 24-hour coverage, which is the Team Gushue Highway or the extension I should say. When we added that road to our inventory, we made that a 24-hour route that's serviced as well. We brought the number from 13 to 14, 24-hour routes now.

B. PETTEN: Okay.

How many new pieces of equipment did your department add this year? I guess how many pieces of equipment are in service? Do you have an idea of that number or both those numbers?

OFFICIAL: We're hovering around, in terms of snowplows, we have somewhere around 313. We brought in 62 last year. On top of that, we also added five just before that which would have made it 67 and we've also added 20 loaders as well. For a total of around 87 new pieces of heavy equipment in just over – I think it's about a year and a half.

B. PETTEN: Okay.

The Lewisporte wharf project, what's the update on that? Where is the status of that?

C. GRANDY: I think it was in April we awarded a consulting contract to do an assessment of the Lewisporte wharf. That work by the consultant is still ongoing.

B. PETTEN: Okay.

Under 3.3.05, Justice Infrastructure, a big variation in Purchased Services, \$4.4 million to \$16,000 and back up to \$7.5 million.

E. LOVELESS: The \$4.3 million, the reduction was due to the non-award of the construction contract for the extension of the Labrador Correctional Centre. The Labrador Correctional Centre is to be retendered in early summer.

B. PETTEN: Okay.

E. LOVELESS: Did you ask about the increase as well?

B. PETTEN: Well, just the general three numbers there.

E. LOVELESS: Yeah. So the \$7.5 million increase reflects cash flow requirements for the Labrador correction facility.

B. PETTEN: Okay. What about the new penitentiary? What's the status? Was there any – where's that to right now in the stages?

G. CLARKE: We issued an RFQ some months ago and evaluated that request for qualifications in the fall. We're in the process now of finalizing the issuance of the RFP to the successful proponents who were qualified to receive the request for proposals.

B. PETTEN: Okay. So all the projects in Justice Infrastructure, are they on schedule or budget, as much as we can expect it to be?

G. CLARKE: The Labrador Correctional Centre will be retendered shortly. The new HMP project is on schedule in the sense that we anticipate, as we have for the last couple of years, that the RFP submissions would be received and evaluated and a contract in place in spring 2022.

B. PETTEN: Okay.

3.3.06 under the Health Care Infrastructure, again Professional Services, these are all big fluctuations, it's an increase to \$9.1 million. That's in the revised amounts. That's gone back down again to \$3 million this year.

E. LOVELESS: Are you asking about the increase from the budget of '20-'21 to the revised and ...?

B. PETTEN: Yeah, it went from \$4.4 million to \$9.1 million, now it's gone back down to a little over \$3 million.

E. LOVELESS: Why am I not seeing that.

B. PETTEN: 3.3.06, Health Care Infrastructure, under Professional Services.

E. LOVELESS: Yeah, okay.

The decrease there reflects planned expenditure for health care infrastructure. The increase from revised to budget was variances primarily due to expenditures being incorrectly coded to Professional Services. It should have been coded to Purchased Services, so another accounting exercise.

B. PETTEN: I mean, that's fine. I have no issue with that. It seems there's a lot of that. What's the reason for that? I'm just curious. Is there any explanation for that? There seems to be a lot of it; that's why I'm asking. It's a fair question, a good question.

Uh-oh, we have Patrick on.

P. MORRISSEY: That does seem to happen quite a bit. Sometimes it's just an oversight in whoever is doing the actual invoice. We don't normally pay attention – I guess, we pay attention to where it's being charged, but sometimes it just gets overlooked. It should have been going to a certain code, but it went to another one. That's all.

B. PETTEN: Okay, so it's kind of regular; it happens often.

P. MORRISSEY: Yes. The volume, too, and the invoice is a new process. Over 80,000 invoices in a fiscal year, so, you know.

B. PETTEN: Fair enough.

Under Purchased Services, it was \$54 million budgeted, spent \$31 million and it's an increase of \$64 million. Again, huge fluctuations.

E. LOVELESS: Do you want to take that, Corey?

C. GRANDY: Again, a part of that variance is what Patrick just spoke to. There was \$4.7 million in Professional Services that should have been charged to Purchased Services, so that would have increased that \$31-million number in the revised. Overall, I mean, there are a number of projects that are in various states of

the process, whether they be in design or construction. Some are cluing up; some are starting, so you're going to see variances in the overall total in that activity to meet the needs of the suite of projects that are included in any given fiscal year.

B. PETTEN: Okay, thanks.

CHAIR: Okay, thank you.

Go ahead.

J. BROWN: Thank you so much, Mr. Chair.

Going back to 3.3.04, Development of New Facilities: Can we get a list of projects being completed under this heading, please?

E. LOVELESS: For which heading?

J. BROWN: 3.3.04, Development of New Facilities.

E. LOVELESS: You're asking for ...?

J. BROWN: Can we get a list of the projects that are going to be completed under New Facilities?

OFFICIAL: (Inaudible.)

J. BROWN: Oh, that ones on the stick?

E. LOVELESS: I'm being told it's on your stick.

J. BROWN: Perfect. You guys think of everything.

3.4.01, Ferry Terminals: We noticed there was a decrease in – sorry. Well, first of all, there was an increase in Salaries from revised. What was the rationale for that?

E. LOVELESS: The original budget did not reflect an appropriate salary allocation for the chargeback of project management time.

J. BROWN: Okay. Perfect.

Under Purchased Services, what was the reasoning for such a decrease in Purchased Services this year?

E. LOVELESS: That was primarily due to delays in ferry terminal maintenance being completed as result of COVID-19.

J. BROWN: Okay, it's deferred work?

E. LOVELESS: Yes.

J. BROWN: Okay, perfect.

And under Ferry Terminals, Capital, we noticed that there was a large decrease compared to the actuals for Salaries. What was the reasoning for that?

E. LOVELESS: Do you want to take that one, Cory?

C. GRANDY: Yes, on 3.4.02? Just to be clear.

J. BROWN: The next one, yes, under Capital.

C. GRANDY: That would be less-than-anticipated project management time by our staff spent on those projects. When the budget is established, it is based on standard percentage allocations and then what is actually applied to it again, as we said in other activities, is time on task.

J. BROWN: Perfect.

Under Purchased Services, I noticed that we came in over budget on Purchased Services under this particular heading. What was the reasoning for that?

E. LOVELESS: That was due to increased contract requirements for a freight shed in Makkovik.

J. BROWN: Okay, perfect. Thank you so much, Minister.

3.5.01, Municipal Infrastructure: I noticed that there was an increase in Salaries there and we're also increasing Salaries in the upcoming budget. What's the rationale for that?

E. LOVELESS: It reflects salary plan requirements including step increases, filling vacant positions, et cetera. That is budget to budget, and revised-to-budget increase is due to change in salaries as per new agreement.

J. BROWN: Perfect.

Under Grants and Subsidies, we budgeted \$40 million last year, but we only put out \$33 million and we are expected to put out \$44 million in this coming year. What is the reasoning for the fluctuation there?

E. LOVELESS: Grants – under that same –?

J. BROWN: 3.5.01.

E. LOVELESS: Sorry, can you repeat your question again? You're asking about the increase from budget to budget?

J. BROWN: Yes. In '20-'21 we budgeted for \$40 million in Grants and Subsidies. We only spent \$33 million and now we're going to spend \$44 million. Can we clarify what is going on there?

E. LOVELESS: Yes. From budget to budget, the \$3.9 million is anticipated spending on municipal capital works and the multi-year capital works program and small-scale community projects. The budget to revised, the \$11.2 million reflects cash-flow requirements for municipal infrastructure projects for the upcoming season.

J. BROWN: Okay. Can we get a list of where these grants and subsidies are going in this coming year?

E. LOVELESS: Yes, we can get it for you.

J. BROWN: Perfect.

E. LOVELESS: It is not on your –

J. BROWN: It is not on the stick, okay. No worries, Minister.

3.5.02, Federal/Provincial Infrastructure Programs, Grants and Subsidies: Last year we had \$79 million budgeted. We only spent \$58 million but we are now expecting \$90 million. What is the reasoning for that?

E. LOVELESS: Do you want to take that one, Cory?

C. GRANDY: Again, generally the productivity this year, similar to what we said on the roads, was down due to the pandemic. Then, that would be carry-over work, so you'd see a bigger amount expected for the current fiscal.

J. BROWN: Okay. I guess that would also reflect on revenue from the federal government there as well?

C. GRANDY: Correct.

J. BROWN: Can we get a list of projects that are under this program as well?

C. GRANDY: Yes, there will literally be hundreds of projects that are funded through the various programs of Municipal Infrastructure, but we can get you a full list.

J. BROWN: Perfect. I really appreciate that, Deputy Minister.

E. LOVELESS: It might be a large spreadsheet.

J. BROWN: Hey, that's fine. We'll work with it.

That will be the end of my questioning for this section there.

Thank you.

CHAIR: Okay.

B. PETTEN: I have a couple of more questions on that section before we finish up. Under Ferry Terminals, 3.4.01 –

E. LOVELESS: Yes.

B. PETTEN: Okay, I have to wait; I can't rush you.

E. LOVELESS: I know, I hear you.

B. PETTEN: Why is the dropped balance – Purchased Services went down to \$834,000, but it's gone back up again. Last year it was \$500,000 less spent.

E. LOVELESS: Hold on now. Give me a moment. Let me coordinate one book to the other.

3.4.01 – sorry, what was your line question?

B. PETTEN: Under Purchased Services, it went down to \$834,000 now it's gone back up to \$1,338,500.

J. BROWN: I asked that one.

B. PETTEN: Did you?

E. LOVELESS: He didn't like the answer.

B. PETTEN: I don't know, I'm partially deaf, too.

E. LOVELESS: Purchased Services, that was due to delays in ferry terminal maintenance being completed as a result of COVID-19 pandemic.

B. PETTEN: Okay.

A general question that has to do with the ferries. The North Coast ferries, have the complaints died down? Have there been many claims for damages, spoiled freight? Is that issue working its way out now with the ferries on the North Coast?

E. LOVELESS: B'y, I'm going to leave that question to the guy that Mr. Trimper said make sure we don't get rid of him: Mr. Baker.

J. BAKER: Yes, as a matter of fact, the first season we had multiple, I guess, issues trying to get started, with a late start and a bunch of other things and everybody getting used to the different ferry. Last season, as a matter of fact, we had complimentary notes going from the different communities thanking us for the service. At my office, I did not see one claim come in for last season.

B. PETTEN: That's good.

That's it for that section.

CHAIR: Done?

B. PETTEN: Done, yes.

CHAIR: Okay.

Item 3.1.01 to 3.5.02, shall the totals carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.5.02 carried.

CHAIR: Thank you.

CLERK: Subhead, Air and Marine Services, 4.1.01 through 4.2.02 inclusive.

CHAIR: Shall 4.1.01 to 4.2.02 carry?

B. PETTEN: Thank you again.

Under 4.1.01, Ferry Operations, I guess I'm going ask a question that's a general question, but I think it's an important question. We continue to see ferry crews making exorbitant amounts of money in overtime. There's only one way to describing when someone comes in with a base salary of \$60,000 or \$70,000 and they're doubling that in overtime.

If you look at the layman, the common-sense question would be: Why don't you just hire more people? That is, in essence, the question I'm going to ask right out. I have been a critic in this department and I've been around this department for a long time and that issue doesn't go away. So I guess the question – maybe John Baker can answer it – is why don't we just hire more staff? I think it'd be more cost effective, as opposed to paying out these huge amounts of overtime yearly. It's a pretty common-sense question, actually.

J. BAKER: Yes, that would be the reasonable question and to get an answer to it. But we have continuous ads out there looking for people and crew members. Yes, they look at this and they make the sunshine list and whatever. And the first thing we have coming to us is can I have that in writing that I'm going to get that. Mostly what we end up with are rotational workers that have the qualifications and come to work with us on their three to four weeks off.

But having said all of that, in the past three to four years we have taken \$1.3 million out of the overtime budget line item. So we're continuously working on it.

B. PETTEN: But I am (inaudible) to say, we could still hire more staff and eliminate a lot more overtime.

J. BAKER: Of course. And, as I said, if we could hire them we would. If we had them available.

B. PETTEN: So you're saying there are people not available to work on the vessels?

J. BAKER: Well, the ads are out there all the time and open, and we would only be too pleased to bring them on board once we get their references and their qualifications and if they're worthy of the hire.

B. PETTEN: Okay.

Under Allowances and Assistance: It's a small amount, but what is that for? It's \$60,000, down to \$3,100, \$25,000. I'm more curious than anything. What does that cover? Allowances and Assistance.

J. BAKER: What page is that on?

B. PETTEN: 4.1.01.

J. BAKER: The \$684,000 you're looking at?

B. PETTEN: It went from \$60,000 down to \$3,100 and up to \$25,000.

J. BAKER: Okay. That's the claims on the vessel (inaudible). That's for the damages on the vessel and, of course, we move a fair bit of traffic, but last year when the pandemic struck we were allowed, with a change in policy, a relaxing of the restrictions from Transport Canada that we were allowed to let people stay in their vehicles on deck.

By doing that, we took an extra measure by reducing the number of lanes that are on the car deck in order to be able to – if we so happen to have an incident that the passengers would be able to exit their vehicles in a safe and faster method. That way, also, it would give us more

space between traffic and, I guess, less for dinging and any other damages. So that was some of the reasons for that big adjustment.

B. PETTEN: The provincial revenue, why the drop? Less travellers on the vessels?

J. BAKER: Well, the revenue was dropped off mainly because of the pandemic and we were restricted to essential movement only.

B. PETTEN: Right on.

Under Ferry Vessel Refits, 4.1.02, it's pretty steady dollar-wise, budget-wise. Have these projects come in on schedule and on budget?

J. BAKER: What was your question again?

B. PETTEN: Under the Ferry Vessel Refits, 4.1.02.

J. BAKER: Yes.

B. PETTEN: The projects, have they come in on schedule and on budget?

J. BAKER: We pretty well came in on budget for those refits. But some of the overrun there of \$138,700 that is because it was close to the end of the season and we never had time to clue up and so it just rolled over into the other fiscal.

B. PETTEN: Under 4.2.01, Government - Operated Aircraft, Supplies: Why the drop of \$737,000?

E. LOVELESS: (Inaudible.)

B. PETTEN: Yeah.

E. LOVELESS: The budget-to-budget decrease there of little over half a million, that was fuel savings which are directly tied to the usage of aircrafts. This is demand-driven and depends on the number of forest fires/air ambulance requirements and, as we know, that can vary from year over year. The revised to budget decrease of over \$700,000 was savings attributed to reduced usage of water bombers, and this area is demand-driven and varies based on the number, again, of forest fires.

B. PETTEN: Revenue - Provincial, there's a drop and back up. The revised numbers were down by, like, half a million but now we're back up to \$850,000. Where is that funding? Why the decrease and back to the regular budgeted amount?

E. LOVELESS: In that same section you're talking about?

B. PETTEN: Yes, 4.2.01.

E. LOVELESS: The decrease there – if I am following you; hopefully I am – was lower than anticipated recharges to the regional health authorities required for helicopter and plane charters in the fiscal year. Revenue is also received from other provinces, as well, for the use of the water bombers and we have known of several examples in the last several months. Again, this is demand-driven and it depends on the need.

B. PETTEN: I have to go back to Mr. Baker on a question.

The people on the boats who are deckhands, do they have to have a ticket, special training or qualifications to be on the ferry?

J. BAKER: The deckhands?

B. PETTEN: You say the staff on the ferry; you'd hire them on if you could find them. What special training do they have to have? For a deckhand or a mate, say, what training do they have, different, that prevents anyone from applying to be working on one of the vessels?

J. BAKER: Normally a process with their MED, some have Bridge Watch and different, other safety programs and they have, of course, their Transport Canada certificates for their medicals and their, I guess, first aid. So it's a different line of qualifications that they need to have in order to get their Transport Canada certificate.

B. PETTEN: Amazing.

C. GRANDY: While John was talking we just looked on the job board. It's of interest to note that there are 12 eligibility lists of active competitions on the job board right now for

various vessels looking to fill some of these positions. So the qualifications, depending on what it is, deckhand and everything else that's there, would be listed. But there are 12 active competitions.

B. PETTEN: Wow.

C. GRANDY: And that's eligibility lists, so that's not just 12 positions.

OFFICIAL: (Inaudible.)

E. LOVELESS: Yeah, no, if I –

CHAIR: Go ahead.

E. LOVELESS: It's an interesting conversation because I know where your mind was on that –

B. PETTEN: Is.

E. LOVELESS: – and is, and so is mine.

I know there are youth in my district and a lot of districts that are: What do I do in life? What do I do? Is this an option? I've had this conversation with the Education Minister as well. We really need to be focussing on that. I'll use aquaculture, the same thing, there are youth down in my district now that didn't realize you could have a two-year program and you can go down into my district and make \$50,000-plus, but we need to let the youth know that these opportunities are available. I think it speaks to this one conversation piece as well, which is important.

CHAIR: Thank you.

Jordan.

J. BROWN: Thank you, Mr. Chair.

Under Government - Operated Aircraft, can we get a list – I know it's C-GNLO and C-GNLF are the two air ambulances that belong to the province. Can we get a list of leased aircraft that we're using as air ambulance as well and the contract that's currently out for that?

OFFICIAL: (Inaudible.)

J. BROWN: So the actual leased aircraft would be there. You just only look after the two province ones.

J. BAKER: What was the question again?

J. BROWN: The leased aircraft used for air ambulance.

J. BAKER: Yes.

J. BROWN: How many do we lease and who do we lease them off?

J. BAKER: The leased aircraft, that's leased through Health.

J. BROWN: Okay, so I have to go and torment Mr. Haggie. Perfect. Thank you, Minister.

That was my only question for that right there now.

On to the ferry thing, has the department decided to approach the Marine Institute on help for filling those roles?

E. LOVELESS: Filling the roles of ...?

J. BROWN: Missing people that are required for the ferry with certain skill sets.

E. LOVELESS: In my former role, I had a lots of conversations with the Marine Institute and toward the facility as well, and certainly had that same conversation as we were referencing with what Barry was talking about as well. I haven't, but I look forward to the conversations.

J. BROWN: Perfect.

Anyway, that's the end of my questions for this.

Thank you.

CHAIR: Thank you.

P. TRIMPER: I was just mentioning to my colleague; I just was thinking the Labrador Aboriginal Training Partnership could be another opportunity. They're very nimble in terms of designing those qualifications. I'm actually just sitting here trying to reach the

director this evening just to put that little idea. I will follow up with him and reach back out.

E. LOVELESS: I just told the deputy to get your space ready.

CHAIR: Are there any more questions?

Mr. Petten.

B. PETTEN: The last question is for John Baker.

The Qajaq, how many days lost this year to weather, previous to prior years? Was it better this year or worse?

J. BAKER: This year was an exceptional year due to the fact that we didn't experience any ice.

B. PETTEN: Right.

J. BAKER: She lost some days due to the wind, high-wind storms, 35, 45 knots. But other than that, we've had an exceptional year in the Straits.

B. PETTEN: Okay.

I believe that's it for me.

CHAIR: That's it? Okay.

Items 4.1.01 to 4.2.02, shall the totals carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subheads 4.1.01 through 4.2.02 carried.

CLERK: The total.

CHAIR: Shall I request the Estimates for Transportation and Infrastructure be carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, ‘nay.’

Carried.

On motion, Department of Transportation and Infrastructure, total heads, carried.

On motion, Estimates of the Department of Transportation and Infrastructure carried without amendment.

CHAIR: Well, thank you, everyone.

Motion to adjourn?

T. WAKEHAM: So moved.

CHAIR: Moved.

All those in favour, ‘aye.’

Carried.

E. LOVELESS: Thank you, all. I can see the expression on Tony Wakeham’s face. Go Habs, go.

On motion, the Committee adjourned.