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Government Services**

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Department of Transportation and Infrastructure
Public Procurement Agency

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Honourable Paul Lane, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Transportation and Infrastructure and Public Procurement Agency

Chair: Jeff Dwyer, MHA

Members: Riley Balsom, MHA
Jim McKenna, MHA
Mark Butt, MHA
Lucy Stoyles, MHA
Sheilagh O'Leary, MHA
Jamie Korab, MHA

Clerk of the Committee: Evan Beazley (A)

Appearing:

Department of Transportation and Infrastructure

Hon. Barry Petten, Minister
Sean Dutton, Deputy Minister
Brian Evans, Associate Deputy Minister
Robyn Bursey, Assistant Deputy Minister, Building Operations
Tracy English, Assistant Deputy Minister, Strategic and Corporate Services
Dan Michielsen, Assistant Deputy Minister, Roads
Stephen Power, Assistant Deputy Minister (A), Air and Marine Services
Darlene Spracklin-Reid, Assistant Deputy Minister, Infrastructure
Greg Butler, Departmental Controller
Melony O'Neil, Director of Communications
Mark Vardy, Manager of Budgeting
Tracey Tibbo, Executive Assistant
Darrell Hynes, Senior Policy Advisor

Public Procurement Agency

Hon. Barry Petten, Minister
Frank Butler, Chief Procurement Officer
Jennifer Torrville, Departmental Controller

Also Present

Elvis Loveless, MHA
Meghan Parsons, Official Opposition Caucus
Margot Pitcher, Official Opposition Caucus
Steven Kent, Third Party Caucus

Pursuant to Standing Order 68, Elvis Loveless, MHA for Fortune Bay - Cape La Hune, substitutes for Lucy Stoyles, MHA for Mount Pearl North.

The Committee met at 9:01 a.m. in the House of Assembly Chamber.

CLERK (Beazley): Good morning, I'm going to call the meeting to order. This is the first meeting of the Government Services Committee for the Estimates of the Department of Transportation and Infrastructure and the Public Procurement Agency.

My name is Evan Beazley. I will be your Clerk for today. Our first order of business is to elect a Chair. So are there any nominations from the floor?

R. BALSOM: I nominate the Member for Placentia West - Bellevue.

CLERK: The nomination is for the Member for Placentia West - Bellevue to be elected Chair.

Are there any further nominations from the floor?

Are there any further nominations from the floor?

The motion is that the Member for Placentia West - Bellevue be elected Chair.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CLERK: All those against, 'nay.'

The motion is carried.

The Member for Placentia West - Bellevue is elected Chair.

CHAIR (Dwyer): So we'll call the meeting to order.

Just a couple of housekeeping items. I will announce the substitutes. The Member for Fortune Bay - Cape La Hune, Elvis Loveless, will be substituting for Mount Pearl North, Lucy Stoyles.

At 10:30 we will take a 10-minute break, that will get us about halfway through and then we'll go accordingly after that. Each time you're asked to speak, all I ask is that you wave your hand. I'm not going to acknowledge each person when we do each heading, but I will acknowledge each person as it changes because they get 10 minutes to ask questions. Wait for the tally light on the desk to come on before proceeding. Say your name and your position each time that you speak so that it can be picked up for transcription purposes.

Do not make adjustments to the chairs, apparently the Members don't like that. Nobody is sitting in my chair, so don't worry about that rule today.

The water coolers are located on four points in the Chamber and glasses are provided next to the coolers on each side of the Speaker's Chair.

There are no unaffiliated MHAs in attendance, currently.

I now ask the Committee Members, the substitutions and caucus employees to introduce themselves starting in the front closest to the Chair.

We'll start here with the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Elvis Loveless, MHA for Fortune Bay - Cape La Hune.

M. PITCHER: Margot Pitcher, Opposition staffer.

J. KORAB: Jamie Korab, MHA Waterford Valley.

M. PARSONS: Meghan Parsons, Opposition staffer.

S. O'LEARY: Sheilagh O'Leary, MHA St. John's East - Quidi Vidi.

S. KENT: Steven Kent, Researcher for the Third Party.

R. BALSOM: Riley Balsom, MHA Carbonear - Trinity - Bay de Verde.

M. BUTT: Mark Butt, Lewisporte - Twillingate.

J. MCKENNA: Jim McKenna, Fogo Island - Cape Freels

CHAIR: Now I ask the departmental officials to introduce themselves, starting with the minister.

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

D. MICHELSEN: Dan Michielsen, ADM of Roads.

D. SPRACKLIN-REID: Darlene Spracklin-Reid, ADM Infrastructure.

S. DUTTON: Sean Dutton, Deputy Minister.

F. BUTLER: Frank Butler, Chief Procurement Officer.

J. TORRAVILLE: Jennifer Torraville, Departmental Controller for PPA.

M. O'NEILL: Melony O'Neill, Director of Communications.

R. BURSEY: Robyn Bursey, ADM of Building Operations.

T. ENGLISH: Tracy English, ADM of Corporate Services.

G. BUTLER: Greg Butler, Controller.

M. VARDY: Mark Vardy, Manager of Budgeting.

B. EVANS: Brian Evans, Associate Deputy Minister.

S. POWER: Stephen Power, ADM, Air and Marine Services.

D. HYNES: Darrell Hynes, Minister's Special Advisor.

T. TIBBO: Tracey Tibbo, Executive Assistant to the Minister.

CHAIR: That's great. Thank you everybody and welcome.

Before we start the Estimate review process, the Committee will now consider the minutes of the previous meeting.

There is no previous meeting so we'll skip that.

We will now proceed with the Estimates review process. Once I ask the Clerk to call the first subhead grouping for this head of expenditure, I will proceed to recognize the minister who will get 15 minutes for opening remarks, then I will proceed to introduce the first responder from the Committee who will get 15 minutes for questions in the first round. After the first round, questions will proceed in rounds of 10 minutes each, alternating between Members of the Committee.

I now ask the Clerk to call the first subhead.

CLERK: For the Public Procurement Agency, 1.1.01, Public Procurement Agency.

CHAIR: Shall 1.1.01, Public Procurement Agency, carry?

The hon. the Minister of Transportation and Infrastructure.

B. PETTEN: Thank you, Chair.

I haven't got a lot to say but I guess I'll start off by saying it's a bit different on both sides. I've been on this side, I've been on that side and now I'm back on this side. So something tells me I've been here a long while, but I appreciate all sides of the House. Now, I'm actually in a different role again. I'm in the minister's seat so it's interesting.

I do know the amount of effort that goes into preparing for Estimates in Opposition and in government. It's a lot of work that goes on behind the scenes by a lot of staff and us sometimes, as MHAs, get the privilege of benefitting from all that hard work. I know when I was in Opposition, we'd be given binders and we reviewed the binders and there would be a lot of questions already prepared, of course. We'd make our own notes, but a lot of credit goes to the staff. I thank my officials, of course.

MHA Loveless would remember, he was my predecessor as minister so he knows my executive around me, he was in the same seat. It's a lot of work and I do appreciate the opposite side as well.

Just a few notes. TI touches all corners of the province: building buildings, plowing roads, operating ferries, maintaining existing buildings, making things safer. There are over 10,000 kilometres of roads and more than 1,300 bridges, which amazed me when I went there, the number of bridges that we're responsible for. Each bridge, no matter how big or small, there's a pretty costly price attached to them.

For some reason, no one appreciates a bridge getting done in their district, they'd rather get five kilometres of pavement, but you tend to forget bridges. I know all governments on both sides and colours have sometimes went for pavement over the bridges and we've created a big problem for ourselves. It's a lot of work, but we move on. I think we had as many bridges as we could do this year included in

the Roads Plan, which is important. There's only so many you can do every year.

We continue to invest in the Roads Plan. There's \$250 million allocated this year and I know when we get through Estimates there will be some questions about the size of that budget, but I think it's a fair budget based on what we can do with our capacity.

We were asked for early tendering. They wanted larger tenders, early tenders, improvements on specs, access to quarries. Every need that Heavy Civil brought our way, we tried to oblige to get better pricing and to get the work out earlier. So we'll see how the season goes. So far, we're off to a good start and tenders are going out. So we'll wait and see. We'll assess at the end of the year, but we're trying to deal with all those issues.

In yesterday's budget, we announced more than \$1.1 billion in infrastructure funding. That's going to generate over \$710 million in economic activity and create hundreds of jobs for Newfoundland and Labrador's tradespeople, which is very important, of course.

It also invests \$111 million through the Department of Transportation and Infrastructure to support towns and communities and deliver the reliable municipal services and infrastructure needs. Even though Mayor Breen doesn't seem to understand, but he's got an increase in his municipal infrastructure, and he was critical of that today in the news, so I guess he got to read it closer. But St. John's actually done all right.

Right now, there are more than 130 projects that are under construction and hundreds more in the pipeline. Changes have been made to improve municipal infrastructure program efficiency, promoting for fairer funding allocations, strengthening long-term planning needed to maintain sustainable programs.

When we get into the Estimates line by line, you may see some changes there. MHA Loveless may remember, but I see it first-hand, that the municipal infrastructure program needed a major overhaul and it's exactly what we've done. Hopefully, it will benefit us for many years to come. Little has changed for municipalities but it's the right thing to do and I had no qualms in doing it. Actually, most towns will be notified in the coming days, but it's a better program. As of today, going forward, it's a better program.

Next to me, we're going to start off first, of course, the Public Procurement Agency and officials there. We work with the Public Procurement Agency and continue to modernize and provide oversight public procurement towards achieving the best value in government purchasing, which is a very important role. It's a very important division of government.

Procurement and government purchasing, it's costly and we have to follow the best practices. It becomes an issue, when it becomes an issue. It's usually, no one thinks about it until it becomes an issue, so we're very fortunate to have the expertise that we have here with our public procurement officer and their staff.

On that note, I'm going to end there and look forward to questions. I'll pass it back to you, Chair, and we can start the session.

CHAIR: Thank you, Minister.

I now call upon the Member for Waterford Valley.

J. KORAB: Thank you very much.

Thank you, Minister, and all the staff. I know, as the minister said, a lot of work goes into this on our side, but I know the staff in the department live and breathe it every day.

For us, we'll go section by section, line by line, but also have some general comments.

For the most part, I'll go first or Elvis will go first and then we'll – not go back and forth but he'll ask his and I'll ask mine and vice versa.

With regard to the Public Procurement Agency breakdown, I honestly don't have a whole lot of questions there. I mean, it's pretty straightforward, very similar to last year, so I'll just get into some more of, I guess, policy stuff.

The first question I have: What independent oversight mechanisms are in place to audit the procurement decisions?

B. PETTEN: I'm going to defer those to Frank.

F. BUTLER: The agency has a division that is dedicated to auditing the compliance of public bodies with our provincial public procurement framework, those staff prepare an audit plan each year consisting of government departments, Crown corporations, municipalities and other publicly funded bodies and sample their procurement activities conducted throughout the year and produce a report indicating deficiencies and recommendations.

J. KORAB: Just a quick follow up with that. Are they internal audits or do they go out external?

F. BUTLER: That's internal, that's government employees, yes.

J. KORAB: Has there every been an external audit or is that one they do every –

F. BUTLER: In addition to the oversight provided by the auditors within Public Procurement Agency, there are external organizations, public organizations, that may also choose to review the activities of public bodies undertaking procurements. So there is internal audit capacity within government and Treasury Board Secretariat

and, of course, there is also the Office of the Auditor General.

J. KORAB: Thank you.

I guess for me, Chair, I don't need to keep putting my hand up if I'm live. My mic is hot. I'm not conferring that I am –

CHAIR: I think they are leaving two of you guys on so that you can go back and forth.

J. KORAB: Perfect. Sounds good.

CHAIR: Thank you.

J. KORAB: How does this legislation ensure Newfoundland and Labrador businesses are not disadvantaged when competing against large or national or international firms? I guess that more goes to the small-to-medium-size businesses when competing (inaudible).

F. BUTLER: Our public procurement legislation is focused on the realization of best value. One of the necessary components of best value procurement is fairness, so our legislation obliges public bodies in the province to undertake procurement activities in a manner that treats suppliers fairly.

In addition to that, in 2004, government launched the NL First Procurement Strategy. One of its main pillars is maximizing the success of provincial suppliers in the public procurement process, so some elements contained within that pillar would be providing a provincial supplier allowance, which advantages provincial suppliers in procurements below trade agreement thresholds.

In addition to that, the strategy directs the removing of unnecessary procurement barriers, including those that might disproportionately affect small- and medium-size businesses. For instance, leading up to 2018, nationally and in this province, we were really focused on

accretive procurement – doing larger projects designed to yield economies of scale.

Since that time, we've shifted focus a little bit, realizing that one of the latent consequences of that approach was designing larger procurements, which, unfortunately, small and medium businesses found it hard to compete.

J. KORAB: Thank you.

It was a good segway into three questions. I'll ask these, and you touched on some of them already, but if there's anything else you can elaborate. The first question is, we all know that the lowest bid doesn't always mean the best bid. Other than what you've already stated, how does the department evaluate lowest bid versus best value?

F. BUTLER: With our legislation, direct best value and best value is really dependent on the commodity and the procurement that's being sought. In some cases, because efficiency is part of the definition of best value, lowest price is a suitable procurement strategy, depending on the commodity.

In other cases, it would be necessary to include, not only pricing requirements, but also factors other than price in the evaluation. It's the responsibility of every public body to ensure that the design of their procurement evaluation considers and incorporates those factors.

J. KORAB: Thank you.

Again, you stated in your second-last question, has the department looked at steps to simplify the bidding process so that small-to-medium-size businesses are not burdened with administrative work? You kind of talked about the bid packages and whatnot, but I guess more on the administrative side because again it can be pretty cumbersome on the smaller businesses.

F. BUTLER: Absolutely. Over the past several years, we have taken some steps to reduce the administrative burden on suppliers who want to participate in the procurement process. Some things we have done have been, where possible, introducing fillable forms, which reduce the complexity and time necessary for a bidder to commit to the requirements of that particular procurement. We've also, where possible, reduced the generative aspect of proposal generation, such that the expectations and the scope of evaluations is made clearer and suppliers' responses are presented more uniformly.

J. KORAB: Thank you.

You mentioned NL First so I just want to kind of take that a step further. There are some not-for-profits in Newfoundland and Labrador that come up against national or international companies when it comes to bidding processes. These national companies may have brick and mortar shops here, but they're a national company and profits from those, by and large, leave the province.

Has the provincial government looked at a way that, I guess, a not-for-profit could factor in, if they're close or just a little bit over or not the lowest bidder, that that value being it's not-for-profit, it's local profits stay here, that that could factor into the public procurement process? If we don't currently do it, is that something we could possibly look at when we review the legislation again?

F. BUTLER: Absolutely. In 2004, government launched the Sustainable Procurement Policy which applies to core government departments and some of the larger bodies in the province. The Sustainable Procurement Strategy is based on three pillars. One of those pillars is the social pillar where public bodies are encouraged to, when designing their procurement evaluations, incorporate factors around social sustainability. Among

those could be a procurement design that would advantage a not-for-profit organization.

J. KORAB: There was a specific example that I won't get into here, I didn't get permission from the group I talked to. The contract was awarded when we were in government. I wasn't here but we were in government. So is that something – I'd take that away, reach out to your department.

F. BUTLER: Sure.

J. KORAB: Again, it's not for looking to go back. It's going forward, how that could, maybe, tighten up and improve that process.

Thank you.

You already kind of answered that one so I'll skip that. We got that one. You're doing great. You're answering questions I haven't even asked yet. This is fantastic.

From an ethical standpoint, what mechanisms does the department have in place to safeguard against a conflict of interest?

F. BUTLER: Sorry, could you repeat that question?

J. KORAB: From an ethical standpoint, what mechanisms does the department have in place to safeguard against a conflict of interest with bids?

F. BUTLER: So during the evaluation process, there are several stages, some of them are handled by employees of the Public Procurement Agency and others are handled by the representatives of client departments. Where there is an evaluation undertaken that is performed by employees other than those of the agency and when the agency performs its own evaluations, anyone who participates in that evaluation is required to sign an evaluator attestation

form, which, among other things, confirms the no conflict of interest is present.

J. KORAB: Perfect and the last question from me. When was last time a formal review of the PPA was completed? Is there a plan or a schedule to review that piece of legislation again?

F. BUTLER: I'm not aware of any plan to review the legislation.

J. KORAB: Do you know when the last time a review was done?

F. BUTLER: Yes, there was a legislative review leading up to the most recent procurement legislation, which came into force in 2018.

J. KORAB: That's it for me. I just want to, again, thank the department. It's not always the most flashy department, but it is probably one of – not probably, it is one of our most important, obviously, and how we procure things for the province and municipalities. So that's it for me.

Thank you.

CHAIR: The Chair recognizes the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you and good morning.

I thank the minister for the opportunity to have this dialogue and also all the staff, the hardworking staff, who I'm sure are doing great work in this area. Thank you for your patience, as the newcomer. However, I do come with municipal experience in my back pocket and procurement has always been a really interesting conversation, certainly, at the City of St. John's council table.

So I have a couple of general questions that I'll ask and some of which we'll follow up with my colleague, the hon. Member as well.

I'll begin with: How many people are currently employed in the Public Procurement Agency and how many vacancies are there currently?

F. BUTLER: Just one moment.

S. O'LEARY: Sure.

F. BUTLER: We have 31 employees at the moment.

S. O'LEARY: Any vacancies?

F. BUTLER: We have five vacancies right now.

S. O'LEARY: Okay, thank you.

Is your department planning on any new initiatives in how bids are awarded in the coming year? Any new initiatives? Anything shifting in this particular area?

F. BUTLER: No concrete plans with respect to how bids are awarded at the moment. We are watching – yes, I'd say that's fair.

S. O'LEARY: Okay.

Again, these are just some general questions. How many audits of municipalities have you completed in the last year?

F. BUTLER: One moment please.

S. O'LEARY: Okay, thank you.

F. BUTLER: The agency has completed 16 audits, 10 of which were municipalities.

S. O'LEARY: Okay, wonderful. Thank you for that information.

This is actually my last question in the general setting for public procurement but, to me, in many ways, it's one of the ones that I'm most passionate about. My colleague certainly touched on it, it's about social procurement.

In my former role, there's been a lot of dialogue about the benefits, certainly of social procurement. I think it feels kind of like there's some imbedding in there, when you talk about the Sustainable Procurement Strategy, but I'd like to have a little bit more of a discussion around that because in my role as a member of FCM, social procurement was something that is a true socioeconomic benefit for many non profits in community. There have been a lot of people who really feel like they've been cut out of the competition as a result of that. Of course, we know that there are many different ways that people can bid in a procurement process.

When you speak about barriers, to me, that is one of the things that certainly has been brought to my attention by many of the people who would like to have the opportunity to bid in a social procurement kind of fashion.

Is there any intent to start to move towards some sort of shift where social procurement, specifically, can be more enabled? I'm sure you've had multiple discussions with community members around this previously. But I know that it's certainly something that has been very topical for a lot of organizations and they do get cut out of the mix as a result. I'm just wondering what your comments are around that.

Thank you.

F. BUTLER: With respect to the development of the Sustainable Procurement Strategy, PPA did do quite a bit of engagement with provincial stakeholders. As well, we work closely with the Canadian Council of Social Procurement to develop the Sustainable Procurement Strategy, as well as its supporting materials that we have available on our website.

The Sustainable Procurement Strategy, I mentioned, has three pillars, it has an environmental, local economic, as well as a

social pillar. We are proud to now offer training to public bodies on how to incorporate sustainability factors including social sustainability factors into their evaluation design for open calls for bids.

That's, I guess, the most recent activity we've done to kind of encourage and facilitate public body's adoption of social sustainability considerations.

S. O'LEARY: Understood, just to continue on that idea.

Of course, that would be again embedded within the realm of trying – in some ways, it may be a little bit onerous, especially when we're dealing with smaller non-profit organizations versus obviously the myriad of competitions that happens in the procurement realm. I mean, obviously, we know that we're not talking about procurement for paving roads and things like that, we're talking about very specific areas for procurement.

I mean, it sounds like there's a little bit of coaching and a little bit of help for organizations to make application in those situations, but I'm just curious as to whether or not the government is interested in moving a little bit more specifically to airmark how social procurement can actually be a benefit, because it really is, in some ways, a stand-alone opportunity for people to avail of procurement opportunities.

I'm not sure if I'm being clear but I just think when we talk about barriers for social procurement, I think there are still many barriers still in existence for those organizations.

F. BUTLER: Well, any barriers that are raised by our stakeholders, either from the social supplier community or from the public body community, we would work our way through addressing what those barriers are. It would not be unusual for us to develop supplier-related supports and training and if

it's a situation where the nonprofit or social enterprise community is in need of training or support to navigate the procurement process, that's something we would be happy to do.

S. O'LEARY: Just one final point. Thank you very much for your comments and your insight. I'm continuing to learn about this process myself.

When we're talking about competitions, obviously, we know that a small nonprofit, no matter what training they receive, versus a larger organization who has the resource behind them, it's not really an equitable kind of playing field. So that's kind of what I'm getting at because that, in my experience, has been a barrier for many organizations. I appreciate, obviously, the staffing and the ability to train people, but, as we know, the lack of resources in those particular areas, especially with smaller nonprofit organizations, is a very real thing.

F. BUTLER: Under our legislation, each public body has the authority and the responsibility to design evaluation systems that lead to best value. It would be up to those public bodies to determine how important each of any of the potential social considerations might be in their overall evaluation.

S. O'LEARY: Okay, thank you, I appreciate that in fact.

Thank you.

CHAIR: The hon. the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Chair.

I go back to the original comments by the minister in terms of the staff that you have, I had and, let me say, you have the best staff that's certainly professional and competent. I'm going to leave it at that.

Before I ask a question on PPA, I would like to ask a question, and I'd like to be able to get a yes or no answer from the minister and the deputy. Are you happy that the Habs won last night?

SOME HON. MEMBERS: Hear, hear!

B. PETTEN: We'll be happier tomorrow night when the Bruins win.

E. LOVELESS: That's not a yes or no answer.

B. PETTEN: We were happy the night before when the Bruins won in overtime, too.

E. LOVELESS: Would the deputy like to share his thoughts?

CHAIR: Sounds like a no to me.

B. PETTEN: Associated deputy is drinking his coffee out of his Canadian's cup this morning. We already had words before we came over.

E. LOVELESS: All right.

In terms of the Public Procurement Agency, I think from your interaction here today, I think it's in good hands, but just a couple of questions in terms of the challenges that are faced by the man down south, trade barriers and everything else.

Are there any concerns or do you have any concerns from our public procurement process that these trade barriers are kind of having on us as a system?

F. BUTLER: I'm going to say at this time last year it seemed to be more concerning. This time last year, we were in a position of Canada having introduced or being about to introduce a suite of retaliatory tariffs that would have impacted us in a greater way than the US introducing tariffs.

When the US introduced tariffs, that really affected firms within the US more than firms within Canada. It was the retaliatory tariffs that Canada introduced that really began to upset or have an effect on procurement by organizations within Newfoundland and Labrador.

We were anticipating the worst, and there were some disruptions. I mean, throughout the past year, some of the firms that we have had contracts with have experienced increased costs with respect to input materials that were impacted by Canada's tariff response.

Thankfully, at the agency anyway within its portfolio of contracts, the number of instances where we had to deal with that situation was relatively limited and it didn't cause a big interruption to our operations. Looking forward, it's hard to say what might happen in the next 12-month period.

E. LOVELESS: So you referenced cost, and I guess my next question is around cost. Increased cost obviously puts costly pressures and measures on, in particular, municipalities. Have municipalities given you any feedback on that cost stress for them in terms of the process of Public Procurement Agency?

I hear it in my district, and I'm sure others do as well, that municipalities are finding it difficult because the public procurement process is a three-bid process and the lowest bid – if I'm correct in saying that. I hear it, but are you hearing it from municipalities as well?

F. BUTLER: We often talk to municipalities about their procurement challenges, but it's not often we would get into discussions about budgets or cost pressures.

When municipalities contact the agency, they're more often asking us questions related to compliance to the legislative framework. They would be asking questions like: We plan to conduct the procurement

this way, is that compliant with the framework? Those kinds of questions are more common than questions about their funding or budgeting or things like that.

E. LOVELESS: Okay.

Just one final question. You noted there are five vacancies. What's the nature of these positions? I guess, the five, are they administrative? Are they clerical? Whatever the case may be. What's the nature of those positions?

F. BUTLER: We have three procurement officer positions; one policy, planning and research analyst position; and one buyer I position.

E. LOVELESS: Okay. I said that was final but one final question.

In terms of changes to the *Public Procurement Act*, are there any notable changes forthcoming?

F. BUTLER: At the moment, our Procurement Act is extremely flexible, as I've noted in some of my previous responses, and that flexibility allows the act to adapt to – even really significant changes like the tariff situation that we had happening and other supply disruptions such as our recent COVID experience.

At the moment, no, there are no major changes planned to the *Public Procurement Act* and I believe it's quite flexible to adapt to whatever situation we find ourselves in.

E. LOVELESS: Okay, that's it for me.

CHAIR: Seeing no further questions, I now ask the Clerk to recall the subhead.

CLERK: 1.1.01, Public Procurement Agency.

CHAIR: Shall 1.1.01, Public Procurement Agency, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, subhead 1.1.01 carried.

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: The total.

CHAIR: Sorry about that.

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.

CHAIR: Shall I report the Estimates of the Public Procurement Agency, 1.1.01?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: For the Department of Transportation and Infrastructure, 1.1.01 to

1.2.04 inclusive, Executive and Support Services.

CHAIR: Shall 1.1.01 to 1.2.04 inclusive carry?

The Minister of Transportation and Infrastructure.

B. PETTEN: I await questions, Chair. We're ready to receive questions from the other side.

CHAIR: Okay. I call on the Member for Waterford Valley.

J. KORAB: Thank you very much.

On section 1.1.01, no specific questions there. So I should ask the Chair, do you want to go through these by each section? I guess overall on this, I don't have any questions on 1.1.01 so I can move on from there, if we're going to do them by sections.

B. PETTEN: No, you can go right to 04.

CHAIR: Yeah, it's a subhead, so all those are inclusive.

J. KORAB: So have at her?

CHAIR: You can ask any question up to –

B. PETTEN: Up to 1.2.04.

CHAIR: – 1.2.04.

J. KORAB: Oh yeah.

B. PETTEN: That's what he called.

J. KORAB: So all the ones, you're saying, Mr. Chair?

CHAIR: Well, I can't say that, but yeah, it is all the ones.

B. PETTEN: All the ones, yes.

J. KORAB: Making sure you're paying attention.

CHAIR: No, I just wanted to make sure there wasn't another subhead under one.

J. KORAB: All right.

B. PETTEN: That was a bit of a test there.

J. KORAB: That was a test for you, Mr. Chair.

CHAIR: Yeah, that's good. I need to be tested.

J. KORAB: Yeah, me too.

Under General Administration, so 1.2.01, Executive Support, just a question in the revised 2025-2026, it jumped up about \$400,000. The question is why that was the case there?

B. PETTEN: Which one are you referring to? You're in 1.2.01?

J. KORAB: 1.2.01, yes, Salaries went up to \$1.9 million.

B. PETTEN: That's for retirements, overrun due to payments for retirements.

J. KORAB: Okay.

On 1.2.02, Administration and Support Services, Salaries last year was budgeted \$152,000 higher. I'm just curious if this is a new position or if it's –

B. PETTEN: Which one is that?

J. KORAB: 1.2.02, Administration and Support Services.

You're failing this test now, Minister.

B. PETTEN: I'm all over the place here.

So with the Salaries, there was retirements. What was your next question?

J. KORAB: It's up \$152,000 from last year, what was budgeted. So in Estimates this year, it's \$5.9 million, which is an increase of \$152,000. So I'm wondering if that's an increase in salaries.

CHAIR: 1.2.02.

B. PETTEN: I'm on the wrong tab.

J. KORAB: Yeah.

B. PETTEN: You're going for Salaries, okay.

J. KORAB: Yeah, Salaries.

B. PETTEN: It's reprofiling the department salary plan to align with the actual expenditures. So, basically, I think it's rightsizing the budget is what you're going to see a lot throughout this today. So there were some temporary positions created in the mailroom, contract positions for the Graduate Recruitment Program, as well as payouts for retirement costs.

J. KORAB: Okay.

Is that something we can get a breakdown on? Not necessarily now.

B. PETTEN: I guess, yeah, we could –

J. KORAB: I'm getting a headshake from the second row.

B. PETTEN: Yeah, more than likely I can't see that being a problem.

J. KORAB: Okay, thank you.

Similarly, under Employee Benefits, same heading, 1.2.02, there was an increase there of about \$700,000. So it was \$2.8 million. Just wondering what that was there?

B. PETTEN: WorkplaceNL costs – worker's comp costs, actually.

J. KORAB: Okay.

B. PETTEN: That's demand driven. That's injury costs.

J. KORAB: Okay, and then the same heading, Supplies.

That was up just shy of \$200,000. That was \$267,000 – fairly significant. Now, we have it estimated back to last year's Estimate, but I'm just wondering what that cost was?

B. PETTEN: That's the mailroom. We absorb all the costs in our department, then we charge it back to the departments throughout the year. That's why it goes back to that point; we cover the costs and then throughout the year it gets invoiced back to each department. That's why it goes back to its original – that's why it drops. That's carrying the costs for the other departments. At the end of the year, you get your money back and you go back to the original budget. That is the mailroom.

J. KORAB: So are we expecting that this year? If so, then the Estimate of \$86,000 is not going to come close to covering it.

B. PETTEN: It's only an internal mechanism. You're covering the costs for the other departments but you're getting that back into your budget by year's end. You don't need it in the beginning because it's just basically a borrowing situation. Do you know what I mean? It's a cost, of course, but it's not really – we'll recoup that cost at the end of the year. It's one of those ones where we absorb it and then get it back in the year end. That's why it goes back to its original amounts.

J. KORAB: I'll see if it's there next year.

B. PETTEN: Yes, absolutely.

J. KORAB: Similarly, Grants and Subsidies, that was up \$100,000 in revised 2025-26. I'm just wondering about that extra \$100,000 there?

B. PETTEN: It's due to increased requirements for emergency air service when the ferry vessels are not available, so those times when people get stranded.

J. KORAB: Gotcha. Thank you.

Overall, the Estimates for this section of 1.2.02 is up to \$146,800. The question there is, so you're confident with that?

B. PETTEN: Where are we now?

J. KORAB: Same section, the overall.

B. PETTEN: The overall – oh, yes, absolutely. It's all within the norm, yes.

Just so you know, and you'll see this throughout the budget so just to be fair, and I think the MHA for Fortune Bay - Cape La Hune would know what I'm talking about, this is a big budget. I went in there so I inherited what he left. It's rightsizing.

Throughout the year, we do these Treasury bills; we get money transferred within the department to cover off the shortfall. There's a structural deficit that falls throughout the department. We dealt with some of that this year, but that's not a new thing for government. That's been going on for a long time within departments, you're trying to absorb costs, but you're always moving money around during your budget year to cover off shortfalls or what you've got access to.

You'll see a lot that this year. We tried to address some of that this year. That's not all done in one year, but within our budget, so you'll see some movement around, but it's more about moving money from here to there to try to balance it out. You'll see a lot of that throughout.

J. KORAB: Okay.

That's all I have for this one. I'll have some more, obviously, when we get the other ones.

CHAIR: The Chair recognizes the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair, and thank you to the minister and staff.

So mostly general questions here, not a line-by-line item.

How many people are currently employed in the department and how many positions are currently vacant?

G. BUTLER: There are currently 2,555 employees and vacancies are 455.

S. O'LEARY: 455?

G. BUTLER: Vacancies.

S. O'LEARY: Thank you.

So since taking office, Minister, have you identified any impacts from the tariffs on our financial obligations from P3s?

B. PETTEN: Well, I guess the short answer to that is no, because when we came in, we inherited P3s that are well on their way, the penitentiary and whatnot. So I think any of those costs through tariffs are probably already absorbed or we're dealing with them anyway. I think they've already been incurred.

I mean, the biggest things, you look at steel, that's one of your biggest tariff prices, but all Canadians are suffering through that, so not really.

As you know, we've not proceeded with any P3s since we took office and don't foresee it in the near future. So as it comes to P3s, I'd say whatever costs were incurred are incurred already on a go-forward basis, if we don't do many P3s, hopefully we won't have to – check back next year.

S. O'LEARY: Okay, absolutely.

B. PETTEN: Probably get the same answer.

S. O'LEARY: Exactly. Okay, thank you.

Okay, so are there any cost estimates for the floating dry dock and, if so, how much is government planning to contribute for the dry dock?

B. PETTEN: In essence, it is an Energy and Mines question, but in my role, my various roles in this government, I can say that public knowledge is \$200 million obviously tied into the Bay du Nord agreement, and we foresee that agreement fast tracking.

The other portion, I think it's been publicly stated by Energy and Mines that the cost – we don't really know the exact cost but it approximately could be double that. OilCo is managing that project so I think that it's hard to answer that question right now.

We are proceeding with the dry dock. I mean, I think it's a great initiative. As for the funding, I think that will be something that Energy and Mines will figure out, but I don't think that's going to be an impediment in proceeding to have that up.

I think that's a very important project for the province and for the long-term jobs and industry and with the federal government's defence spending report.

S. O'LEARY: I'll earmark that question for that conversation.

B. PETTEN: Yes. Absolutely.

S. O'LEARY: Thank you. I'll redirect. Thank you. I appreciate that.

The awarding of road improvement funding is always a politically contentious issue, as we can see from the dialogue in our House of Assembly. What mechanisms or checks might the department be looking into to take the politics out of decision-making?

B. PETTEN: That's a very good question and I could go on for a long time but I won't. The politics in paving has been around for a

long, long time. As a child – and I'm dating myself – but I was really young and there was a joke that people used to say out my way in CBS: when you saw the asphalt spreader, an election was coming.

S. O'LEARY: Oh yeah.

B. PETTEN: If you live outside the city, the spreader meant there was going to be an election in the near future and, unfortunately and fortunately to a degree, for some reason, asphalt got that magical feel to people, politically. I don't know if anyone can answer that question because realistically a bad road is the most irritating thing for anyone in any municipality. It spurs on anger and frustration. It's potholes. The roads are bad. The roads are not cleared. It's incredible.

Probably two of our biggest budget items in the government is Health and TI and good roads driving. To be totally honest, and I try to be honest, I'm probably too honest most times, I can't tell you that politics will ever fully come out of paving because it's such a hot button issue and, to be quite frank with you, politics probably plays a role in everything.

I will tell you this. I try to say it in the House a lot. When we took over, we inherited the roads program. It was there and we carried forward what was already committed to. Anything from the current year onward, we went back and reviewed it and did it our way because that's your prerogative, as a government. Any government would do the same thing.

This year may seem like, you know, we're being political. I'm trying to be fair in the longer term. This is a long game because there's next year and the year after and the year after and the year after. I'm not wired up to be that way. I do notice a catch up, trying to get a balance because they're spreading it out across because there are other areas in need.

My plan is to, as we go around to next year, broaden it out. We have a lot of districts in the province that were being excluded from paving through politics.

S. O'LEARY: Yes, that's a great answer, Minister. I really appreciate that because, yes, there is politics in everything and really ultimately, I guess, it's the auditing process where we have an opportunity to ensure that nobody gets left behind –

B. PETTEN: Right.

S. O'LEARY: – within reasonable time frames. I know certainly snow clearing is one of those hot-topic issues as well.

I appreciate that. We're always trying to be equitable and as fair as we possibly can be, but, yes, I understand; the spreader is coming.

B. PETTEN: It's a challenge. One guy once said – I'll quickly tell you – if you stayed in the one spot long enough, your boots could get paved over. It was good times then, the Joey days.

S. O'LEARY: Thank you for that.

B. PETTEN: No problem.

S. O'LEARY: Are there any plans for money to be spent by this department to enhance existing municipal transit services for towns to create new bus services of their own?

I certainly speak, again from my municipal experience and Municipalities Newfoundland and Labrador experience as well, about transit and the importance of trying to look in a regional kind of capacity.

Thank you.

B. PETTEN: Not that I'm aware of. I mean that's more municipal anyway, transit. I know the federal government usually come out with programs to support that. It's not

right now in our department, no, but it is important. I live in a district and they try to call us metro, but we have no public transit so we're rural until we get connected to the rest of the metro region.

I understand the importance of public transit but right now, in our department, it's not. I think the federal government will come out with broader initiatives on transit more than the province does. It's more tied to municipalities and mainly the cities that get this funding, but we don't have a specific program.

S. O'LEARY: So is there a way that the provincial government could actually play a stronger role? I understand that the funding predominantly comes down from the federal government. In our case, it is left to, in this particular region obviously, the Metrobus transit.

I am just wondering if there's an opportunity even just to enhance the dialogue around the need for that. That could show some sign of leadership certainly from the province.

B. PETTEN: Yeah, I mean that's not an unreasonable question or request, I guess. A lot of that would depend, again, I'll go with the federal government and their infrastructure programs, because they drive this, transit, and bigger cities throughout the country.

That's somewhere we deal with in Infrastructure Branch and my ADM, Darlene, could probably elaborate, but I think that we could quite possibly tap into some federal programs to show that leadership from the department's perspective. It is not something that's our top line item. It's not our responsibility, but I guess we could facilitate it through our Municipal Infrastructure Division.

Do you want to add anything to that, Darlene?

D. SPRACKLIN-REID: So we can work with towns and they are eligible to apply for our Municipal Capital Works and transit projects are eligible for those types of funding and for some of the federal funding. If a town identifies that as a priority, we can work with them to facilitate applications.

S. O'LEARY: Okay, wonderful.

Perhaps, just some ongoing collaborative dialogue, right, through letter-writing and approaches like that.

D. SPRACKLIN-REID: Yes.

S. O'LEARY: Okay, thank you. I appreciate that.

This is my final general question. We didn't see any specific mention of HMP replacement in the budget announcement. Is there any money in this year's budget for it and, if so, how much is it and what heading does it fall under?

B. PETTEN: It's there. It's built into the budget but the heading I think that's into the next – 3, isn't it?

S. O'LEARY: Oh, is it? Okay. My apologies.

B. PETTEN: We'll deal with that –

S. O'LEARY: We'll deal with that then.

B. PETTEN: Later.

S. O'LEARY: I'll earmark it. Okay, perfect.

B. PETTEN: Oh wait. Hang on a minute.

S. O'LEARY: Okay, thank you.

S. DUTTON: The penitentiary project is a public-private partnership so the proponent is financing the project so it doesn't show up in the spending in our budget at this point in time. It is in the fiscal forecast. So once the project is completed, then we'll have a 30-

year schedule of payments to be made at that time.

S. O'LEARY: Okay.

S. DUTTON: That's why you won't see that in the Estimates.

S. O'LEARY: Okay, all right.

Thank you.

That's it for me.

CHAIR: Seeing no further questions for this subhead, I now ask the Clerk to recall the subhead.

CLERK: 1.1.01 to 1.2.04 inclusive, Executive and Support Services.

CHAIR: Shall 1.1.01 to 1.2.04 inclusive, Executive and Support Services, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.2.04 carried.

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: 2.1.01 to 2.5.03 inclusive, Operations,

CHAIR: Shall 2.1.01 to 2.5.03 inclusive, Operations, carry?

The Chair recognizes the Member for Waterford Valley.

J. KORAB: Thank you very much, Chair.

I would love for Elvis to go first.

Thank you very much.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Chair.

I am going to ask some general questions in the sections so we can not have everybody all over the place, because I know that it can get confusing with numbers and everything else.

Let me say, so the minister doesn't stand alone in his comments in terms of politics in paving – and I always used to say to the people of the province and anybody that you talk to, it's nope, I'm not going to say there's no politics in paving. Because if I do, I'm going to walk away and you are going to say you're a fool.

It's just the nature of it, but the minister is in that chair now; I was in it. Do you sit in that chair and say no, definitely I'm playing pure politics with all of this? That's not the case. I'll just leave it at that.

The minister's comments in terms of catch-up, I know it full well in terms of catch-up. I know what you mean. It's not Heinz Ketchup; it's catch-up.

I got elected in 2019 and the Bay d'Espoir Highway was considered one of the worst in top three in Atlantic Canada. I said that's going to change because we have 200 kilometres from the TCH to reach our communities, ambulances going over those roads and all that stuff. Not only that, Route 360 incorporates some of the Member for Exploits, his district as well. In terms of that catch-up piece, I understand the challenges of that.

Minister, just for clarity – and I'm not sure if you meant to say what you said in the beginning around bridges. I just to clarify and confirm that. You talk about bridges and bridges being done, that sometimes bridges get – these are not your words – overlooked

because you want to do more roadwork. That's not the case. I just clarity and confirmation on that, that when the staff come to you to say that bridge work is unsafe, it needs to be done, there is no discussion and there is no negotiation.

I just need that confirmed. If the minister could confirm that once your ADM, your DM or whoever comes to you and says a bridge has to be replaced, it has to be replaced.

B. PETTEN: No, that's exactly right. We have a bridge lady in the department and when she decides a bridge has to be replaced, I quickly am after learning that the bridge will be replaced.

The point I was trying to make, just for clarity, historically, different governments, different politicians kind of didn't want to be focusing on bridges; they wanted to be focusing on roads. I'm talking more of a cultural thing.

Where I stand, you can look at the roads program, there are a lot of bridge work there. It is the maximum amount, actually, that we had the capacity to get done. Having the work ready, that bridge is ready to go to tender, it would have been more had we had the internal capacity to get it done, but there is only so much you can do and there are only so many contractors can do the work.

I had a colleague – I'll leave it at that – that was very miffed with me because their bridge was supposed to be done this year and the engineering work wasn't completed so it's prolonged for another year, just to get the work done.

So, no, absolutely not, anywhere there's a bridge – I don't have to explain it, bridges are every bit as important, more important than actual roadway because you can drive on gravel but if you have no bridge, you don't get across. They're links, they're important links, they're vital links and we would never interfere with that, never.

E. LOVELESS: I can certainly appreciate that because I know the first year being elected, the superintendent of Pool's Cove depot and Milltown depot said, listen, we have upwards of 30 culverts that need to be replaced, if not the roadway is going to be gone. So what's the point in me paving it. I always said what lies beneath needs to be dealt with before you deal with the top.

We had a conversation the other day, he said, thank God you did because we had a lot of rainstorms and if those culverts weren't replaced – and we got the environmental piece, the 30 per cent bigger and all that stuff, which is a good thing. I think it needs to go even more. If we hadn't invested in that, then we would have been dealing with a bigger problem in terms of roadwork and paving and everything else.

I'll leave that at that. We'll move to just two general questions. Minister, in terms of the Roads Plan that – and I know this is road maintenance, but I have it in my mind here now so I want to get those two questions out of the way before I go to some line by line.

B. PETTEN: Sure.

E. LOVELESS: In the Roads Plan, Labrador, the Big Land, there was no roadwork this year. Can you confirm that, that in the roads budget this year there is absolutely no roadwork for Labrador?

B. PETTEN: Thank you for that.

There actually is some roadwork for Labrador, it never showed up in the roads program because it wasn't really prepared, I don't think, in time, but North West River, there's going to be a section – how many kilometres?

D. MICHIELSEN: Route 520.

B. PETTEN: Route 520, how many kilometres?

D. MICHIELSEN: Six or seven.

B. PETTEN: Six to seven kilometres of 520 is getting done this year. Tenders should be going out soon.

D. MICHIELSEN: Within the next few weeks.

B. PETTEN: The next few weeks. So there is a section on North West River being done.

E. LOVELESS: Okay.

Just to confirm, that's the only section that was not in the Roads Plan but got overlooked or whatever the case may be.

B. PETTEN: Yeah, it's not really not in the roads program, it's when the roads program was being developed, you got to your notion where you figured you are at your maximum amount. It was there, it's just we were just starting to get tenders out and we announced, knowing full well, as you would know, you're going to add more roads on after the fact, which there will be some of that, but in an effort to get everything out the door.

There had to be some extra work or whatever done with that section – preparation. So it was always there so-called on standby. It's only this past week, to be honest with you, that it was really prepared that you could move on to go to tender.

E. LOVELESS: Yes, okay. Thank you for that answer.

I'll get into the twinning projects later on in terms of the roads work, but just for clarity, as well, is the – f was 30 kilometres leaving Port aux Basques. Last night, as I was reviewing some stuff, it stuck in my mind because somebody sent me a message saying: I just got off the ferry and it's awful, the TCH leading – we know the challenges in terms of traffic being backed up getting

on the highway and getting to your destination, so what's the status and timeline on that?

I don't know if the ADM can confirm, I think it's 30 kilometres that's going to be upgraded lane-wise in terms of leaving Port aux Basques and going east.

B. PETTEN: I can pass it to Dan in a second. I just wanted to say, we met with the MHA a week or two ago, maybe, during the last constituency break, actually, we met with him at a length. We had a good meeting, actually, and we discussed a lot of those issues about the roads and that. Dan can elaborate. That's on a list of projects. We will submit it to the federal government under the Trade Corridors funding.

I can't remember how many Dan submitted, but he can elaborate a bit more on that for you, if you want. We have full disclosure. But we submitted it to the federal government. That's part of many areas across the Trans-Canada part of the Trade Corridors. I believe that's the name of the program.

Dan can tell you that, but it's not lost on us; it's just that that's a big piece of work. I told the MHA at the time, it's one of our gateways regardless. To the point of the Member for St. John's East - Quidi Vidi, it's not political on this one; it's a major corridor, obviously, to get to the ferry.

Dan can elaborate more on our plan or where we are with that.

D. MICHIELSEN: I guess the concept was, coming out of Port aux Basques, the first 30 kilometres has 15 kilometres of passing lane now, but it's a broken passing lane. The concept was to take those gaps in between and fill them in so there will be a passing lane when you leave the ferry for 30 kilometres so that traffic could sort of take their time, pass all the truck traffic and whatnot.

In discussions through the Roads Plan with the minister, it was determined that, being a critical part of the National Highway System, we wanted to have further discussions with our federal counterparts on partnering on that National Trade Corridors.

We have since submitted a proposal to Transport Canada under the Trade Corridor funding for that, as well as numerous other projects along the National Highway System. We're hoping to hear back from them soon.

E. LOVELESS: That leaves me a bit concerned, because, Minister, you said in your statements that what's committed, will be completed. I hope it will get completed because this is a project that needs to happen. This was a project that was committed to, and maybe the ADM or the DM or yourself can confirm, this was publicly committed. This was publicly announced that this would be done, right. I guess the importance of it in terms of moving traffic quicker, because we know the backup. I mean, if you've ever gotten off the ferry, it's just a nightmare there.

The project itself, we're stressing the importance. You're saying you put in an application through the feds and – my hair is thin, I think I pulled a lot of my hair out because of the dealings with the feds and them trying to get back to us, because they'll never appreciate the importance our roadwork is to us, and I don't care what federal official is listening to me right now, I really don't care. That concerns me, the timeline on this is concerning now, because if we're going to wait for an aye or nay from the federal government on this, I'm going to be retired.

I know the minister can appreciate that and I know the staff can appreciate the frustration around the feds.

Now, we have a new prime minister, so maybe I'll text him later on and say, listen,

we want that project done; we want a response right away.

That is concerning from a timeline perspective that this may not get done when those who wanted it done, and the announcement was publicly made and committed to.

Just your comments on that, Minister.

B. PETTEN: First of all, I want to, I guess, comment on the public announcement. You know, as well as I know, as well as anyone out there knows, you were the government, you made the announcement. It was your announcement.

October 14, we were entrusted with the responsibility to make our own decisions, so we will be making decisions. We'll be weighing out all roadwork and all decisions in a fair and responsible manner, but from now on, until the public says otherwise, we will be making the announcements.

So just correcting your commentary. I know it's important; I spoke to the MHA. We know it's important. The federal government reached out to us and looked for our commitments. I can only take the government at their word. I can take the minister at their word. They reached out and they wanted a list of the projects submitted. We felt it was a good idea to submit those projects. We'd be foolish not to. My decision was to include that piece in the roads. I didn't have to do that. I did that because I see the importance.

A serious problem or not a serious problem, when we find the right funding agent and we hear back from the federal government on it – I suspect they're going to come back to us. If they come to us and wanted a list of projects in a very short period of time, because it was extra money and the stream one, I think it was at the time – there were other streams involved in this. We'll make decisions accordingly. Announcements or

no announcements will be the announcements that we will make.

I commit to this House and, I say it all the time, I commit to the area MHA, that area is not forgot about. I get that, but we have a fiscal responsibility to spend money appropriately on roadwork wherever it is in the province. That's what I committed to and I never shied from it. People can like it or not, what I've got to say, but I say it and I'm very honest about it. I take that commitment seriously and I stick to my guns on that.

That area is not forgot about by me, by no uncertain terms. I have never forgotten about it. We talk about it regularly, but I've got to find if the federal government are going to come in and support those projects, why wouldn't we not support it?

I couldn't care less what district it's in, if it's important to get done. We submitted that list and that's where we are right now. Hopefully, we hear back soon and, you never know, if that project is there, well, we could be making announcements in the near future.

Until that time, whether announcements are made or not, I couldn't care less about that, that's only playing politics. It's about doing the right decision and living within your means. If the federal government steps up, we'll be all too willing to work with them. If they don't, we'll find another option. If that doesn't work out, there's still an issue, it's still there and we'll discuss it at that time.

CHAIR: I remind the Member that his time is up.

S. O'LEARY: I'm good on that section.

CHAIR: She's done with this section.

The Chair recognizes the Member for Waterford Valley.

J. KORAB: The Member for St. John's East - Quidi Vidi probably knows what this first

question I'm asking is because she was on council with me long enough.

I'm wondering that the status completion date is for the Team Korab, or Gushue Highway, depending on who you ask?

B. PETTEN: Respectfully, it'll never be Team Korab.

J. KORAB: It will in my house, ask my kids.

B. PETTEN: I'll put it to Dan at this time, I think, it's (inaudible).

D. MICHIELSEN: We're on a timeline of when it was originally tendered, the contractor had until, basically, December of this year to complete. They're well on track. We have no reason to believe that it won't be done by then or before then or substantially completed before then.

I think the last announcement that we made in terms of closing some of the on and off ramps on to Commonwealth Avenue was really to sort of ensure that the project could carry forward and the last few critical components, the roundabouts and the paving could happen. We announced that as about a four-month closure. I suspect within four months, we'll have most of the work done and we're well on our way to finishing that this year.

J. KORAB: Perfect, thank you.

Section 2.3.01, Provincial Building, Salaries last year revised, there was a \$2-million jump, just clarity on what that was in the revised 2025.

B. PETTEN: It's an increase in unfunded positions and overtime costs in the security division. That was an increase of \$2.1 million.

I'm going to defer to Robyn who can probably elaborate further on that one – I think this is Robyn's.

R. BURSEY: The minister is correct, we did have significant security requests over the past year, so that's one of the reasons why the budget has increased there, as well as a number of underfunded positions, contractual fill positions that we have in place, to help offset some of our building maintenance requests.

J. KORAB: Thank you.

In the same vein under Salaries for Estimates, it's up about \$270,000-ish. Is that, as the minister would say, about rightsizing the budget or is that new positions?

R. BURSEY: That would be about rightsizing our budget there.

J. KORAB: I knew the answer to that one.

Under Supplies, same heading, Supplies in the revised almost doubled, just curious on what supplies that was?

B. PETTEN: That's due to inflationary costs, the maintenance supplies for government buildings, so just basically the cost –

J. KORAB: Professional Services, that was a big jump there, a one-time hit.

B. PETTEN: A lot of surveys done in the past year, I asked the same question. We did a lot of surveying last year to properties within our inventory.

J. KORAB: Okay.

Under Purchased Services, this is a very big jump, almost \$11 million. I wonder if we could get a breakdown of what that entails?

B. PETTEN: It's mainly due to inflationary pressure items such as power bills, service contracts, HVAC, snow clearing and leases. It is also work completed on the NLSchools building and major repairs throughout the province due to aging infrastructure.

I don't know if Robyn wanted to elaborate further. I think we may have discussed it. Is there anything you wanted to add to that, Robyn?

R. BURSEY: We've had significant snowfall this year, a lot of our contracts included regular snow clearing services so we actually had to do a lot of snow removal. That was a very big increase to our budget this year. As well, we did inherit 95 Elizabeth Avenue and we're doing some major work in that building to bring it up to standards.

J. KORAB: Okay.

Back to the revised for the Property, Furnishings and Equipment, budgeted \$11,000 but spent almost half a million?

B. PETTEN: Actually, I was hoping you were going to ask that question.

J. KORAB: Were you?

B. PETTEN: Yes, I was actually. I discussed this a couple of times yesterday.

That is not enough to cover the three promises made by your former premier, unbeknownst to most people in government. One was a park bench in Lark Harbour recognizing two drowned – I think Lark Harbour's two fishermen. They lost their lives. It's a quite sad event, but it's a park bench that showed up in my office for \$12,000. There was no paper trail, other than the fact that the bill had to be paid and it was commissioned by the former premier.

The next that showed up was a plaque for the Lucky 7. If I'm not mistaken, that was less than \$10,000, maybe.

Then, last week, another bill showed up. It's for a soldier presenting a forget-me-not to a little girl – all this stuff is beautiful, by the way, I'm not knocking the – for \$479,000. That was requested May 2, two days before

the former premier left office, and it cost in our department half a million dollars.

These are all nice things, but take that into account sometimes. It's great to have a big budget when people look at they want roads paved or they want this extra snow clearing or they need some extra cost, and you're taking half a million dollars. There's no paper trail. There's no nothing. You have to create a paper trail to find a payment.

I'm not being sarcastic; I'm being totally honest. My jaw dropped when I got a bill for \$479,000. I think it's still over there somewhere.

We have to pay this sculptor. We have to pay this man his money. We have no choice because it was commissioned; the premier done it. But this is a part of the reason – this is some of the stuff we discovered. It is tip of the iceberg basically, but it's one that you might want to tell my real pleasure when I see these things come across my desk. I'm sure that if you ever transitioned, say, in my shoes, you'd feel the same way.

Government is trying to balance the books. These are all nice to dos, but are they must dos? Could it be done much cheaper? Could you recognize those things in a different manner? Absolutely, I think we can do it a lot better than spending well in excess of a half million dollars on these sorts of things. I don't know whose legacy it is, but it's not helping the people of the province.

I could go on, but I'm not going to waste more time in Estimates at it. Thank you for the question. I appreciate it.

J. KORAB: Thank you.

To be the clear, for the record, I'm not looking at transitioning to your shoes. I say that facetiously.

I have a question here – just to bring this up – so the original MOU oversight panel had

office space in Churchill Square, in St. John's, and I've heard that the new review panel had space somewhere else. I'm just wondering, are we still leasing that space? Is there someone else in there?

B. PETTEN: That's a question that Robyn will have to answer that, if she can.

R. BURSEY: No, we do not have the space no longer in Churchill Square. We do have another lease in place at another location.

J. KORAB: Thank you.

Were we on the hook for breaking that lease? Did the lease expire and just –?

R. BURSEY: The lease expired.

J. KORAB: Okay, great. That's good to know.

General question – the RNC office moves location; is TI involved in that office move, or is that something that RNC does in-house?

B. PETTEN: Good question.

R. BURSEY: Yes, we would help with the facilitation of any moves with any outside organizations, such as the RNC, and help them with any planning.

J. KORAB: Okay, thank you.

Minister or staff, do you have a completion date for the Kenmount Terrace school? A timeline and completion date?

B. PETTEN: No, this past week, actually, there was a bit of reconfiguration going on because Kenmount Terrace school wasn't built big enough. The plan was put in place, but we have a concrete slab already poured and we've come to the realization – Education has come back and forth – the school wasn't actually big enough. They're doing some catchment. They're doing some

reallocations in catchment areas. We just received that this past week.

Completion date – when is completion date? It was a delay really because you're trying to figure out the catchment. You've got Paradise. You have Portugal Cove-St. Philip's school down there. That's another story. I won't go into that today. Then you've got Kenmount Terrace and the catchments, there's a big problem.

You've got the children coming from Holy Spirit who are supposed to go to Paradise. People at PWC are supposed to go to Portugal Cove-St. Philip's but they midway through the grade, their graduating year. There are so many issues there. The school may be completed. Then we got to figure out, is the school designed for K to 6? Is it K to 7? Do we do K to 8?

Your answer on the completion of that school, I'll pass it over to Darlene, but I don't know, I think we're set back a bit. Darlene can tell you.

D. SPRACKLIN-REID: When we're looking at purely the construction and the trajectory of where we're at with the schedule on that construction right now, we are looking at spring 2027 for substantial completion. Then we turn that building over to the Department of Education and opening days and operational issues will fall under their purview.

Currently, we have experienced some delays, again, as was mentioned earlier by our ADM of Building Operations. The snowfall through the winter has caused some delays on our construction schedule for that particular school.

J. KORAB: Thank you.

CHAIR: The Chair recognizes the Member for St. John's East - Quidi Vidi and, at the end of this question period, we'll take our break.

S. O'LEARY: Thank you, Chair, and thank you, Minister.

I have four specific questions in this section.

In 2.1.02, Summer Maintenance and Repairs, is the increase in inflation eating into your ability to conduct road maintenance and repairs, and are there plans to increase the budget for this work as a result, if so?

B. PETTEN: Under Supplies?

S. O'LEARY: Under 2.1.02, Summer Maintenance and Repairs.

B. PETTEN: Gone aground again, b'y.

S. O'LEARY: I'm backtracking you.

B. PETTEN: You are in 2.1.01?

S. O'LEARY: It is 02, Summer Maintenance and Repairs.

D. MICHELSEN: I can speak to that, Minister, if you want.

B. PETTEN: Yes, you go ahead and speak, Dan, while I am trying to find it.

D. MICHELSEN: So this is one of the areas where we've kind of been historically underfunded. There is some rightsizing going on here. We've been moving forward with our summer maintenance program and the driver behind the amount of work we get done is not the cost or budget; it's been the time, resources, days when you can asphalt patch, when you can't and all that kind of stuff.

Keeping with the theme, in terms of the minister's direction, is if we need to do it, we continue to do it. Prices continue to rise, like they do everywhere else, and we find it and reallocate within our budget to make sure that our employees have all the resources they need to continue with the summer maintenance program.

S. O'LEARY: Thank you.

Section 2.2.02, Equipment Acquisitions, in Capital, in the 2024 Estimates, it was mentioned that there was a significant amount of the fleet that needed replacing and that it would take about five years to get it all replaced. Are you still on track for that?

B. PETTEN: Yes, we are actually. If you want the exact numbers, I think Dan can elaborate on the numbers but yes, we're moving forward on that. Dan you can fill in some blanks on the numbers.

S. O'LEARY: Okay, thank you.

D. MICHIELSEN: Yes, sure, great question.

Our snow plow fleet, which is our main fleet of vehicles, we received 60 trucks the prior year and 44 last year. So we have 104 new trucks now working, and we have another 60 again ordered for next year.

We foresee that we'll have the greater portion of our fleet replaced within that five-year period in which was committed to, several years. We're well down the road in that. In between that too, I mean, it's not the only thing; we've purchased a significant number of loaders and other trucks and equipment, three brand new paint trucks, some new patcher trucks and some new equipment.

So we are along that lines of that commitment to renew our fleet within that five-year period.

S. O'LEARY: Thank you. I appreciate the update.

Next would be 2.3.01, Provincial Buildings. How long is the list of deferred maintenance and what is the estimated dollar value of that? Has it increased or decreased over the past 12 months? That's, again, about the deferred maintenance and the estimated dollar value and the trend.

B. PETTEN: I'll pass that to Robyn. Robyn would have that.

S. O'LEARY: Okay, thank you.

R. BURSEY: We know the terms and conditions of our buildings, which are 865 buildings, 249 schools, 10 bus depots and 40 residential units for teachers, so we do have a large portfolio. I do not have an exact deferred maintenance list but we do look at it each and every year when we do get our alterations and improvement budget, which is roughly about – this year, I think, it's \$19 million. We spend all of that money each year and we are moving forward now with an asset management program so we'll have a better idea in the coming years what that figure will be.

S. O'LEARY: Okay, thank you for that.

I want to just add a specific question on the end of that one, because there's one that I'm very in the know of, which is the Arts and Culture Centre building. It's been a very contentious state of disrepair for that building for a long time. I had personal experience as a member of the St. John's Public Library Board, in my former role as deputy mayor and, basically, we've gone through at least three successive ministers in this file.

One of the things that is really at a crucial point right now, we have a crumbling facility at the Arts and Culture Centre, which, of course, holds the AC Hunter Library as well. One of the biggest issues is the HVAC issues. They had to close it down, of course, as you would know, because of heat exhaustion in the summertime and just unable for staff to – they were freezing or there was heat exhaustion. You actually had to close the public library for that particular purpose, plus the building.

That's an ongoing issue that has been happening and, of course, crumbling walls, as well as the ongoing issue of accessible

entrance or non-accessible, I guess, would be the point.

I speak, not only as an artist, as a former municipal leader, but also as the critic for TCAR. This is a crucial, crucial space for arts and culture in our community, certainly in the City of St. John's. I can't speak to the Arts and Culture Centre status in other communities but I know that there's been an ongoing issue, so I would love to see if there's any intent to address those crisis situations right now.

Thank you, Minister.

B. PETTEN: Yes, I guess to your question on buildings, in general, and, again, full disclosure, I don't think there's enough in that budget for maintenance, the \$19 million. I guess the 8th floor, if they're listening, I don't think there's enough money in that budget. There are too many demands, too many buildings, too many demands and the cost pressures. There's not enough money. That's something that I'll address at another time. Full disclosure, I can fool everyone in world and tell them there's lots of money – it's not enough money.

The Arts and Culture Centre is one that I'm quite familiar with because, in my previous life, when I was here for the first time, I spent four years in Tourism with the previous minister. I'm very acquainted with the Arts and Culture Centres right across the province and the needs. Back then, we replaced all the seating and I think the parking lot was just paved this last year.

To our point, you make a really good point, I was over there recently and I kind of question, sometimes, that we should be doing better. This is an important piece to our province. All these Arts and Culture Centres are important throughout the province.

As we know, it's not an endless pot of money, but your point about HVAC and

whatnot, I know that's a fairly significant cost factor, but I do believe that's something that's worthy of further discussion. The money is not there now, obviously, like I just said, but I think that's something that we need to look at.

As a whole, government does a really poor job of maintaining infrastructure, right? You build schools and they look nice for 10 years and then we don't do the proper preventative maintenance. We're not good on doing preventative maintenance. You see it in our hospitals. You see it in our schools. You see it right across the board. I might sound like I'm speaking like an Opposition Member but that's me. I probably said it when I was over there and I'll say it over here. We inherited it. They inherited it. Every government will inherit it, but if you don't start spending money, it doesn't look good.

There's nothing nicer than a new building, but probably one of the most important things to do is maintaining your existing buildings. We, as a rule, do not fund or deal with preventative maintenance in this province. It's a major problem. It's an issue that I don't agree with, so there I am.

If you have it –

S. O'LEARY: There you are.

B. PETTEN: I think it's ridiculous spending public money on all these wonderful buildings and then we build them and we leave them. It's not done in malice. It's just the way the government operates. You're moving on to other stuff and there's only so much money, so many people. You're caught in this – you're a hamster on the wheel, but we need to really take a serious look at our infrastructure as a whole and our preventative maintenance.

That's a conversation for another day, no doubt, but I think it's a very important conversation we need to have.

S. O'LEARY: Absolutely, thank you, Minister, for that.

I understand in the general thing but this is one very specific issue that has gone through, probably, I'd say four ministers at this stage of the game –

B. PETTEN: I hear you.

S. O'LEARY: – and it's a health issue for staff, for human resources. I will be bringing this forward on a regular basis.

B. PETTEN: Sure.

S. O'LEARY: So just FYI. I think it's an extremely important facility.

I will give credit where credit is due. A former minister of the Opposition, of course, helped to get our Holy Heart of Mary school kind of up and running and rehabilitated, so I give the credit where credit is due.

B. PETTEN: Sure.

S. O'LEARY: Arts and Culture Centres will be on the radar.

Thank you so much.

B. PETTEN: No problem.

CHAIR: As planned, we will now take a 10-minute break.

Just a reminder for everybody in Estimates this morning, the bells don't be rang so it's incumbent on yourself to make it back, if you want to continue with us.

We'll say at 10:46 we will reconvene.

Recess

CHAIR: Order, please!

Are you ready, Minister?

B. PETTEN: Yes, Sir.

CHAIR: Ready, Opposition?

E. LOVELESS: Yes.

CHAIR: Okay.

We'll now resume the Estimates for 2.1.01 to 2.5.03, inclusive, Operations.

I acknowledge the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Chair.

When I ended off, we were talking about a 30-kilometre lane out of Port aux Basques, and the minister referenced in terms of last October was an election and stuff like that. Listen, I get all of that. I accept it, 100 per cent. You're in that chair; your government is the government and making decisions, 100 per cent. It does come down to choices, for sure, but let me put on record and be clear that we put the 30-kilometre lane into the provincial roads program because we could get it done now.

The national corridor application, that's fine. Hopefully, they come back in short order and tell you it will get done, but I don't have confidence in that. We shall see, for sure.

Minister, you referenced three projects. The Lark Harbour one, I want to speak to that, if I may, because the three in total, I was in the minister's chair when one of them came to my attention. That was Lark Harbour. You agree that they're all three good projects, for sure.

Let me put on record, too, the Premier of the province it is his or her prerogative to, I guess, say yay or nay to whatever he or she wishes in the province.

You agreed they are three good projects. The Lark Harbour one, I was asked a question by the Member for Humber –

B. PETTEN: Bay of Islands.

E. LOVELESS: Humber - Bay of Islands – thank you for that – and we agreed to it, but we had discussions around who would fund it.

I had a meeting with staff to clarify that, but we still needed to get it done because it was the right thing to do for Lark Harbour. We agreed upon that, and the meeting that transpired – there was a paper trail, by the way, from email to the bill as well that it would get done. We made that commitment, and I hope that you will honour it. We agreed that, within the department when I was there, we weren't going to fund it, but we would fund it through another avenue. That was through the Special Assistance Grant Program. I'm not sure which department, now, it was.

That was agreed upon, but there had to be an application from the town in order for it to happen. That didn't happen is my understanding and then, obviously, we ran into the election and you couldn't prove anything with the monetary value with an election and that's why it didn't get done.

I hope it will get done because we committed to it and you agreed, Minister, and I know you agree with that. They are three good projects. It's just a matter of finding the process of funding them. I just want to put that on record for clarity.

B. PETTEN: I said they're nice – those events are important. No one ever questions any of those things. Do I agree that they're good projects for the government to take on? Absolutely not. These are things and issues could be done on another forum. Getting caught up in doing these announcements and these things with – and by the way, they're paid.

The statue is not paid yet, so that's a significant half a million dollars. I think the people out there that are looking for help on various needs and I've been told sometimes the money is not there and when you see some of the stuff being spent and now it's

being spent, it was a lot of silliness and lot of foolish announcements that really didn't help the people of the province.

Whether they're good or not, they're nice, no doubt – it is all going to look nice but us, as a province, I don't think we should get caught up in that role any more. I think that the people deserve better. It's not about any one individual; it's about doing what's right for the people of the province.

I say this with all honesty. I've said it many times I spoke and I'll continue to say it. This is not an ego-driven government. I think we come here, we know we've got a task at hand and we'll do our best. Will we can make mistakes? Absolutely. We are questioned every day and that comes with the territory. It won't be ego-driven and I do believe there will be decisions that have been made for the betterment of the people of this province is what we signed up for, and you saw it yesterday in our budget.

A lot of our commitments are being followed through on because there's not a lot of ego – I can't speak for everyone in my caucus and our Cabinet but I can tell you, speaking for me and the Premier and a few others around us, close to us, there are not a lot of egos in that room.

I've got a great life outside of this place and I plan to keep my integrity in place and do what I feel is right in my job. If I see stuff I don't like and I don't agree with, you can pretty well guess I will speak out about it regardless of who feels what side I'm on, but I'll be fair in my commentary and I'll speak from the gut. On this one, that's where I'm to.

Yes, they were nice but I don't think us, as a province, should ever have touched them. The bench that you referred to is paid. The invoice came in since I've been there. It has been paid a long while ago, but I don't think it's the best expenditure of monies.

E. LOVELESS: Again, it's about choices and decisions made, but I guess what we need to respect is the fact that if I made a decision that you don't agree with, or I don't agree with you, we still need to respect it. We still need to respect the decision. Whether it's money well spent, that's up for debate. But I'll park that and I'm glad that the bill is paid and that's been completed.

I'll move on to 2.1.01, line by line. Under Transportation and Communications, budgeted and revised shows a difference of over \$200,000. Can you explain that?

B. PETTEN: 2.1.01?

E. LOVELESS: 2.1.01 under Transportation and Communications.

B. PETTEN: It's over and it is due to increased travel associated to road maintenance, delivering the required training, police communication costs, including landline, cell, satellite, phones. A lot of things obviously charged off in this fund. The funds transferred in this area to fund the deficit in travel and communications.

It's man-driven, so you would recall from your time there, a lot of this ties to road projects, our staff are all across the province and that's kind of where a lot of that travel is charged off to. That could drop next year. It's increased this year. It's one of those ones that it depends on the projects and the travel for our staff.

E. LOVELESS: Okay.

Under Supplies as well, from the budgeted to revised – well, the estimated is back to the initial budget number, but there's a discrepancy there of about \$100,000. Minister, can you explain, under Supplies? The same is under Purchased Services as well; can you explain why you spent more than was budgeted of over \$100,000?

B. PETTEN: Supplies is basically just inflationary pressures. There is nothing really untoward there. It is just the prices increased. There is nothing in that – due to higher than anticipated supplies, the demand is driven and it fluctuates every year. Again, this may be one that we need to increase the budget, as we're talking about our rightsizing. This may be actually unfunded but there is nothing new there, we'll say, it's just one of those things that maybe we need to rightsize that one as well.

E. LOVELESS: Okay.

Under Grants and Subsidies there, for \$40,000, what kind of grants and subsidies are we referring to?

B. PETTEN: Grants and Subsidies.

E. LOVELESS: \$40,000 was budgeted, revised at the same amount, but I'm just wondering what those are?

B. PETTEN: They're for local roads. It was more feasible to provide the grants for the road maintenance than carry out the work directly.

E. LOVELESS: All right.

I'm going to try to do my best in terms of – moving on to 2.1.02, Summer Maintenance and Repairs, under Salaries there, budgeted and revised for '25-'26, there was an increase of about \$700,000. Can you explain that increase?

B. PETTEN: A decrease you mean?

E. LOVELESS: Decrease, sorry.

B. PETTEN: Savings due to vacancies in hard-to-fill areas in the province.

Dan may be able to elaborate on that one. Dan, could you elaborate on where there were actually –

D. MICHIELSEN: Yes, this is where our salaries for our internal operations folks, our equipment operators and labourers and whatnot comes. As you know, I guess in various parts of rural Newfoundland, we've had difficult recruiting and filling some of these positions, so we would have some savings there from vacancies.

E. LOVELESS: Okay.

Moving on to Supplies under the same heading. I only have a few seconds left. I'll sum it up two of them, Supplies and Purchased Services, there was a difference of about a million dollars more. Can you explain the over a million dollars more, please?

B. PETTEN: That's due to the increased cost of various supplies: the guiderails, the culverts, gravel, paint, asphalt, signage. It's just a cost increase that, I guess, you can go to the tariff question, I guess, maybe its due to guiderails, I don't know, but it's a cost increase.

In Purchased Services, it's due to summer wildfire expense. That was the increase of cost last year, the wildfires that drove it up. You probably approved some of those expenses back then.

In (inaudible), increase for road maintenance, contracts, hiring and renting heavy equipment to complete highway maintenance repairs. Again, some of it is inflationary because we know the costs are increasing every year.

E. LOVELESS: I see the estimates for '26-'27 is really in line with what you spent in 2025, so that's the reality of it, in reference to your comment.

Okay.

CHAIR: The Chair recognizes the Member for Waterford Valley.

J. KORAB: Thank you, Chair.

Just keeping on with roads, before I go into my next section, the \$3 million for 24-hour snow clearing – and to be clear, I'm not asking these for political reasons, just information reasons.

B. PETTEN: It's all politics.

J. KORAB: I hope your look was captured on camera.

B. PETTEN: It's all politics.

J. KORAB: How many staff are we short right now for our 24-hour snow clearing? What's the shortage right now?

B. PETTEN: Right now, we're around 27 or 28 out of the 50 but we're entering another season that we will be adding on more routes and we're doing some data on that now and we're compiling that. That will be data-driven – so whatever routes we had.

Our anticipation this year is more, I guess, hopeful, than what it was last year, through the year, because we approved market adjustments to try to increase the salary because salaries are too low for operators and we all know that. We increased it. It was kind of getting late in the year because in November, I believe, it was announced and then by the time we got staffed up, that was in January. When we got going, we were pretty good.

The Terra Nova area – I say Terra Nova because it's not Eastern, everyone thinks Eastern is in the Avalon. The area was the Eastern, Terra Nova, Clarendville area, we had trouble recruiting so we used a lot of overtime. Our costs in overtime increased due to the fact that we had to backfill with overtime. We still provided 24-hour snow clearing but we never had regular shifts because staff were coming in in overtime.

We, right now, are probably short 20 to 25 for the coming season but we may need a few more depending on what routes are added. Hopefully, we don't go too much

over that, but we're hopeful with the market adjustment and earlier recruitment, we should be up and running come the fall. We should be up and running when the first snowfall hit, like this past winter, it hit in November. We had the second-worst winter snowfall-wise in a long time.

It kind of was the perfect storm, but, in effect, though, it probably helped us a lot too with operations. We actually worked out a lot of kinks and most winters, hopefully, are not like this past winter we had. I'd like to go back to take the snowblower twice a year. That's where we're to.

J. KORAB: I will agree with you on the last comment. The ones before – anyway.

Could we get a staff complement before and after the announcements? Basically, when you announce the operators being in the depot going up for 24-hour snow clearing versus being called in for 24-hour snow clearing. Can we get the stats on how many operators we had before and after that announcement? If you don't have it now, you can send it to me.

B. PETTEN: That's fine. One thing that's I know has been said publicly: having an operator home in bed or having an operator in your depot is not the same thing. The turnover, the time, that two-to-three-hour period to get out, that's not 24-hour snow clearing. I know that's been said publicly many times. That's not 24-hour snow clearing. That's being on call and the time you're called in, that's not comparable to what 24-hour snow clearing is.

Our complement outside of numbers, we increased our staff by 27, 28, but Dan I'm sure can give us that exact information from pre to post and that will change again this coming fall, but we can provide that.

J. KORAB: Thank you.

Having three hours to be called in, I don't think we're calling people in from Gander to work here in the metro region but anyway.

B. PETTEN: But you have to get out of bed, you have to get up, you have to clean your vehicle, you have to drive and you have to start up your vehicle. You can't take the truck when it's cold, they have to start up and then they have to be loaded up with salt.

To clear the air on this one, I've gotten my information from operators who tell me that, two to three hours is not abnormal and we all don't live in St. John's. You live in rural parts of the province, sometimes you have to go further than 10 minutes to get to the depot. I stand by that comment.

J. KORAB: We'll agree to disagree on that one.

B. PETTEN: No problem.

J. KORAB: The expanded routes, do you have a list of those yet or are they going be forthcoming?

B. PETTEN: That's going to be based on data. Dan can tell you what we're doing with that, but we're using cellphone areas – it's based on usage. We're not putting it out where you only have 10 cars a night. This will be done on actual data and traffic volumes.

Dan might want to just explain that a bit further, but that's where we're to.

D. MICHIELSEN: One of the commitments was to conduct a study to determine what routes may require or trigger or warrant the extension of the overnight snow clearing.

What we've done is we've engaged a company that provides, through a procurement process, real-time and historical data on all of our roadways. It's a really new concept. Instead of having to go out and put these counters on all the roads

and count cars and have people counting cars and all that, it's basically driven by cellphone, satellites, GPS in vehicles and then it's corrected by a counter. So we get real-time and we're able to go back five years.

We'll know every route in the province and what the traffic looked like overnight on these routes to be able to determine the highest levels of traffic and what would we warrant in terms of extending it.

We're currently engaged in that study and we suspect that we'll be ready to proceed by next winter with some additional routes.

J. KORAB: Thank you.

I don't want to speak for my Member for St. John's East - Quidi Vidi, but with both of our municipal backgrounds and the number one complaint we get is traffic, the dork in me would love to see that study, if it's possible, when that's done, because that would be fascinating to use because, like you said, normally, it's counters and whatnot, so thank you.

B. PETTEN: Yeah.

J. KORAB: I'm done with the 24-hour snow clearing, but it's a good segue into the next question I had, actually, back to the Kenmount Terrace schools.

I wonder has there been, or is there going to be, a traffic study done accessing the school site? Again, knowing the issues certainly with Kenmount Terrace, as I heard it many times on St. John's City council, where the traffic situation stands for that school, once it opens up.

B. PETTEN: I've said this repeatedly. I think I said it yesterday. I think I told you in Question Period. We're in the process of getting a traffic study done for the full region. CBS has issues, Paradise has issues, Mount Pearl has issues and St. John's has issues. I know it's been out

again and this is in the public domain. The mayor of Paradise, with the cancelation of the hospital, tied that in, that he wouldn't get a road and it would deal with traffic volumes, that was all forgotten about, but they're separate issues.

They may have been tied to one or the other, but one can happen without the other. Traffic volumes with Kenmount Terrace and all that area, which it's all the same neighbourhood, we're going to get our traffic study – I don't know if we've got issued yet, Dan, but we're in the process of getting it done.

There are a lot of traffic issues out there. I mean, some can be fixed easily, less whatever. But instead of going cherry-picking, doing one then finding another – because there are lots of different options. That road between Kenmount to Paradise or Outer Ring to Paradise, proposed during the election, the routes, there were a couple of variations of that. There are cloverleaf options down at the bottom of Topsail and Paradise. There are so many other things – Kenmount Road, you name it.

We'll find that out from the traffic study hopefully.

J. KORAB: I guess my specific question on that – and it did come up in Question Period – is the province only doing provincial roads like Outer Ring Road, the team Korab highway, or are they going into like Kenmount Road, Great Eastern, which is Kenmount Terrace? If not, is that something you'll work with the city on? Because I know they've had numerous traffic studies.

To sum it up, is the province doing just provincial roads, or are they coming into the city to do a traffic study on the municipal roads?

B. PETTEN: I don't know how you can leave city roads out –

J. KORAB: I agree. That's why I'm asking are you, yes or no.

B. PETTEN: We're going to CBS, we're going to do Paradise and we're going to do Mount Pearl. I don't know how you can do a traffic study just on provincial roads. Everything feeds on to provincial roads.

J. KORAB: I agree, so yeah.

B. PETTEN: I can't speak for the traffic study people, but my first instinct would be that they're going to do a full, comprehensive study and we have to find out where the traffic is coming. The municipal roads are going to a provincial road and vice versa; I don't see how you can do one without the other.

I don't know if Dan knows any more than me on that.

D. MICHIELSEN: Just to go back historically, you're kind of correct; it's a provincial focus. The last study, as nature done, was done in 1970s. Ironically, the last piece of that puzzle is being finished this year, which is the Team Gushue Highway, which was planned. All that sort of network, the Outer Ring Road, Pitts Memorial Drive, Team Gushue, Cross-town arterial, all of those roads were kind of originally planned in the '70s, so we're doing the last piece of the pie now.

This comprehensive study is really to look at what's out there now. I know MHA Korab has brought up some issues with regard to Pitts Memorial Drive, stuff that was built in the '70s and now it's exceeding in capacity. So this study will capture all that.

It will also catch the connectivity with the provincial roads and the municipal roads. These are where we come onto Topsail Road, where we come into Kenmount Road. It won't go into the heart of the city and look at traffic issues in the city unless they're really connected to provincial roads.

The answer is yes or no. We will be studying some municipal roads, but really only those that connect onto the provincial road and how traffic flows from one to the other.

J. KORAB: Yes, just one follow-up – I know my time is up – if I may, Chair.

So collector roads and feeder roads, I guess, specifically for infrastructure we're building, my only ask would be, if possible, for the Member for Mount Scio, is a study that could possibly expand where we're doing it now into where there's going to be a lot of traffic. I dropped my daughter off at school today. It's crazy, you know, what is on that.

So just as a consideration for that. No need to follow up.

Thank you.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

B. PETTEN: It goes back and forth.

CHAIR: No, she didn't have any more questions. I already checked.

B. PETTEN: Oh, sorry. Stay in your own lane, Barry.

CHAIR: Thank you, Minister.

I appreciate you doing both jobs.

B. PETTEN: Sorry about that. I've got a big problem with doing that. I've got to stay in my own lane. I'm sorry.

CHAIR: You had great answers up until that time.

B. PETTEN: Sorry about that, Chair.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Mr. Chair.

I will go to Road Maintenance, 2.1.03. In that section, there is an increase of \$2 million on Salaries alone – I probably know the answer and I've always been told you shouldn't ask a question that you know the answer to, but I just need it for clarity. What was the increase of that \$2 million?

B. PETTEN: That's fine, b'y. I do that often.

Salaries for the winter road maintenance demand. So it's basically due to increased overtime and other costs related to this past winter.

E. LOVELESS: Okay.

Under Supplies, there was an increase of \$11 million from budgeted to revised. What were they, Minister?

B. PETTEN: Mostly salt.

E. LOVELESS: Salt? So what was your original salt budget? I think it was like \$38 million – \$34 million.

B. PETTEN: Well, we purchased \$34 million worth of salt this past year. This past winter, as we all know and I've spoke publicly, our stockpiles are down, so we're anticipating and the price of salt is gone up – we have to replenish everything now, so we're expecting that the revised next year, I anticipate, will be in that \$40 million-plus range again.

This probably comes back a little bit to my question, when I said earlier about some kind of rightsizings within. I think, realistically, the budget probably needs to be closer where the revised amount was, based on our winters, but then if we have a good winter next year, we can find a lot of savings. So it depends.

E. LOVELESS: Yes.

To just reiterate your words, really the estimated amount should be a lot more than \$34 million.

B. PETTEN: I would think so, yes. You have to realize too, with the 24-hour snow clearing this year and moving forward, it will be more. There's more salt being used. The plows are out – I mean, that is an actual increase in our salt usage because there is more salt being distributed. If we add more routes, obviously that will add to that cost.

To your question, the short answer is yes, it probably needs to be increased a little bit higher than that.

E. LOVELESS: I know different routes in the province and stuff in terms of salt mixture with sand and stuff like that. There has always been a complaint for Bay d'Espoir Highway that the mixture is not conducive to the road conditions.

Because you can leave TCH and go down, by the time I get to my hometown of Seal Cove, Fortune Bay, you have three different weathers. You got freezing and you could have mild, so the salt and the sand intake needs to be – and I know, I've had conversation with officials about this. I always say to the superintendent in Pool's Cove that he's cheap; he don't want to spend too much. It's not a matter of spending too much; it's just a matter of using a little bit more salt than sand because we wouldn't have to be doing it twice. It's all about efficiencies, I guess.

I'll move on to 2.2.01, Maintenance of Equipment, and I don't need the minister to answer in terms of the challenges there as well. In terms of the maintenance, mechanics play a crucial role. How many mechanics do you have currently?

B. PETTEN: Dan, do you have that number there?

E. LOVELESS: If you don't have, it's no big deal. I can get it later.

B. PETTEN: I just wanted to add to that point, that is a huge issue, recruitment of mechanics. You know all about that. The cost of sending out for repairs is not cheap either.

I personally think, as a province, we need to do some kind of program promoting mechanics in the trades. I think that's a problem we have, there's a shortage across the province. We're finding it. I think others are finding it too. So maybe that's somewhere we can – it was only this past week, I think, in the department, that discussion, we probably should try to promote it, as a province, to try to get more into that field, because it's money well spent –

E. LOVELESS: Yeah.

B. PETTEN: – what we're spending here, so I think that it's not a bad option.

E. LOVELESS: I don't think you're going to get anyone to argue with you about that.

Now, in terms of the mechanics, I know market adjustments, we did it, you're doing it and I think, for the long-term solution, that is not a long-term solution.

My question is will the market adjustments continue or finally this will be dealt with at the negotiating table with NAPE, because we can promote all we want in terms of mechanics, but if we don't pay them what they should get paid, you can promote all you want, and that's a problem.

This has been a problem for years and years and years, all government have faced it because it's not just about mechanics. Once you do it across the table you have people in the health care industry. It's a big challenge and comes with a big cost.

My question, I guess, market adjustments or will this be dealt with at the big table with NAPE?

B. PETTEN: Everything you said there, I agree with your commentary. I've said it myself.

E. LOVELESS: Smart man.

B. PETTEN: Because I agree with you, yeah, on that one we'll agree.

I don't like market adjustments, actually. I made that clear every time it comes up around our tables or committees, I don't like it, I never have. I'd probably be speaking for Minister Pardy if I were to say anything other because, you know, ideally this should be negotiated wages because no good deed goes unpunished. We did a market adjustment and then it was an uprising within other trades within the department and throughout depots that were writing me – and rightfully so. They were questioning how come I'm not getting paid. But the reason they are not is because we're not short on welders and we're not short on these other trades, yet we have them working side by side and these mechanics are getting a bump in their wage to try to keep them there because others are paying more.

So to your point, I couldn't agree more, but I wouldn't be able to speak for Minister Pardy and the bigger table, but ideally – I've told Jerry Earle, the President of NAPE, the same thing, the answer to this is better wages. I don't know how you go about that, we're getting into collective bargaining then so I think I'd rather leave Minister Pardy to that. Regardless, whatever they come out with in collective bargaining, that will be ideal. If it don't, we're still back to this situation. So I don't know how they're going to deal with it.

I think everyone is well aware so I don't know what solutions – hopefully, they come up with something better, something to do with the JES, the job evaluation system, that was implemented years back. That's not a good system for the province, the civil service in this province, it's not helpful.

Maybe they need to have that discussion too.

E. LOVELESS: Yes, I made comments on it and was criticized for it in terms of, well, you didn't do it while you were in government, but people don't appreciate – and they will once they sit in your seat and the Cabinet table – the enormity of the cost of it across the board, because it comes down to, okay, you're going to increase it for these people, what about everybody else? That's a challenge and I wish everybody could appreciate that. We can tell the public all we want.

In terms of under Snow and Ice Control, there's one question, and maybe your ADM can answer this as well. There are communities that contract out snow clearing for their communities but it's a TI road and TI pays the bill. Has that changed this winter? Are there any TI roads that are within municipalities in Newfoundland and Labrador, has that changed in terms of the province taking it back and they doing the roadwork themselves?

B. PETTEN: I don't think we have. We get lots of requests for it, but I don't know. Dan can probably fill you in, but not for me to know.

D. MICHIELSEN: We do have some arrangements with some towns. I guess we have two different types. One is where we own a provincial road through their town and it's more economical, more feasible, for the town to snow clear it for us and us to pay them, because they're driving over the road anyway to get to their municipal roads or whatnot. We have several of those arrangements.

The more common arrangement is where we have the main road through the town that is ours and we are paid by the town to snow clear some of their sideroads because we're going through. So we have both arrangements.

Those arrangements have remained fairly static. Every now and then a town manages to get a contractor or get their own equipment so we no longer do it and whatnot, but there has been no big increase or decrease.

E. LOVELESS: I appreciate that, but has there been any change in any community on any road that was normally done by them? They're challenged because I know this is a challenge; I've heard it from a lot of towns. Has any road or is there any decision this winter to change that, that TI would now be responsible for snow clearing, whereas the town was responsible and they just billed the department? Has there been any change in any community in this province this winter?

D. MICHIELSEN: I'd have to go back and see. Nothing stands out in my (inaudible).

E. LOVELESS: Okay.

CHAIR: Minister.

B. PETTEN: Yes, just further to that. Obviously, you must think or know of some area. I've had requests but we've not approved any requests, and Dan talked about various ones. So if there are some – I'm not saying anything untoward, but sometimes the depot could probably go and do it unbeknownst to everyone else.

If there is a road, I mean, feel free to share with Dan if you want to look into it. There's no decision to be made on our part if you're looking for that end of it. We get requests but there's been no decision made. I haven't made none to add any extra roads. Dan don't have any knowledge either. So if you've got any information, feel free to share it.

CHAIR: The Chair recognizes the Member for Waterford Valley.

J. KORAB: This should be my last go depending on the length of answers. I think

it highlights this section, how important it is to, certainly, the Opposition, but I think the people of the province.

Brush cutting, I know, Minister, last year you were pretty keen on having the department do it versus the tenders. You've been in half a year, so for the brush cutting this year coming up are you planning on tendering that? Then, also, the second part, are you looking to bring that back in the House because I know that was something you were keen on last year in Estimates?

B. PETTEN: You're going back a year now. Maybe someone else was keen on it and I was asking their questions for them. All due respect, I think last year I was still –

J. KORAB: Your words were keen on that.

B. PETTEN: Oh listen, no problem. I don't mind my words. If I said it, I said it.

We tender most of it out because I think there are two or three in the province that provide the good service. The problem is – and I'm going to pass this to Dan as well – the in-house piece is more of a staffing issue. I've got colleagues of mine – I've got a feeling that would come from one of my colleagues. He still torments me about it: Get your depot to do it. Get the staff to do it.

Maybe it's the answer but I think, right now, it's more a staffing issue more than anything else. I don't think the machine is that expensive, but I'm going to divert to Dan and he can fill in the blanks on that one. I think that's where that was to.

J. KORAB: He'll probably read last year's answer, but you go ahead.

B. PETTEN: Yeah, there you go.

D. MICHIELSEN: I mean, we do have a bit of a hybrid model in terms of summer maintenance and what we do ourselves and what we contract out.

One of the things that have been continuously a priority for our own internal staff is pothole patch. We can really take all of our employees, internally, and they can spend 100 per cent of their time doing pothole patching and we still may never get to all of the potholes that are out there. That becomes a number one priority. It's a direct road issue.

The other issues surrounding that are a lot of specialized training, specialized equipment to do all this roadside clearing. These big excavators with the mulching equipment, we don't have that equipment so it's a combination of that.

Safety aspects – while there are safety aspects associated with all, some are higher-risk tasks, some are lower-risk tasks. Some of these higher-risk tasks have contractors who are trained and specialized and that's what they do day in and day out is clearing, rather than our guys who are pothole one day, putting up a sign the next day, those types of things. So these people out there who are doing this clearing and very specialized. Our plan is to continue with that.

J. KORAB: Thank you.

So \$3.8 million for moose fencing, I know the Member for Mount Pearl North was very happy to see this continue. Can you tell us where the moose fencing is going?

B. PETTEN: Actually, we just identified that area from Foxtrap scales to Round Pond. Am I right, Dan?

D. MICHIELSEN: Yes.

B. PETTEN: Foxtrap scales to Round Pond.

D. MICHIELSEN: Yes.

We're looking at some on the West Coast as well, in St. Jude's area, Little Harbour - St. Jude's. This is done based on the number of vehicle collisions, areas where

we have all the information gathered from the RCMP, RNC, all the agencies where all the moose-vehicle collisions are.

Some of you folks may have seen those sort of heat maps and kind of focus on those areas where the number of collisions are.

The tendency is, obviously, the Avalon section that we've been focused on has a higher number of collisions, mainly due to the fact – not that there are more moose but there are a lot more vehicles so the potential of collisions are higher.

J. KORAB: Thank you.

Moving on to 2.3.02, this has to do with Alterations and Improvements to Existing Facilities, \$5 million in revised last year for Supplies.

B. PETTEN: That's NLSchools. These were costs we absorbed in alternation and improvement projects related to NLSchools.

I don't know if Robyn can give you any more detail to what's there, but we inherited the schools or the school came over with us. Robyn do you want to add to that?

R. BURSEY: I've actually questioned that \$5 million one too.

J. KORAB: I would hope so.

R. BURSEY: Basically, we have two different financial management systems and the way the NLSchools branch captured the Supplies is for all of our tools and cubicle replacements and washroom cubicle replacements, that's where they're quoted off to, so that's where that is.

We have to look at potentially fixing the supply budget within Alterations and Improvements in the coming years.

J. KORAB: Thank you.

2.5.01, Purchased Services was up over \$5 million, so just trying to get some clarity around that.

B. PETTEN: It was up over \$5 million. That's due to increased contract costs, new tenders, additional requirements for student transportation. That's our busing. That's our school busing contracts.

J. KORAB: Yes, so that's up, okay.

B. PETTEN: Yes.

J. KORAB: Only a couple of more here, 2.5.03, Student Transportation – sorry, that was the debt expense. The one on this one here, on the debt expense, this is a debt one I should say, so we budgeted last year, estimated \$1.9 million, the actual was \$5.3 million and this year \$700,000.

You heard me say in this House before paying debt is always a good thing, but I'm just wondering what that \$5.3 million was there?

B. PETTEN: The \$5.3 million is variance due to pay out of existing bus loans. When we took over NLSchools they actually had loans on the buses and, as a province, we just go and purchase things out of our budget, but the NLSchools carry the debt load, loans on buses, so they were basically forgiving – when the busing came under the department, we paid off those loans.

J. KORAB: Perfect.

Good segue to my last question on buses. Has the department bus stop policy changed or is it changing from previous years? For this year, is it the same?

B. PETTEN: Yes, the same policy. I'm not sure of the exact metres. That's my little pet project sometimes with the bus stops. Me and Robyn talk a fair bit about bus stops and it's a soft spot with me, 1.6 busing. For some reason busing and children seem to

be my thing. I have three grandchildren home now so I'm really going to be focused.

No, there's nothing changed. Sometimes when these bus stops are implemented, they're done the right way, they're done through a system and it's fine, it's all based on distances and they have a really good system, but sometimes there's nothing better than going first-hand and seeing it yourself, talking to the parents.

There are times you can't collect every risk or every shortcoming that comes with some of these stops, so we're always open to look back and review ones, if there's a bona fide reason, which we do on times.

There's nothing changed in the policies, but I'm probably changing more than normal because that's my thing. Full disclosure again.

J. KORAB: Well, I like it, and not to bring up district issues, I won't, but we should have a coffee and go to a bus stop that I did a petition on tomorrow morning.

B. PETTEN: I'll take Robyn with me on that one.

J. KORAB: Three of us can go. I'll drive.

In all seriousness, because previously it was pretty strict. We weren't doing extra stops. We weren't changing things, which I understand policy; I think this is the year nine of me being in politics. I'm glad to see there can be some leeway, some changes made because just because that's the route that was designed, doesn't mean that's how it should stay.

I guess you're still sticking by the policy but we're – I don't want to use the word common sense because it's not that common anymore.

B. PETTEN: No, the policy is in place for a reason like every policy, but I'm a believer that any policy can be changed and if it

makes sense to me – I've said this before and I'll say it again – if you can show me a reason that makes sense to me and makes sense to us, we'll change it. I'm committed to that and I've actually changed a few for that reason.

J. KORAB: Okay.

B. PETTEN: If it comes back and it's not worthy, well it won't be changed. So it's done on a –

J. KORAB: So, basically, it would come from the residents or parents putting forward a safety legit argument on why this isn't safe for the children, that's something the department will look at and decide on.

B. PETTEN: Yes, if it's a legitimate safety issue, we'll – but then we've got to see, we may not be able to – it's safety issue, anything legitimate, I do believe we can make changes to it, yes.

J. KORAB: I am done with section 2.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Mr. Chair.

I've got just a couple of quick questions to clue up this section.

Now I'm going to put on my MHA hat. For the Pool's Cove depot and Milltown depot in terms of snow plows – they're in great need of snow plows. Now they did get two, is my understanding, this fall. I think a third one is to be coming this spring, is what was my understanding. They, obviously, need more, no doubt about it.

So what is the status of – they have two, when will the third one be delivered and when will they see others?

B. PETTEN: I'll pass that over to Dan.

D. MICHIELSEN: Could you kind of repeat the last part of that question?

E. LOVELESS: How many snow plows am I getting? They're received two. So the Pool's Cove depot and Milltown depot, they've got two but, obviously, they need between five and seven – five would be the magical number. I'm asking you this because the superintendent asked me to ask. He didn't know I was in Estimates because he doesn't know what it means.

So two they had this fall and that was not suffice during this winter because it was challenging and it's my understanding that we're getting a third one this spring.

D. MICHIELSEN: I guess I'll talk in more generalities rather than specifics.

E. LOVELESS: Yes, sure.

D. MICHIELSEN: Snow plow allocations, we're in the process of renewing our fleet. The good news is, by the time this program goes away, we'll be into a system where all of our plows will be 10 years old or less.

The actual decisions are made based on equipment availability, based on adjacency to first-year plows. When they're changing models, we like to keep them closer to the vendor who supplied them so that we can get warranty work done and we don't have to ship plows from here and there. So there are a bunch of pieces that go into that decision-making of where the plows are.

Again, I can't speak to each region. We have 67 depots across the province, and they all have their own fleet, their own issues, but I can reassure everybody that those decisions are made from an operational perspective in contact with the managers and the superintendents of each region and based on equipment availability and supplies, and we'll continue to do that.

I can get some more information on where the next round may be going and supply that to you later, if you would like.

E. LOVELESS: Yes, sure.

My comments in terms of what they expect to get is what they were communicated that they would get. So it'll be my responsibility to make sure they get what they get. I'm not going away very quietly, and that goes for all the other MHAs, I guess.

On Paradise high school, just a couple of questions. The additional roads, I think, are being considered through design process and the construction. I think there may be some roundabouts that are being considered as well, and referenced was access road.

I guess what I'm looking for are specifics on what that means in terms of snow clearing, pavement, full traffic and are you building two roundabouts for the school? I remember looking at the blueprints in terms of traffic. We know traffic challenges in Paradise, but the ins and outs to that school, what is being planned there? Are the roundabouts included?

Once those roads are completed, I guess they would be under the TI umbrella of responsibility; am I correct in saying that?

D. SPRACKLIN-REID: The approach to traffic around the new school in Paradise, we are obligated to provide access there. That is for emergency vehicles and safe egress. We'll be studying the traffic there. Some of the proposed solutions would be a roundabout, but those decisions haven't necessarily made it to the design phase yet. They're part of the evaluation of how we'll solve the traffic issues there.

So it could very well be roundabouts, but it may be different solutions. But we are mindful of the fact that we are not making the traffic situation worse in the area by building the school.

E. LOVELESS: Yeah, because I know there is an existing road that was being considered, what I saw.

D. SPRACKLIN-REID: Yes.

E. LOVELESS: So anyway, I'll leave it in your capable hands. But we all know, and I think all of you know in terms of the challenges around traffic in Paradise.

D. SPRACKLIN-REID: Yes.

E. LOVELESS: I did real estate there for six years and I live in Paradise, and it's just absolutely brutal. It takes a long time to, I guess, get to where you want to go in terms of the traffic in and out of Paradise.

The other piece is – and saying I live in Paradise and I've got lots of friends that are contractors and everything else and water pressure is certainly an issue. But in reference to the Paradise high school regarding the water and the water pressure and sewage flows, I know the minister is probably going to be reluctant to talk about timelines, but what timeline are you talking about or considering in terms of the school construction and the opening time of Paradise high school?

B. PETTEN: Well, first of all, I think we're going to be ready to issue tenders on Paradise this fall. That's the plan right now. So we're looking at a '28-'29, roughly, date.

With the water issue, I mean, that goes with that school. That's almost like an added cost to building that school, like a water tower or something to deal with water pressure. There are a lot of water pressure issues in Paradise that we're well aware of. I think it's well noted.

Again, it goes back to the mayor of Paradise raised these concerns about water and road connectivity and traffic and whatever. They're not the same issue. They were grouped together wrongly with the hospital. These issues are separate and issues that

we're well aware of and we're going to work towards them.

But the tender will be issued in the fall of this year. We probably anticipate real construction to probably start the spring of next year because you're going to be pushing into winter season. Depending on your winter, we could make progress there.

So we're looking at a 2029 opening.

E. LOVELESS: I don't piece them together, with regard to that hospital piece and the road and infrastructure, because when it's being talked about, the infrastructure needs of health care and everything else, I looked at the road infrastructure – I don't want to say it's just as important, but it is.

From a property value for Paradise, lots of people were excited about this. I think, Minister, if I can speak on behalf of a lot of them – and they're young families that we want to encourage them to come into Paradise, obviously, for taxpayer purposes – that these roundabouts, the road in and out of Paradise is paramount. The traffic study, you and I could probably jump in my truck and I could tell you what really needs to be done and you'll say, yeah, but it needs to be obviously officialized by engineers and everything else.

The quicker we can move to that, in terms of that road infrastructure piece, the better it would be. I know the mayor would agree with that and the council would agree with that as well. That would open up a big envelope. To them, it would be the same as having power in Labrador. It would make a difference for them and a difference for this part of the province.

Anyway, I will end my comments on that section.

B. PETTEN: No problem. I just want 10 seconds. The traffic issue, it's a big issue in Paradise. It's also in CBC. They mesh together. It's the lower end. I think all

municipalities are working together trying to solve this problem, but no, comments well taken, point taken.

E. LOVELESS: Encourage CBS to take over the roads out on Route (inaudible).

B. PETTEN: It won't be happening this year.

CHAIR: Seeing no further questions on this subhead, I now ask the Clerk to recall the subhead.

CLERK: 2.1.01 to 2.5.03 inclusive, Operations.

CHAIR: Shall 2.1.01 to 2.5.03 inclusive, Operations, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 2.1.01 through 2.5.03 carried.

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: 3.1.01 to 3.4.01 inclusive, Infrastructure.

CHAIR: Shall 3.1.01 to 3.4.01 inclusive, Infrastructure, carry?

The Chair recognizes the hon. Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Where does that end?

It's 3.1.01 to –

CHAIR: 3.4.01.

E. LOVELESS: Okay.

Thank you, Mr. Chair.

The first subhead, 3.1.01 Improvement - Provincial Roads, your mind is in overdrive when you consider provincial roads improvements. I'm going to start off, I guess, in terms of the line by line under 3.1.01, just some quick questions there.

Under Supplies, you have an increase what was budgeted versus revised is about \$1.1 million, Minister, under Supplies. Can you tell us what that increase was for?

B. PETTEN: It's an overrun due to increasing construction supplies and signage. It says funding is normally placed in Purchased Services during the time of the budget process and the funds will be transferred to other accounts as required. So it's just basically an overrun due to increase in construction supplies and signage.

E. LOVELESS: Okay.

Well, it's increasing costs, I know you mentioned signage, that's not going to go away, for sure, a lot of signage needs replacement in this province. Again, the estimated number of \$130,000 is probably going to be higher again this year, for sure.

Under Professional Services, there was an increase of \$750,000, can you tell us why?

B. PETTEN: Professional Services increase due to technical services required for bridge and overpass assessments, inspections and rehabilitation services. To the point earlier about bridge work and what's required, that's one of the costs.

E. LOVELESS: Purchased Services, budgeted was over \$73 million, revised \$54 million and then this year you're estimating \$38 million, quite the difference there. Can you explain those differences, Minister?

B. PETTEN: I'm going to get staff to provide that because that's more into an accounting

kind of a minutia of numbers that I'm going to pass it off to the people who know better. I'll give it to Dan or Greg, whoever wants it.

D. MICHIELSEN: As we go through here, this is the current account, so sometimes we make an estimate on what we're going to spend in Current account versus what we're going to spend in Capital, but we spend a lot sort of rightsizing, moving from Current to Capital. So that has a lot to do with why we spent less, because we probably spent more in Capital in another area, right.

Really, when you look at the Roads Plan in general, you need to look at those sort of four, fed, prov, Current and Capital and provincial Current and Capital as a whole and what are the changes of that, based on last year versus this year, and what we actually spent last year. If that makes sense.

E. LOVELESS: Yeah, and I have referenced, I think, the minister's comments in the beginning that people don't realize how much TI touches every part, nook and cranny of this province and the moving back and forth is normal operations of the department. It's a headache. The staff can certainly appreciate that.

For clarification, the federal-provincial cost-shared agreements, the ICIP program was not under the provincial roads program, correct?

B. PETTEN: Right, correct.

E. LOVELESS: The twinning project was an ICIP project, so why was it put under the roads program?

B. PETTEN: That was an agreement that was made between the federal government and the former administration that you were a part of. That monies was a one-off agreement between Minister LeBlanc and, I guess, Premier Furey of the day, and they basically took the money. They just made

that agreement. The federal government gave the province permission to take that money out of that fund and bring it over to the roads program, which was initially planned to be the P3 announcement for roads.

That's the information I've been given since I've been here and that's not changed. That's how that came to be, yes.

E. LOVELESS: Permission came from who? So the ICIP program was a cost-shared between the federal and provincial government.

B. PETTEN: Right.

E. LOVELESS: Not the roads program. So it's totally different all together, but this year's roads program – this is just seeking clarification. Now the ICIP program, the agreement, yes, absolutely, it was federal government and provincial government agreed, because we were up against a timeline in terms of spending the money. There's \$300 million, for argument's sake, I think it was \$152 million each to twin the highways in the province. This year's roads program, the ICIP twinning project is brought into the roads program.

Who gave permission to do that because the agreement under the ICIP program is not to be brought into the roads program? I'm just trying to seek clarification.

B. PETTEN: Sean can further on that, the deputy, but when the agreement is made it's not like it's ICIP anymore, it went tied to the federal-provincial, the roads program, the agreement between the federal and provincial government. We asked for approval to have the P3 to go back to the regular procurement process that we always done with roadwork. That was information – we reached out to the federal government before we made that decision, if that's what you're asking.

Right now, ICIP is no longer in the equation. This money is allotted to the province. We'll get it paid out over X number of years. We won't get it all in one lump sum from the federal government, but that will be an exercise we'll have to do in outyears to cover the cost when we do those sections of highway, but we'll just do them in the traditional way.

The agreement was made between the federal government to let us spend the money in the roads program. It's not all in the roads program this year, no. That amount is not all in the roads program.

E. LOVELESS: You're saying the feds gave you, in writing, permission to do this. Can we get that in writing?

S. DUTTON: So the amending agreement under Investing Canada Infrastructure Program didn't specify the method of procurement. The provincial government of the day made a policy choice to pursue the P3 method and that would have resulted in the budget, a cash flow, again, like doing the project and then payments over the life of the operation before it would revert to the government. The cash flows would have been different from the provincial management, but when it came to the agreement, all of the ICIP projects have to be closed out by, I think, it's 2033-2034. So the federal contribution would have still been paid out, even though in the outyears we would be continuing to pay for the contract.

So there was nothing preventing changing the procurement method, but we did have consultation with Housing, Infrastructure and Communities Canada and they were comfortable with the approach that still met the same objective.

The intent is to pave the same amounts of road in the same places. So it still met the requirements in the agreement as it was written in, I think, 2023.

E. LOVELESS: How nice of them.

So in terms of the dollar figure, now you're telling me it can be put into the provincial roads program piece. So under the ICIP approval program originally by feds and province, what portion of that is now rolled over into your roads program?

So the twinning piece that was originally under the infrastructure program approval is now rolled over into the roads program. How much of that? If that's the case, then it's not – maybe you can clarify. The numbers are not really now provincial only, right, because it was a cost-share between the feds and the province.

I think you said \$250 million or \$260 million, whatever. What portion was taken out of the ICIP and brought over into the provincial roads program?

B. PETTEN: We're only going to charge based on \$150 million. I think it's \$15 million per year in our amount. We'll get that back from the federal government.

We're not getting \$150 million now from the federal government that we're putting into our roads program, if that's your question. We're going to get that in out-years. We'll still get it incrementally, as we were originally planned to get it, and it went into P3.

Is that what your question is?

E. LOVELESS: At this point, I'm not sure what my question is.

Are you telling me the \$150 million was cost-shared provincial and federal, that's \$300 million – so you're getting \$15 million for the next 10 years is what you're telling me?

B. PETTEN: The federal government's share.

We're matching their money. That's your point; we are matching that money. The money is always there in Capital anyway, if we spend it on that or we don't spend it on that. The federal government committed to \$150 million. We're matching that to make it \$300 million, which is what we do.

It's not a new practice in government. They have \$150 million from the federal government. They never wrote a cheque for \$150 million, here you go, spend it on roads. We're going to get that issued to us each coming year.

Dan or Sean can fill you in, but that's the way it's been explained to me. If they can offer any more clarity, feel free.

CHAIR: Dan Michielsen.

D. MICHELSEN: I think I know where this is coming from.

Historically, the Roads Plan announcement always include both provincial roads and the fed-prov. So this fed-prov funding, we have numerous bridges. I think this year we're doing the Deer Lake bridge. There has been Shoal Harbour bridge. All these sort of fed-prov projects have always been included in the provincial Rads Plan announcement.

The TCH twinning was a separate announcement up until this year because there was no money actually there. The money wasn't flowing until substantial completion when the road was to be completed. Other than a little bit of planning money, there was no money in the annual budget for twinning – very little – because it was meant to be paid when the road was complete.

So this year, yes, the money for the twinning is included in the Roads Plan announcement, similar to all the other fed-prov money and projects that we might be doing.

I guess what you're asking is how much of this \$250 million we announced is the TCH twinning.

E. LOVELESS: Right.

D. MICHELSEN: I can get that number for you. I think it's upwards of around \$15 million, somewhere around there, but I can get the exact number of what portion of the \$250 million that was announced is the TCH twinning project, if that's okay with you.

E. LOVELESS: Okay.

CHAIR: The Chair recognizes the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair.

I want to thank the Opposition Members for asking the question that I had slated, and for the responses. So thank you for that. I'll move onto a couple of other ones here, quickly. We are running out of time.

In subhead 3.2.03, under Building Infrastructure, could we have an update on work to extend and renovate the Labrador Correctional Centre?

B. PETTEN: I'll pass that off to Darlene. She can fill you in on that.

D. SPRACKLIN-REID: So we did have some delays on that project because of the soapstone carving room led to some asbestos cleanup that had to happen, you may recall. So that put us a little bit behind schedule, but we are proceeding now with a target of completion of July of this year.

S. O'LEARY: Wonderful, thank you.

My next question would be what actions has the department taken in the past year to improve the conditions at the youth detention facility in Whitbourne?

B. PETTEN: Robyn.

R. BURSEY: Actually, it was a joint project between myself and Building Design and Construction. It was funded out of Alterations and Improvements with some roof repairs. I'm not sure exactly what other things have been repaired out there at this moment, but we certainly can get a list for you, and Darlene might be able to answer the second half of this.

S. O'LEARY: Okay.

D. SPRACKLIN-REID: We can get you a more fulsome update on that, but really the improvements that we were taking on this year were focused around building envelope and water infiltration to address that primarily first, so then other improvements that come subsequently would be protected from those impacts.

S. O'LEARY: Okay, thank you. I look forward to a little bit more detail, as you've suggested. Thank you. I appreciate that.

I'm going to backtrack here now as well and ask, under 3.2.01, could we also have an update on efforts to expand the Francophone school in Happy Valley-Goose Bay, and will the money announced in this budget cover all those anticipated costs?

D. SPRACKLIN-REID: Our team has been working on the programming piece and the adjustments that need to be made. They've been working with the client, going through and getting feedback from them on our proposals for the expansion, so how many classrooms and the layout and that type of work. So we're proceeding on in tandem with the client on that project.

When it comes to the funding piece, I think it lies with a different department.

S. O'LEARY: All right, thank you.

3.2.02, Health Care Infrastructure, has any work been done so far on the government's plan to renovate St. Clare's and refocus the downtown health centre?

B. PETTEN: Actually, there is work done in the department. There is planning through the Infrastructure Division, as well as there is a deputy minister's committee just formed, last week, Health/Infrastructure committee, chaired by my deputy.

We're working along, but anyone that knows the stages of these projects, my hope and anticipation is that this will move along a lot faster than a lot of our other projects, because it's a commitment we made. We're moving as fast as we can, but there is planning and there is a lot of good work happening behind the scenes in the department to figure this out. We're moving ahead.

S. O'LEARY: Wonderful.

I have one more, Chair.

CHAIR: Yes.

S. O'LEARY: How far along is work on the new schools in Paradise and Portugal Cove and what is your target date for completion?

B. PETTEN: Portugal Cove is nearing completion. We're looking at early spring of this year. When I was asked questions earlier, Education had some kind of catchment, reassessing numbers in schools, in Kenmount Terrace, the new Paradise school, Portugal Cove-St. Philip's, PWC, Leary's Brook. There's a full catchment area that they're in the process of doing, which is in their purview. We got preliminary numbers yesterday, but Paradise we're looking at 2029, Portugal Cove-St. Philip's in the spring of 2027.

S. O'LEARY: Okay, thank you.

Thank you very much, that's it for me.

CHAIR: The Chair recognizes Sean Dutton.

S. DUTTON: Sorry, just because I know it's getting late, but I just want to amplify my earlier explanation about the funding of the

correctional facility. In this item we're in, 3.2.03, there's a line item for Purchased Services. I understand that includes an interim completion payment to the vendor, in the schedule, in addition to most of the funding is over the 30-year life of the contract. There's an interim payment due this year based on completion and then another one once substantial completion has been achieved in an out-year. That's also partly offset by some additional federal revenue.

You won't find this number in the Estimates, but in the Public Accounts there's \$150 million that the previous administration negotiated to contribute toward the cost. So once progress is achieved, then that will move from – I forget, they call it deferred revenue to actual revenue and it will show in a future Estimates book, but here we have Revenue - Federal and the Minister of Finance successfully obtained another \$50 million towards the cost of the project. That's going to be reflected in this year's Estimates.

CHAIR: Thanks for that clarification.

Just a reminder that with this subhead, we can go until 12:52 p.m. without using up any other time, because each subhead uses three hours. We do have a hard stop at 1 o'clock, due to proceedings for the House of Assembly this afternoon.

I recognize the hon. Member for Waterford Valley.

J. KORAB: Thank you, Chair.

I don't have too much left on the subheading, 3.2.01, Administration and Support Services. Purchased Services were \$1.7 million over the estimate, so that's for the revised. It's at just over \$7 million. I'm just wondering what that extra on the Purchased Services was.

B. PETTEN: Purchased Services is an overrun of \$1.7 million because of shortfall

on insurance premiums, which includes short premium of school facilities. We may need to rightsize that one as well.

J. KORAB: Okay.

The 3.2.03, Building Infrastructure, there are a few questions on here. Salaries for the revised were almost a million dollars more, just a question on that one.

B. PETTEN: Which one are we on, sorry?

J. KORAB: 3.2.03, Salaries for revised was \$2.2 million.

B. PETTEN: Basically, it's increased salaries being recharged to Capital projects. This comes when we're doing a building, we charge off engineering work and different salaries within the department to various projects. It's, basically, you're charging them off; they are assigned different projects throughout.

J. KORAB: In the same theme then, Transportation and Communications, I don't know what the per cent higher was but budgeted \$1,200 and spent \$200,000.

B. PETTEN: Obviously, I don't think \$1,200 is the right amount to budget in that section. It's an increase to travel requirements throughout the province for various projects.

To your point, that obviously needs to be rightsized as well. You can't travel very far on \$1,200.

J. KORAB: No.

Kind of the same vein, Profession Services for the revised, the estimate is the same as last year, but I was just curious what that was as well.

B. PETTEN: Yes, sure.

It's split between the purchased and professional services associated with the

nature of these projects. The costs vary year over year.

I'm going to ask someone to give a better explanation than that because that's pretty vague.

Who's willing to tackle that one?

G. BUTLER: Just to give a little bit of insight into this activity. There are no official bodies that live – like, there are no workers, everything is charged back as per project. That's why the budgets aren't reflected in a true, rightsized fashion.

J. KORAB: Okay.

You knew this one was coming. Under Purchased Services, the budget was \$200,000 for last year and the estimate this year is for \$419,000. It's a couple hundred thousand dollar increase –

B. PETTEN: Million.

J. KORAB: What? Million, yes.

Is there a breakdown of that? What can you tell us about that because, again, it's pretty significant.

G. BUTLER: As per our deputies interjected, this is mainly attributed to the \$200 million factored in for the correctional facility.

J. KORAB: Okay, just making sure.

Then over to 3.4.01, Municipal Infrastructure. I'm hoping to get some clarification here because coming from a municipal background, it is a bit concerning. The Grants and Subsidies are down \$77.6 million, so I just wanted to get some clarification on why there is such a big drop there.

B. PETTEN: The savings are due to less than anticipated projects requiring

consulting service in 2025-26, but it's easier for me to explain this in its entirety.

This is the municipal infrastructure that was announced in the budget yesterday. We are revamping that program. A lot of this funding was there, it was carried over, year over year, but it was never spent. We almost went through kind of a cleanup, because you were carrying over \$25 million for the rescoping of the Riverhead facility. We contributed to it, but when it rescoped, there was \$25 million and it just sat there year over year.

As a government and department, you borrow that to carry through each year. If it's not spent, it's being borrowed. So there was a lot of that. There was leftover money from ICIP – we have a list of it all. That was a big portion of this so-called drop. We had a lot of municipalities throughout the province that had projects lined up; they never spent their money. If they never spent their money, it stayed in our accounts. That's part of the reason that the program was revamped.

Now we're in the process of going back the way it should have been. It's going to be formula-driven for the seven large municipalities, and Mayor Breen is getting a big increase, even though he was out talking about the municipal infrastructure program. He should be happy today because he gets the biggest increase of any municipality in the province. I will be discussing that with him and filling him in on the details that he hasn't got yet. In that note, that's what you're going to see there.

The real simplified version is that's the best way I can describe it. We still have money left over from other years. I mean, the large ones, you give them a deadline once you get the money out the door the end of this year. The smaller communities, we're trying to work with them to help them get the projects out the door. They struggle. The small municipalities struggle getting the

engineering work and whatever done to get these projects done.

It's a bit of a problem out there but we identify them. We're working towards them. We're working with MNL on this one as well. That's why you see those numbers all over the place. But right now, we should go forward, every year you won't see such big discrepancies. You should carry forward more close to where it's to now.

J. KORAB: Okay because, from my understanding, this Municipal Capital Works is a Multi-Year Capital Works, ICIP and I believe the Canadian Housing Infrastructure Fund is under here as well. Right?

B. PETTEN: Yes.

J. KORAB: So if we're rightsizing it – not to use your words, but I think you said it 74 times since we started Estimates.

B. PETTEN: Have you counted that many?

J. KORAB: I can't count that high.

My concern, in all seriousness, is I want to make sure municipalities are not getting less again. From the background I have, and the Member for St. John's East - Quidi Vidi, is that's one of the complaints and frustrations municipalities had.

Can you confirm that they won't be getting less? I know, obviously, it depends on projects and whatnot that are coming forward, but the money is there for municipalities that would be similar to years previous.

I'm getting head nods so okay. All right, you don't have to answer if that's the case.

Can we get a breakdown of what was done last, actually, completed, not necessarily carried over, and what they're looking at for this year, at some point?

B. PETTEN: Yes, well, Municipal Capital Works is application-driven.

J. KORAB: Exactly. Yes.

B. PETTEN: The CHIF one we call it – the Canadian Housing Infrastructure and ICIP was previous to that – we publicly announce them anyway so they're easy to find. There's no issue on any of that. The other one – the Multi-Year Capital Works – we're sending out letters as we speak. I think I signed a batch this morning for the seven large municipalities to get the multi-year money. Yes, no issue.

J. KORAB: Last question. You're confident that municipalities, within reason, the money will be there for the projects that they're requesting, similar to years previous?

B. PETTEN: Absolutely. I think they should be happy about this. This needed to be done. I won't use the word because it was used a lot, I'll leave it alone, but it wasn't in good shape. It had no parameters. It was just sitting there. It was done on a whim. Things not done on a whim protects the minister and protects government so it's not being done on a whim anymore. It's formula-driven and it makes a lot more sense.

I think all municipalities should be happy because it's actually an increase in the Municipal Capital Works budget from the last year as well. Everyone should see improvements, plus there's a lot of CHIF money that's coming out in this coming year, as well, when we get the federal improvement on those. It should be a good year.

J. KORAB: All right, I'm good. Thank you. I'm good for that section.

CHAIR: The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Chair.

Just a couple of questions. In terms of liquid asphalt, how many suppliers do we have in the province?

B. PETTEN: One.

E. LOVELESS: Okay.

Minister, you stated 27 tenders are out. Can we get a breakdown of those tenders and are any of those tenders back closed?

B. PETTEN: Yeah, that's public knowledge. I don't think there's any issue with that. I don't know numbers-wise, but we have a fair few back and closed, absolutely. That wouldn't be a problem. We can provide that. That goes on MERX anyway, but yeah, no problem.

E. LOVELESS: Okay.

In terms of tenders – and you and I had a side conversation about this in terms of the challenges of that, of prices coming in way over budget. How are you looking at those overbudgeted bids that come in? Are you going to accept 10 per cent or 15 per cent or 5 per cent, or are you just going to say you come in over, too bad?

B. PETTEN: Well, that would be insider trading if I were to tell that publicly. But I will be honest and, again, I mean, I'm as straightforward as I can. I made it clear to the Heavy Civil and I made it clear to everyone who will speak to me, I've said it here in this House, they were told that if the tenders came in and we felt they were out of whack, passed what it should be – and that was happening previous to this year. It was out of control in my mind. I said that publicly.

I understood they have a job to do, too, and I respect that they have cost pressures, but we went up by 85 per cent. Your administration increased the budget by 92 per cent, which I thought was good, a bit above capacity. But then, ironically, the cost

increased to 85 per cent. There's something not right.

We made that commitment that we would cancel tenders if they came in and we didn't feel that they were fairly priced. We had our hidden numbers, secret numbers, you wouldn't be aware of behind the scenes, and we based it on them.

So far, we haven't had to cancel any tenders. There are improvements, but I wouldn't say publicly what my magic number is. Other factors kick in there too.

But so far, I'm pleased where we are to. But, I mean, if things start changing, I'll deal with that accordingly at that time. I'm not going to let my guard down now and say oh, everyone are happy and we're moving on. I still expect tenders to stay reasonably priced the rest of this year. I don't care what month they bid on it, they need to bid to make money, but we also got to be watching the public purse.

E. LOVELESS: Those are fair statements and the season hasn't started yet, so –

B. PETTEN: Oh, I know. I'm well aware of the paving world.

E. LOVELESS: But anyways, those are the challenges, and in terms of cost to contractors is no difference. I guess, us going to grocery stores and saying you're going to lower your prices now, it's not as easy as that. There are going to be challenges, no doubt, and you know what they are.

B. PETTEN: Yes.

E. LOVELESS: Hopefully, it's a record year in terms of paving in the province. I know the Chair is looking for lots of roadwork down in his district, so hopefully he'll get some.

CHAIR: Hear, hear!

E. LOVELESS: Moving on to Improvement – Provincial Roads, Federal-Provincial Cost-Shared Agreements, I'm not going to spend a lot of time on the Estimates because it's pretty standard in terms of – nothing that stands out that I really need to go after.

Minister, I go to the fire on the Bay d'Espoir Highway. We kind of took a look at it in – and I'm asking this on behalf of all municipalities down there. I've discouraged it because it's going to cost a lot of money, but in order to have the conversation, you need to put something on the table to have a good conversation, and that's around the second access road on Route 360.

I committed to them – we had taken a look at it internally in the department, but internally in the department can't really do justice to it. It needs to be taken away from the staff in the department because it needs to be done through an outside agency, as far as I'm concerned, to have something.

There have been two options: a second road access in and out or roll-on, roll-off service for Pool's Cove area, that route. My question is in terms of would you entertain a study, not a lot of money that's required, so we can put on the table to the mayors for a discussion to say listen, this is high cost – and I know it's going to come in at high cost. But to be fair to them, like anybody in the province, no difference in the traffic study that you're doing in Paradise now, this is just a different study to be done in Fortune Bay - Cape La Hune, coming down the Bay d'Espoir Highway. Would you entertain that?

B. PETTEN: You like putting people on the spot, don't you?

E. LOVELESS: No, it's not putting you on the spot. It's so your staff, and you, can have a conversation with these people and these mayors to say, listen, these are the figures and we're not willing to do it at this time, but it may be considered down the road.

I could go on and on and on about tourism, how that would open up for tourism and everything else in that part of the province. So there are a lot of benefits to it as well, but I guess, to start the conversation, we need something in writing presented to them. I am just asking if you would entertain that.

B. PETTEN: I'll take it under advisement. I won't commit yes or no right now, but I'll have that discussion with officials.

E. LOVELESS: Okay, fair enough.

Moving on to 3.2.01 Administration, and 3.2.02. Again, I'm not going line by line, just a couple of questions.

Minister, in terms of the renovation of St. Clare's, what timeline – I know you're not going to give a specific month in a specific year, because it's going to be hard to do that, but do you have a timeline in your mind of when we will see St. Clare's brought to the level of renovations, I guess, to deliver services to the patients in this province?

B. PETTEN: That's a hard question to answer. I mean, what level of service depends on what we work on internally when we come up with a plan. It would be really, really premature for me to make any estimates on that.

The only thing I can tell you, as I've told the people of the province repeatedly, it will be a much more cost effective way of providing health care in the province in a decent facility. We committed to that, and we will deliver on it. It will be a lot cheaper than what the cost of the new Kenmount Crossing was.

As for timelines, you have to see your plan first and then we can allot it out from there. It would be really too early for me to make any commitments on that.

E. LOVELESS: Yes.

I could go back, we could have a debate on that hospital on Kenmount Road, but we don't have the time, nor, I don't think, it's required at this point, but I guarantee St. Clare's renovations are going to be more than \$50 million, and I think one of the recommendations –

B. PETTEN: Than \$50 million?

E. LOVELESS: – out of Muskrat Falls inquiry was anything over \$50 million requires oversight.

So on that project, and any project that's \$50 million or above, are you going to be relying on oversight from your staff within or will you look outside for oversight?

B. PETTEN: Well, we're doing a new infrastructure act, too, that will be coming into place. That may play some role.

Again, these are premature questions. We'll get the price and we'll get to those decisions down the road, but there won't be nothing untoward on our part. I mean, whatever is required is required

It won't be sole sourced, I guarantee you that. That's one of my commitments. I won't agree to have the thing sole sourced. We see that happening now, and I got lots of concerns and lots of pains on infrastructure in the province. If anyone knows me – this crowd here are getting used to me now – I'm a pretty straight shooter. I mean if it has to be done, it has to be done. I don't care. It's not about me. It's about spending the money right in the province and doing what's right.

If that's required, that will be done. How about that? That's the best way I can tell you.

E. LOVELESS: Yes, and I could push back on that sole source, because it was not sole sourced. I'm not going to get into that debate here

B. PETTEN: No, it's not a good debate.

E. LOVELESS: – but it was not sole sourced. That needs to be clarified and to be confirmed that it was not sole sourced.

I guess, in terms of the P3s and the highways, the P3 process allow – and the deputy could probably confirm this or the ADM – that within that process there was oversight classified in terms of that project.

Listen, we know in terms of – and you could probably agree – those ferries that were bought and brought over here and they didn't have the wharf to fit the ferries, there should have been better oversight. That came from the report. That came from the recommendations. That's my point.

The other point is to not overstress or overburden staff within TI, because God knows they have enough to do in terms of roadwork and infrastructure and all that.

I would have no problem in terms of you going outside for oversight, good on you, because I think it's a good thing to do and it can certainly help with the stress and the strain of staff within TI.

CHAIR: If the Member would like to continue, there's nobody else who has questions, if you'd like to go again.

E. LOVELESS: Of course, I do, absolutely.

CHAIR: The Chair recognizes the hon. Member for Fortune Bay - Cape La Hune.

E. LOVELESS: I'll try to get through it.

In terms of the Marine Infrastructure, again, I'm not going line by line. I know there is a report on provincial wharves and infrastructure.

CHAIR: We haven't called that subhead yet.

B. PETTEN: No, it's in subhead 3.

E. LOVELESS: That's 3.3.01.

CHAIR: My apologies.

E. LOVELESS: Thank you, Minister, for that clarification.

It's just a general question, the report on provincial wharves, I'm wondering if I can get a copy of that?

S. DUTTON: Pardon me?

E. LOVELESS: I know there's a report on provincial wharves and the status of them and what repairs. I know what repairs will be done will be determined by the minister and decisions that he makes or the government makes, but there is a report on the current state of wharves owned by the province in the department, can we get a copy of that?

S. DUTTON: That can be provided, but we don't have it here today.

E. LOVELESS: Okay.

I'm not trying to weaponize my questions like that, because a lot of those provincial wharves are within my district and in a lot of MHAs districts and one in particular is the wharf in Bay L'Argent. We visited the area in terms of even waiting rooms on the wharf.

My point is, I guess, the wharf, there are two options, you can upgrade or you can replace it; a little bit more money to replace it but it would be the wise decision to do that. So I just want to put on record here that I'm advocating for that. The reason I say that is during the fires, when Bay d'Espoir Highway was cut off, the vein is cut off from down there, then that ferry route is – and I know the ADM can appreciate this – we rely upon that route as a way out and in, in terms of supplies and everything else. The wharf infrastructure is a big piece of that and we'll certainly lobby the minister to do that.

I've got other examples in my district but I won't belabour it. It's the same thing. Those wharves are older and they're becoming a safety risk, a lot of them are, and it needs to be addressed.

I really don't have a question, if someone wants to comment, they can.

All right, I'll move on to the Ferry Terminals and Municipal Infrastructure. Can we get a copy of – because I think it's been referenced in comments that there is a new infrastructure program? The minister said something about new but I don't know if he meant new infrastructure programming. So the Multi-Year Capital Works, Municipal Capital Works and then you've got your federal-provincial programs, are they all the same as they were last year?

S. DUTTON: The Multi-Year Capital Works is to be reformed. The minister alluded to some of the changes. So we're going to have communities formally notified on their entitlement, but all of them were notified in February that the current allocation, all those programs were to come to an end as of March 31.

There is \$37.2 million carried over from past rounds that they have to spend by March 31 of this year. That's built into the program. Then they'll start a new multi-year allocation from that point forward. The Municipal Capital Works is going to continue, but for next year it would be a \$20-million program instead of the \$10-million program. CHIF is under a multi-year 10-year agreement so that's continuing on as it was.

A couple of other potential avenues for federal revenue we have been talking about, one is under the Build Communities Strong Fund, there is to be a direct delivery stream. The details aren't all out yet in terms of how it can be accessed, but it would include funding for projects of regional significance, community infrastructure, which could include recreation and would have broader criteria

that CHIF, which is limited to mostly water and sewer and things that enable new builds or maintaining of housing and climate change adaptation, which is a lot like – as it has been described to us – the Disaster Mitigation and Adaptation Fund of the past.

In addition to that, there would be some negotiations on additional funding through the province that would probably be cost shared 50-50 in the municipal space. We have additional money coming down the pipe for that, in addition to the Health Infrastructure Fund, I think there's been more dialogue about that, which would be a three-year fund.

We know our allocation that's voted in the budget but we're still negotiating the formal contribution agreement, and all that has to be spent within three years, whereas it looks as if some of these other funds may be over a 10-year time frame.

E. LOVELESS: Okay.

Different question: Can the minister confirm that \$10 million was given to the Town of Lewisporte for the wharf and the building that's in Lewisporte? Previously given \$10 million for options to explore economic development and possibly replacement of the wharf. Can you confirm that \$10 million was given to them and when?

B. PETTEN: You know the answer to that because I think you might have been the one who done it: \$5 million from TI was put in the trust and there's another \$5 million from what is Jobs and Growth now. It was done for economic development for the Town of Lewisporte, but that money is not enough to do the wharf. We've had further talks with the town on development of that port and what's going to go there. We've talked to proponents who want to use that wharf.

So the talks have gone much more in advance, I think, than what they were. I think they come to a full stop when the cost

came in to more than what the department or the previous administration was willing to spend and then it kind of just hit a pause.

So that should be old news; I think that was announced. But we're proceeding and that's our plan to proceed and develop the port in Lewisporte. It should be a good economic driver for the region.

E. LOVELESS: Okay. I just needed confirmation that \$10 million was given to them.

B. PETTEN: It was \$5 million for the wharf and \$5 million for economic development. Fixing that wharf is going to cost you in excess of \$10 million or \$15 million. That's why your previous administration with you as minister stopped it because you didn't want to give the extra money to do the wharf, but we're going to follow through with the deal and get it done.

E. LOVELESS: No, we did not stop it.

B. PETTEN: It was stopped when I came there. It was in pause mode since then. So I respectfully disagree because it's not stopped anymore. We're moving ahead and the Town of Lewisporte are happy and the MHA sitting behind me, he's very happy as well.

E. LOVELESS: But just for clarification here because that's important.

B. PETTEN: You're always clarifying.

E. LOVELESS: Yeah.

B. PETTEN: You're always clarifying.

E. LOVELESS: So the Town of Lewisporte made the decision whether they would stop it or go, not us. We agreed to give them the money. I'm just seeking clarification here in terms of –

B. PETTEN: But there wasn't enough money to do the wharf, so how could they

not stop? That was the problem. We're going to make sure they got enough to do it this time.

E. LOVELESS: Yeah, but there was an agreement between the province and the town, which they were very happy with – just for clarification.

B. PETTEN: Until they came back with the extra costs, yes. So you never done it. That's the clarification.

E. LOVELESS: Yeah, so the extra cost to 2026. So when the money was given, \$10 million was agreed upon. The town was happy with \$10 million. That's not for you to say –

B. PETTEN: Until the cost came back to repair –

E. LOVELESS: – if the tale was agreed upon or not.

B. PETTEN: No, I'm well aware of this. I've spent a lot of time with this. The money was given but the cost to fix the wharf was a lot more than you anticipated.

E. LOVELESS: Yes, but, listen, it's understandable –

B. PETTEN: That's not a bad statement, that's a reality, so we've moved on. We're going to give more money. We're going to get this going, but that's why it stopped where it was to.

E. LOVELESS: Listen, I'm just seeking clarification because the statement was made a few months ago –

B. PETTEN: I'm giving you clarification.

E. LOVELESS: – that nothing was ever done. So just seeking clarification – not by you, but just for clarification.

In Lewisporte, on the Lewisporte Area Chamber of Commerce, we made a

decision to allow them to lease the space in the MHAs building. I don't know whose building it is, the TI building, and we were willing to give them an opportunity for a year to do it because we felt it was the right thing to do. So that was the lease for \$1, to do it as a pilot project. Can you confirm that you have said no to that?

B. PETTEN: Yes, I did.

E. LOVELESS: Okay.

B. PETTEN: But I want to give you another clear – to your full disclosure to your point. That opens pandora's box. That was one of the one-offs. That stuff is outside. That should have went to Cabinet. Those decisions are, again, another one that was made and directed.

When I was going to go upstairs, if I would have had to go to Cabinet for that, I would have had to go to Cabinet for a lot of other spaces within the province that were charging a base rate of \$8 a square foot and we're giving that one for \$1. We were treating groups differently and not-for-profits, we make exceptions for, for obvious reasons, food banks being one.

But for Chamber of Commerce in any other areas, they were treated no differently than what I'm going to treat everyone else, including my own District of CBS if they come forth. You can have it for \$8 a square foot; otherwise, we'll just use it for other purposes.

Again, I think that's these one-offs that get you in trouble, but the one-offs won't get me in trouble because we never done that for them, we're not doing it for anyone else that asks the same request, unless it fits within the parameters of the policy.

E. LOVELESS: No, that's fair. Then again, it's your decision and fair enough. It's on record.

Moving on to 4.1.01, in terms of Ferry Operations, we know the challenges around that as well.

B. PETTEN: We have to vote on 3.

CHAIR: Yes, we're not going into 4 – we got to call that subhead. Do you have anymore questions on these subheads?

E. LOVELESS: No, sorry. I am just trying to move along.

CHAIR: Seeing no further questions for his subhead, I now ask the clerk to recall the subhead.

CLERK: 3.1.01 to 3.4.01 inclusive, Infrastructure.

CHAIR: Shall 3.1.01 to 3.4.01 inclusive, Infrastructure, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.4.01 carried.

CHAIR: I'll now ask the Clerk to call the next subhead.

CLERK: 4.1.01 to 4.2.02 inclusive, Air and Marine Services.

CHAIR: Shall 4.1.01 to 4.2.02 inclusive, Air and Marine Services, carry?

The Chair recognizes the Member for Waterford Valley.

J. KORAB: I've just got a couple to go. I will leave the other ferry ones to my astute colleague to my left.

Under 4.2.01, essentially the revised, just looking for some clarity on that. I think I might know the answer, but I'd like to hear it from staff. So the Transportation and Communications, Supplies and Purchased Services, obviously, overall, that was up. It was related to air services. So I just want some clarity on those three items there, why the revised last year was up.

B. PETTEN: Transportation and Communications?

J. KORAB: Yeah, and Supplies and Purchased Services. So you can break it up for each of the three.

B. PETTEN: Overrun was due to an increase in travel expense for crew while working on the wildfires, as well as an increase in the contract price for helicopter services. Under Supplies, it was due to aircraft upgrades necessary to meet Transport Canada's regulatory requirement, as well as greater than anticipated expense related to the active wildfire season.

Purchased Services was due to aircraft upgrades necessary to meet Transport Canada's regulatory requirements, once again, including the servicing of a water bomber fleet in the offseason, and overall landing gear instead of just regular maintenance with the water bombers.

J. KORAB: Perfect, thank you.

That's all for me there. Obviously, the aircraft and certainly the water bombers are important stuff. So no other questions from me there.

Thank you.

B. PETTEN: This is to test you. This is your test.

CHAIR: I'm sorry, I don't get the question.

B. PETTEN: I'm joking with you. I said there's a bit of a test going on there.

CHAIR: No, we're just clarifying.

B. PETTEN: I know. Don't mind me. That's my ADHD kicking in.

CHAIR: Okay.

The Chair recognizes the Member for Fortune Bay - Cape La Hune.

E. LOVELESS: Thank you, Chair. We'll clue up now in the next few minutes.

On 4.1.01, Ferry Operations, and 4.1.02, Ferry Vessel Refits, Minister, the question I'm about to ask is what is the current status of the swing vessel and the three new ferries that you intend to build?

B. PETTEN: The swing vessel there, that's in the process. PPA are dealing with that now. We had four bids, so they're evaluating the bids. We'll find out on that, I guess, soon, whenever, but right now that's under the evaluation process. That will be made public, I guess, when they get through that process.

As for the three new vessels, that's something that we're very keen on doing. We're getting work done, dealing with the stakeholders. Basically researching how to go about it, locations, how it would look and what we're looking for. We're not looking to build another *Veteran*; we're looking at *Hazel McIssaac* type size vessels.

As you know, it's job to find vessels in the market. It's a job to find vessels anywhere, what we're looking for. So that's where this kind of incubated from, the notion of why can't we? You can't find it outside. Now the floating dock could help with that, with the situation. That's not being built for that reason but you could work hand in hand with some of that.

We think, anyway, that there's an industry out there to be formed and I think that would be good thing for the province, and we're well positioned to do it. It's just finding the

way of doing it. We're working on it within the department right now. We're coming up with a plan and it's something that we want done sooner than later as well, given the time constraints, but we're moving forward, yes.

E. LOVELESS: In terms of the capacity piece – and it's going to be challenging for sure from the workers, facilities and stuff. There are no discussions with an area, a building or even from the workers' perspective, your labour is going to be a challenge for sure. We know that in any industry. So I guess you're very early in your preparation for that is what you're telling me?

B. PETTEN: Yes, I mean, this goes from the idea to the notion to the agreement. Like you said, you had it on your plan in October, you get elected, so then you try to bring your plan into action. Back in December, I believe, we started doing up a work plan dealing with that.

I don't know, Sean, if you want to add anything else into that conversation.

E. LOVELESS: In terms of a swing vessel –

S. DUTTON: My light is not coming on.

E. LOVELESS: Oh, sorry.

S. DUTTON: We have gone through some of our past material around previous procurement experience. The Auditor General's report and the Public Accounts Committee made a number of recommendations, so we've been going through all of that internally to help inform our work plan. We've had a number of meetings with people in the industry.

Some are in different elements, like just consultants or what have you, but they are presenting a lot of other ideas to consider as we plan for our procurement phase. It might be, as an example, one suggested looking at whether components of work

could be done at different yards, that maybe it doesn't have to all be necessarily at one specific yard.

There have been some other new developments. I think it was alluded to the floating dry dock. That wasn't a thing last year when we were talking about this. That's another option to evaluate. New Dock is planning some further enhancements to their facility; although, I think they're targeting defence work.

We also have been talking to communities. The mayor of Marystown was in to meet and there was some discussion with the town about facilities in that area. We're just really all gathering that information to help inform a plan.

In the budget, I think there's an expectation for this here that we're going to assess the capacity and any gaps in the local industry to see where the best opportunities are as we put our plan forward.

E. LOVELESS: I hope it comes to fruition because I think there is potential for it. That's based on my experience.

Minister, the swing vessel and the three new vessels, is it budgeted this year and forecasted?

B. PETTEN: Well, we have money in our budget for the swing vessel.

Right now, if you get a swing vessel, you probably wouldn't realistically have it ready until the fall no matter what you get. You have, probably, a four-to-six-month period before it's actually going to be ready to enter the fleet. The money is in the budget for the swing, to deal with for the remainder of this year. So we do, yes, to the swing vessel point.

Internally, on the planning for the three new ferries, that's internal money. We absorb that within, but I will just add one other point, too, and the Premier has made this

clear, if we build those three new vessels or we create our own shipbuilding for the new vessels, it would be in rural Newfoundland. That's one the requirements. He wants it in rural Newfoundland, and I tend to agree. I think that's where it needs to be.

But, yes, the money is in for the swing vessel right now, and other money that we're going to use, that will be spent internally, absorbed within. There won't be an actual budget line item.

E. LOVELESS: Yes, I understand the cost within and absorbing those costs, but the cost to build three ferries, you're telling me that there was no money budgeted for three new ferries this year?

B. PETTEN: No, the money will be made available when the time comes, if need be. Right now we're in the planning stage. If we need that money later down the road, we'll deal with that at that time before it becomes an actual line item. That's where we are trying to figure out what is what now, before, again, you can attach dollars and cents to it.

E. LOVELESS: Minister, in terms of ferry vessel refits and repairing them – and the ADM can know headaches about repairing vessels and getting supplies from within and trying to explain that to the public.

B. PETTEN: Yes.

E. LOVELESS: Sometimes the staff are targeted unfairly, and I got scars from that as well, but that's fine. Minister, the need to have repairs done, are you considering moving outside of the departments to have that done?

B. PETTEN: You say we move outside the departments, so maintenance and repairs on ferries?

E. LOVELESS: Right.

B. PETTEN: You're saying contract out the ferries?

E. LOVELESS: Are you considering privatization, I guess, if you want to use that word? I know it's a whoo –

B. PETTEN: That's why I was wondering what you're trying to ask.

E. LOVELESS: – in terms of getting the work done because I'm telling you, it remains a challenge and you know that and your ADM is telling you that, I'm sure.

B. PETTEN: We know, yes.

E. LOVELESS: Because it is a reality.

B. PETTEN: It's a huge cost burden, but that's not in our plans. We're planning on trying to build ferries, On one end, we're going to first create an industry to build the ferries and then we're going to privatize, I don't really know if they go hand in hand, but right now, today, no, it's not on our list of plans.

E. LOVELESS: In terms of building the ferries, in terms of the refits and stuff, that's two separate beasts all together and we're not just alone. Newfoundland and Labrador is not alone. I can use the words because I used them myself to people that I got private contracts on that, what you have on the water is rust buckets. It's unacceptable.

When I attended meetings with ministers, Atlantic Canada and Maritimes, they face the same challenges or even worse. It's an uphill battle and the three ferries that you're considering building, those three ferries, I would assume that you're looking at it for the Bell Island service and the Fogo Island service?

B. PETTEN: No, actually we're looking at it for the smaller runs. Actually, where the *McIsaac* runs now, and the *Grace Sparkes*. We're looking at the smaller runs for the building of new vessels. That's the idea, we're building small vessels.

Fogo and Bell Island are different and unique beasts. You can probably build a swing vessel for there. I'm not sure about capacity, but the whole intent was to build smaller size vessels here in the province. I mean, you can always adjust I guess, but the notion of it was to build smaller ones. That's why we went out to get a swing vessel for Bell Island and Fogo, up closer to capacity size of what we have there now, the *Veteran* and the *Legionnaire*.

E. LOVELESS: I guess my next question is the South Coast ferry systems. That's done by contracts out to various entities, I guess, if you want to phrase it that way. I met with them before, during the summer and stuff and I told them what you're putting on the water is unacceptable and we'll have eyes on you – and I know your staff and you will do the same.

Therein lies a challenge, but it's good to hear that these three new ferries that may be looked at – not necessarily in the Pool's Cove run, because that's ran by somebody else other than government. But I encourage the minister to press on them and to be less tolerant of accepting that you can't put rust buckets on. You can put paint on them. A vessel can be structurally sound, but it's just the cosmetic piece that makes it look bad.

B. PETTEN: Just to that point, we just recently approved – I think it's public now anyway. Is that public now, the increase –?

OFFICIAL: The extension? Yeah.

B. PETTEN: Yeah, so I had to be careful.

Anyway, we approved an extension to their lease for financial reasons, to give them a longer lease than the one-year renewals. The reason we done that was to deal with probably what you're talking about there, so they can do some capital investments into their ferries and make improvements, even if they don't buy new ones, improvements within the ferries. So they needed that

support to go to the bank. So hopefully that will address some of those issues, but I hear you.

E. LOVELESS: Listen, we have to be accountable as government. They have to be accountable as –

B. PETTEN: Yeah.

E. LOVELESS: But, again, it falls under the oversight piece as well, right.

B. PETTEN: Absolutely. I agree.

E. LOVELESS: So before I end, Labrador Marine, it's been successful in terms of LMI and the delivery of goods and passengers and all of that. I know last year was a good season again. I guess they will continue on to provide the service for that route. Overall, what's the update or current status on if it's been a good year, if there has been any problems, or can the people of Labrador continue to rely on that good service?

B. PETTEN: Yeah, there are issues with that service. I mean, it's been noted there are a lot of people up the coast that don't really like the ferry runs. They don't like the boats as vessels. So there's lots of static, lots of noise being made around that run. I'm not saying who's at fault or who's not at fault. We just know and you'd know from being in my position, you get a lot of noise up there. Once it's tied up excessive days, they're questioning it. But I get that on Bell Island, too.

I think the biggest challenge we've got up on the coast is trying to get goods up the coast for early years, a lot of construction work planning up in that area, and the capacity, getting the ferry running when the ice goes. I think it's mid-June. You asked me in the House actually. I made a commitment that we're going to try to do everything in our power to get the goods up because we met with the Nunatsiavut First Minister and the MHA for Torngat

Mountains has lobbied hard on that. So that's our plan.

We do our best trying to provide that service right throughout the province for marine in general. It's a real challenge. It's not like paving a road and it's really challenging. Probably one of the more challenging files, I find, within the department to try to keep my head up, trying to find that balance. It's not an easy road.

E. LOVELESS: No, it's not and I won't try to punish you a whole lot longer. That's good to hear and I guess we can put it to bed that we're not reversing back to the ferry boat going back to Lewisporte.

B. PETTEN: I don't think so, no.

E. LOVELESS: I'm going to move on in terms of the last question on the fifth water bomber. It's in operation. It was budgeted and forecasted last year. Correct?

B. PETTEN: I guess. Are you telling me? You should know.

E. LOVELESS: It was but –

B. PETTEN: I'm not going to answer that. You know the answer to that.

E. LOVELESS: Well, but you're saying yes to it. It's a good thing that –

B. PETTEN: No, I never said nothing. I just said you know the answer.

E. LOVELESS: – it was budgeted and forecasted last year.

B. PETTEN: It took too long to get it done. You should have had it done long ago.

E. LOVELESS: That's a matter – and I could defend that as well, but I'm not here to clean that up. All I'm worried about is that it will allow the province to respond to fires that are coming unfortunately. Hopefully

they won't, but it better prepares us for sure. I will tell you –

B. PETTEN: I spent years asking about that water bomber.

E. LOVELESS: Water bombers – because the question is always asked. You ask you staff, are we prepared? I was always told we were prepared.

B. PETTEN: I used to ask that question.

E. LOVELESS: We were prepared for four water bombers.

B. PETTEN: I used to ask the same question.

E. LOVELESS: What's that?

B. PETTEN: I used to ask the same question.

E. LOVELESS: Of course, absolutely.

So when your staff – and they're all good staff in departments – when they tell you that we're ready – and I always use the example on Bay d'Espoir Highway when we had that fire. We were told we could have 100 water bombers that day when they were grounded. You can't put them in harm's way. So you can have all the water bombers you want.

B. PETTEN: You can't predict Mother Nature.

E. LOVELESS: Well, totally. Hopefully, we will have no fires.

With that, I'm going to end and I guess we will be blessed with copies of the binders.

B. PETTEN: Yes, we have something – a stick, is it?

E. LOVELESS: Okay.

B. PETTEN: Yes.

E. LOVELESS: So listen, I think I can speak on behalf of my colleague, or do you want to speak for yourself?

AN HON. MEMBER: (Inaudible.)

E. LOVELESS: Thank you all and a lot of work goes into, as the minister alluded to in the beginning. A sincere thank you from this side and we wish you all the luck for TI responsibilities in '26.

B. PETTEN: Thank you very much.

CHAIR: Seeing no further questions for this subhead, I now ask the Clerk to recall the subhead.

CLERK: 4.1.01 to 4.2.02 inclusive, Air and Marine Services.

CHAIR: Shall 4.1.01 to 4.2.02 inclusive, Air and Marine Services, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.2.02 carried.

CLERK: The total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: Shall I report the Estimates of the Department of Transportation and Infrastructure?

Thank you, everyone.

On motion, the Committee adjourned to the call of the Chair.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: I want to thank the minister, the department officials and the Committee for your attendance.

I appreciate the fact that you spoke a lot about the District of Placentia West - Bellevue and all it's needs. I appreciate that. That's a lucky Member to have everybody in the House worry about Placentia West - Bellevue. I appreciate that.

There is no announced date for the next meeting. The Clerk will provide that as that has not been written in stone yet.

I ask for a mover for adjournment from the Committee.

R. BALSOM: So moved.

CHAIR: The Member for Carbonear - Trinity - Bay de Verde. I almost said Trinity - Bay du Nord. Sorry about that. I'm going to get a simpler adjournment next time.

So moved by the Member.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.