



**PROVINCE OF NEWFOUNDLAND AND LABRADOR  
HOUSE OF ASSEMBLY**

First Session  
Fiftieth General Assembly

---

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

May 5, 2022 - Issue 5

Department of Transportation and Infrastructure and Public Procurement Agency

---

Published under the authority of the Speaker of the House of Assembly  
Honourable Derek Bennett, MHA

## **GOVERNMENT SERVICES COMMITTEE**

Department of Transportation and Infrastructure and Public Procurement Agency

---

Chair: Paul Pike, MHA

Vice-Chair: Loyola O'Driscoll, MHA

Members: Brian Warr, MHA  
Chris Tibbs, MHA  
Jordan Brown, MHA  
Lucy Stoyles, MHA  
Scott Reid, MHA

Clerk of the Committee: Bobbi Russell

---

Appearing:

### **Department of Transportation and Infrastructure and Public Procurement Agency**

Hon. Elvis Loveless, MHA, Minister

Cory Grandy, Deputy Minister

Heather Tizzard, Chief Procurement Officer

Greg Clarke, Assistant Deputy Minister, Infrastructure

Stephen Burbridge, Assistant Deputy Minister, Operations

John Baker, Assistant Deputy Minister, Air and Marine Services

Dan Michielsen, Assistant Deputy Minister, Strategic and Corporate Services

Patrick Morrissey, Departmental Controller

Brian Scott, Director of Communications

Greg Butler, Budget Manager

Margot Pitcher, Executive Assistant to Minister

### **Also Present**

Hon. John Abbott, MHA, Minister of Children, Seniors and Social Development

Hon. Andrew Parsons, MHA, Minister of Industry, Energy and Technology

Barry Petten, MHA

Perry Trimper, MHA

Dave Hamlyn, Government Members' Caucus Office

Darrell Hynes, Official Opposition Caucus Office

Steven Kent, Third Party Caucus Office

Jess Puddister, Third Party Caucus Office

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

Pursuant to Standing Order 68, Barry Petten, MHA for Conception Bay South, substitutes for Chris Tibbs, MHA for Grand Falls-Windsor - Buchans.

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

The Committee met at 5:30 p.m. in the Assembly Chamber.

**CHAIR (Pike):** Good evening, everyone. I'm going to call the meeting to order.

I guess there's a reason we're starting a half hour early, so I'm not going to try to cut into any time by giving you any lengthy speeches or anything. But it's just that I thank you all for being here. Thank you to the staff and the ministers and thank you to my colleagues as well.

We have some substitutions here this evening, which are— just one second now.

**CLERK (Russell):** They were under here.

**CHAIR:** Anything that looks like it's not going together like it should, it's Bobbi's fault.

**CLERK:** (Inaudible.)

**CHAIR:** For Scott Reid, we have Andrew Parsons sitting in; for Baie Verte - Green Bay, Mr. Warr, we have John Abbott; for Grand Falls-Windsor - Buchans, Mr. Tibbs, we have Barry Petten. I guess that's the only substitutes we have.

So we're going to look at, as well, the fact that we can only do – by the way, we have unaffiliated Members here. Does the Committee agree to allow unaffiliated Members present to participate in the proceedings by allowing them 10 minutes each to ask their questions, once the Committee has concluded its business toward the end of the evening?

Does everybody agree with that?

**AN HON. MEMBER:** Yes.

**CHAIR:** Okay.

What about a break? Would you guys like a break tonight, say at 7 p.m.? Or do you want to go right through?

**E. LOVELESS:** Depends on the questions they ask.

**CHAIR:** You might need a break, is what you're saying.

**E. LOVELESS:** I mean, I guess we'll see how the time goes.

**B. PETTEN:** Maybe a five-minute break.

**CHAIR:** Five-minute break? Okay, that's fine.

A couple of housekeeping things now, for sure. Always identify yourselves and wait for the tally light each time you speak. Wave to identify one's self if the light does not come on. Consistent with protocols in effect in Confederation Building, masks must be worn in the Chamber by employees unless they are speaking. It is discretionary for Members. Members and officials are reminded not to make any adjustments to the chair they seated in; they are adjusted specifically to the Member who sits in that chair.

**AN HON. MEMBER:** You never wrote that, did you?

**CHAIR:** No, I didn't.

Water coolers are located in the corners and for those without their own water bottle, glasses are located next to the coolers at the north end of either side of the Speaker's chair.

The approach in starting the meeting – first, we will ask Members of the Committee and any staff attending with them to introduce themselves, along with other Members in attendance. Then I would ask the minister to introduce their staff. This is only an introduction and I ask the minister to wait until the Clerk calls the subheads to start with an introduction of the departmental Estimates.

Following that, I will ask the Committee to move that the minutes of the previous meeting be adopted and then I will ask the Clerk to call the first subhead to get us started. We will then proceed through the Estimates by subhead. The Chair then asks the Committee Members and departmental officials and witness to introduce themselves. The Chair then asks the minister to introduce department staff. T

he Chair brings the minutes of previous meeting to the attention of the Committee Members and asks if any revisions or amendments are required. If revisions are raised, they are noted by the Clerk. The Chair then asks for a mover of the minutes. A seconder is not required.

So the minutes of the previous meeting, I think everybody has a copy. It is dated April 11, 2022. Does everybody have a copy? Do we have a mover?

Moved by Jordan Brown. Thank you so much, Jordan.

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against?

Carried.

On motion, minutes adopted as circulated.

**CHAIR:** We are now going to do our introductions. So we will start with staff.

**E. LOVELESS:** Elvis Loveless, Minister of Transportation, Infrastructure and Public Procurement Agency. I will ask us to begin to my right and we can go up and then –

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

**S. BURBRIDGE:** Stephen Burbridge, Assistant Deputy Minister, Operations.

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

**P. MORRISSEY:** Patrick Morrissey, Departmental Controller, Transportation and Infrastructure.

**D. MICHIENSEN:** Dan Michielsen, Assistant Deputy Minister of Strategic and Corporate Services.

**G. BUTLER:** Greg Butler, Budget Manager.

**B. SCOTT:** Brian Scott, Director of Communications.

**G. CLARKE:** Greg Clarke, Assistant Deputy Minister of Infrastructure.

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

**E. LOVELESS:** There's a lady that's there but she went to get my glasses because I need them, it's Margot Pitcher, she's Executive Assistant to the Minister.

**CHAIR:** Okay, now we're going to do the Committee starting with Mr. Petten.

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

**D. HYNES:** Darrell Hynes, Director of Research and Legislative Affairs, Opposition Office.

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

**S. KENT:** Steven Kent, Sessional Support for the Third Party Office.

**J. PUDDISTER:** Jess Puddister, Sessional Support for the Third Party Caucus Office.

**L. O'DRISCOLL:** Loyola O'Driscoll, MHA for the District of Ferryland.

**L. STOYLES:** Lucy Stoyles, Mount Pearl North MHA.

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

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

**D. HAMLYN:** Dave Hamlyn, Sessional Support, Government Members' Office.

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

**CHAIR:** Okay, thank you.

We're now going to introduce the first subhead.

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

**CHAIR:** Shall 1.1.01 carry?

**E. LOVELESS:** Thank you, Chair.

Before I move into the Public Procurement piece, I just want to have a few words, I guess. I won't read all the 21 pages that the comms record did for me, because it would be too long. No, I'm just kidding.

Now that the staff has introduced themselves, I just want to recognize each and every one of them and to say they are valuable beyond words. I appreciate everything that all of them do, as I said, it's invaluable.

From the department's perspective, it's no secret that our employees touch on services in all corners of the province. But I'll say as minister that much of what we do sometimes goes unnoticed. We have dedicated employees who take great pride in improving the safety and lives of Newfoundlanders and Labradorians.

Before I go further, we do have new ADMs this year. One is not an old face but is new to the – and that's Dan – department and certainly appreciate and welcome his experience. We have Stephen Burbridge, who plays a very important role in terms of depots and the existence of them. He has visited a lot of them to date and certainly getting a handle on what they do in the province.

And just the staff in our department, I just want to make note of some of the things they do. I know we all know what they do, but ensuring everybody who depends on ferry, that they get home to see their family, I believe it's worth noting; salting roads while we're asleep at nights and we're in our beds and we're calm, they're out on the roads. They have family that are home wondering if they're going to be okay because they're out in all elements. That's just to name a few; there is more that I could say.

It takes, certainly, a dedicated group of people to provide those services; we all know that and appreciate it. I want to thank everyone right across the Province of Newfoundland and Labrador that do the work for Transportation and Infrastructure because, as I said, sometimes they do get beaten up, even in their own communities and it's a reality and nature of the work, but I certainly value what they provide.

So from a department's perspective, just to give you some numbers. Employees: Transportation and Infrastructure had 1,658 employees as of March 31, 2022. This includes 87 13-week employees. Of the 1,670 employees, we have 1,473 unionized, non-management and 185 management. We have 1,427 male and 231 female; 767 permanent, 289 seasonal, 587 temporary, 15 contractual; 954 Operations Branch, 247 Air and Marine Services – my gosh, I am exhausted – 320 Infrastructure Branch, 137 Strategic and Corporate Services; 609 in the Avalon region, 346 in the Eastern region, 247 in the Central region, 379 Western region and 77 in Labrador.

As I said, the Public Procurement Agency, this year, we continued to modernize and provide oversight of public procurement towards achieving best value in government purchasing, which is important.

I know Members opposite know what's in *Budget 2022* so I'm not going to read any of that, but just to recognize that \$442 million investing in infrastructure funding and supporting a lot of projects. I won't name any of them out because it is in the budget documents and we have debated, even in the House, so far.

But I want to recognize something in terms of during 2021 this department and our employees were faced with several adverse weather events. We talked about it many times that most of them happen on weekends and so, again, those employees are out attending to washouts when really the salt and the sand and the clearing of roads is still their responsibility. So it has been a challenging season.

But before I end off I want to conclude with what we believe is good news. During 2021, the department responded to a call for assistance from the Ontario Ministry of Natural Resources to help battle forest fires in that province and we know it is a mutual agreement that we have with different provinces. Sometimes it could be them coming to us and us going to them. I think it's positive when you have got two provinces working together.

*Budget 2021* allocated \$450,000 in revenue to be received from other Canadian province for the use of Newfoundland and Labrador's water bomber fleet. As a result of the province's efforts this year to combat the forest fires in Ontario, the government received \$1.235 million in revenues, which is \$785,000 additional revenues for the province. So that is a good news story. And I know in some of the debates it was talked about how we interact and I thought it was certainly useful to mention that here tonight.

Also, the department has made it a priority to reduce spending on leased spaces and unused assets. Since 2016, we have reduced our office space footprint by 201,882 square feet, which is currently saving taxpayers approximately \$5.2 million every year.

I will end with COVID-19. It's still with us so what's related to in protecting employees is still a cost to us and over the last fiscal year we have incurred expenses related to COVID-19 of approximately \$545,000 but we know that's necessary in carrying out the safety of employees.

I will conclude with that and we will move to the Public Procurement piece which is a smaller

piece of the whole department. I have Heather here with me and I will allow the proceedings to begin.

**CHAIR:** Okay, the first questioner for the Committee.

MHA Petten.

**B. PETTEN:** Thank you, Mr. Chair.

Under Public Procurement: Is there any training program online or in person and virtual for public bodies pertaining to procurement?

**H. TIZZARD:** We provide training to whoever requests it, so make a phone call to our office and we'll make sure you get the training you need. We also partner with MNL, PMA, the municipal sectors, whenever they have their conferences. When requested we'll go out and do a larger training session, but we will do training for whoever needs it and whoever wants it.

**B. PETTEN:** Do you request feedback from the public that can be reported back on these trainings? Do you require it, or is it just an optional thing?

**H. TIZZARD:** We don't specifically ask for it; I know after some of the MNL conferences and PMA conferences sometimes it's one of the questions that they ask on a survey that they do after, but generally not after our training sessions, no.

**B. PETTEN:** So there are no actual reports that's done, it's just if you request training, you provide it but that's basically where it ends, is it?

**H. TIZZARD:** Yes.

**B. PETTEN:** Okay.

During COVID – this was used probably more during COVID than now, those trainings?

**H. TIZZARD:** Well, I don't think COVID required more training. You know, we did extensive training when the legislation was first introduced.

**B. PETTEN:** Sure.

**H. TIZZARD:** And like I said, we'll do training on demand, but I don't think COVID required any extra training.

**B. PETTEN:** No, I was meaning virtual point – so it was all –

**H. TIZZARD:** Oh virtually? Absolutely, yes.

**B. PETTEN:** More in person I guess as we gradually get back to normal.

**H. TIZZARD:** Yes, absolutely.

**B. PETTEN:** Whenever that is.

In the years 2019-20, Deer Lake, Grand Falls-Windsor, Carbonear and Torbay were provided training as it pertaining to procurement for municipal bodies. Since 2019-20, have any other towns completed the training, and are all towns aware of this training?

**H. TIZZARD:** I can't speak to what towns are aware of; again, it's my understanding that MNL and PMA, we speak with them at least annually, when their conferences come up, so I think most municipalities are aware of them. I don't have a number of municipalities that have done training, but it's regular from our office that we do training. I think we did five municipalities just last week, as an example.

**B. PETTEN:** Okay.

The Procurement Advisory Council consists of public bodies with the responsibility for procurement. Are any meeting minutes available for review?

**H. TIZZARD:** We have minutes, yes.

**B. PETTEN:** Okay. So they're available for review? Are they public?

**H. TIZZARD:** They're not publicly posted, but I have them if you want to request them.

**B. PETTEN:** Yes, please.

**H. TIZZARD:** Sure, yes.

**B. PETTEN:** With the implementation of the MERX, has there been any increase in public bodies completing RFPs?

**H. TIZZARD:** I can't speak to the number of RFPs that are conducted by public bodies. So we do our own RFPs and post to MERX, but I don't know how public bodies conduct their procurements with respect to what tool they use.

**B. PETTEN:** Okay.

Has this been accepted by the public? Do you feel that this system is working?

**H. TIZZARD:** Yes, absolutely.

**B. PETTEN:** There's a good reception on that?

**H. TIZZARD:** Yes.

**B. PETTEN:** Is there a list of recommendations for public bodies to improve and enhance procurement processes? Is there any list of recommendations they have for making improvements?

**H. TIZZARD:** We audit public bodies as a part of the function of our Audit Division in the Public Procurement Agency. So every audit report that we give back to a public body contains recommendations.

**B. PETTEN:** They're public, too, are they, or can they be public?

**H. TIZZARD:** We don't post the audit reports, but again, they're available.

**B. PETTEN:** They can be requested? Okay.

**H. TIZZARD:** Absolutely, yeah.

**B. PETTEN:** In 2021-22, Salaries, \$2,010,400 less than the budgeted amount, and this year you're budgeting \$10,000 more than last year. This was \$200,000 less in the budget line.

**E. LOVELESS:** So are you asking the decrease of \$211,000, is that what you're asking?

**B. PETTEN:** Yeah.

**E. LOVELESS:** The decrease is a result of lower salary costs due to vacancies throughout the year. There were four positions that were vacant for a large portion of the year: two policy and research analysts, buyer II and a procurement officer III.

**B. PETTEN:** And under Professional Services it was not a big lot of money, but it doubled, basically, and it's gone back to \$23,500 again. So it went from \$23,500 to \$47,500. What did that include?

**E. LOVELESS:** The increase is due to a number of auctions resulting in higher auction fees based on a percentage of revenue generated from the disposal of the assets.

**B. PETTEN:** Okay.

It's understandable that during COVID there was less than 25 per cent of the Transportation and Communications budget. Has consideration been given to do more virtual meetings in '22-'23? Therefore trying to reduce the transportation budget. Have you given any consideration to that?

**E. LOVELESS:** The answer to it is yes, but are you asking about the decrease and what that represents?

**B. PETTEN:** Well, that was less transportation due to COVID, we assume.

**E. LOVELESS:** Right.

**B. PETTEN:** But we're wondering, there was a savings, is that something into the future that's something you're considering?

**E. LOVELESS:** Well, I think not just for Public Procurement, but any division within our department if we can certainly produce savings by doing webinars, absolutely. We're evaluating that on a daily basis, I guess, to see what we can.

I think we all can appreciate that the interaction is required moving forward as well. So there'll be a balance and I think that's something that probably is a positive thing that has come out of COVID-19 and the challenge.

**B. PETTEN:** That's all my questions I have on Public Procurement, Mr. Chair.

Thank you.

**CHAIR:** Thank you, MHA Petten.

Any other Committee Members with questions?

MHA Brown.

**J. BROWN:** Thank you, Chair.

I only have a couple of questions for Public Procurement there. Currently how many vacancies are in the Public Procurement Agency right now?

**H. TIZZARD:** I think we have eight vacancies right now.

**J. BROWN:** Okay, perfect.

Currently, does the Public Procurement Agency handle the larger procurement, like the P3 for the correctional facility?

**H. TIZZARD:** Infrastructure procurements are handled by Transportation and Infrastructure.

**J. BROWN:** Okay, directly by the department.

Perfect, that's all my questions for Public Procurement.

Thank you.

**CHAIR:** MHA Trimper.

**P. TRIMPER:** Thank you.

I just have one question, and it's just a bit of an update. I believe, Heather, you and I spoke some time ago about the procurement of janitorial services across Labrador, and some issuing of tenders, then withdrawing, then issuing again. I just wondered if you had any comment on that, what might have happened, just a status.

Thank you.

**H. TIZZARD:** So I apologize, I don't remember that exact file, but if you want to talk



to me afterwards or later, I can certainly follow up on that for you.

**P. TRIMPER:** Okay, just to sort of refresh, in case it jolts – but I can reach out to you again. Certainly, over the last 12 months, from various bidders across Labrador, there was frustration because the tender had been called for services, they would have submitted, and then it was withdrawn and then called again. There was sort of a couple of start-stops.

One other element that I just remembered on the procurement that I'm hearing from some of the bidders is the requirement – and I don't have my notes in front of me, I apologize. They're finding it exorbitant, the amount of money that's required for the deposit, vis-à-vis the opportunity on the contract. I just wondered if your department is seeing that across the board, or is it specific to this, or maybe just to these bidders.

**H. TIZZARD:** So is that the bid bond, you're referring to, I guess?

**P. TRIMPER:** Yes.

**H. TIZZARD:** I haven't heard anything about that. Nobody's complained to my office or to me directly about that.

**P. TRIMPER:** Okay. I'll reach out to you.

**H. TIZZARD:** Absolutely.

**P. TRIMPER:** Thank you.

**CHAIR:** Could you recall the grouping, please?

**CLERK:** Public Procurement Agency, 1.1.01.

**CHAIR:** Shall 1.1.01 carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Those against?

Motion carried.

On motion, subhead 1.1.01 carried.

**CLERK:** The total.

**CHAIR:** Shall the total carry?

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Those against?

Motion carried.

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

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

All those in favour?

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Those against?

Motion carried.

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

**CLERK:** For Transportation and Infrastructure, Executive and Support Services, 1.1.01 to 1.2.06 inclusive.

**CHAIR:** Shall 1.1.01 to 1.2.06 inclusive carry?

Minister.

**E. LOVELESS:** I know I am allotted some time, but all I want to do is just a household item, really. So the Public Procurement binders for the three Members are on the desk there, so you can get them after.

**B. PETTEN:** Thank you.

Minister, I have got some general questions, if you don't mind, in between through tonight. I guess you have binders for TI as well, do you?

**E. LOVELESS:** Yeah. We have it on the –

**B. PETTEN:** Stick.

**E. LOVELESS:** Yeah.

**B. PETTEN:** Got you, sounds good.

I'm going to ask a couple of questions first. I have done Public Procurement from MHA Wakeham – (inaudible) I'm more comfortable.

Anyway, attrition plan – I know you give me lots of numbers starting out, but are you still following the attrition plan?

**E. LOVELESS:** We are. I'll allow the deputy minister to give you the numbers on that.

**C. GRANDY:** I'm actually going to refer to the controller if I can.

**P. MORRISSEY:** (Inaudible.)

**C. GRANDY:** For 2020-2021 and '21-'22, the department reached its attrition plan of \$678,000 in 27 positions over two years.

**B. PETTEN:** So right now, do you have any idea how many vacancies are not filled by the department?

**E. LOVELESS:** We currently have 93 vacancies in TI and some of them are seasonal.

**B. PETTEN:** Some seasonal.

**E. LOVELESS:** Yes.

**B. PETTEN:** What about retirements? How many retirements in that last year?

**E. LOVELESS:** How many retirements? I have to lean on the staff behind me.

**P. MORRISSEY:** Retirements are 55 as of March 31.

**B. PETTEN:** Okay.

Did you get any funds from the COVID fund last year?

**C. GRANDY:** There were a couple different places where COVID funding through the federal government came. Is that your question?

So there was a piece of the ICIP, and I don't have the amount right in front of me. There was a COVID resiliency fund that we did avail of funding under ICIP.

**B. PETTEN:** Okay. That's the federal-provincial-municipal fund, right?

What about from the contingency fund? Did you get any funds from the contingency fund?

**E. LOVELESS:** I am being told no.

**B. PETTEN:** Okay.

How many new hires in the last year?

**E. LOVELESS:** New hires?

**B. PETTEN:** Yes.

**E. LOVELESS:** Like from the whole department perspective?

**B. PETTEN:** Yeah, basically.

**C. GRANDY:** That is not a number that we have with us tonight. There is regular turnover in terms of recruitment, whether it is through retirement or people leaving. So it is a very fluid number.

**B. PETTEN:** Okay. Have there been any positions eliminated last year?

**C. GRANDY:** Nothing beyond the attrition number we had discussed.

**B. PETTEN:** I have got some line items. I will go back (inaudible) after tonight.

Minister's Office – I guess a question on Transportation and Communications. It appeared to be stable. It is not a big amount of money but there was no change in funding. We have noticed that there has been some savings in other departments and wondering why the Transportation never changed.

**E. LOVELESS:** So are you asking under Transportation and Communication?

**B. PETTEN:** Yeah, 1.1.01.

**E. LOVELESS:** There was no change there. What we budgeted –

**B. PETTEN:** With other departments we have seen savings but it is the same amount. It is straight – there was no dip. There was no less funding last year. Do you know what I mean?

**E. LOVELESS:** I don't know how to answer your question any more than what we budgeted, we spent. So we didn't go over and we didn't go under. We were right on target. I actually put a smiley face on that page and I need all hon. Members to use #TIawesome.

**B. PETTEN:** Right on.

**E. LOVELESS:** On this one that is.

**B. PETTEN:** That is right.

Under 1.2.02, Administration and Support, the reduction in Salaries of \$104,000.

**E. LOVELESS:** Just give me a minute – trying to follow it through.

1.2.02. Correct?

**B. PETTEN:** Yeah.

**E. LOVELESS:** Under Salaries – why am I not seeing that?

This reflects salary plan changes, including vacancy factor and step changes. That's the budgeted revised from 2022-2023 budget. There is also a budget, less the 2021-2022 revised, there was an increase and the increase in salary plan changes, including filled vacancies and step increases.

**B. PETTEN:** Okay.

Then Employee Benefits went from \$2,098,000 up to \$2,588,000. Can you explain what that increase is for?

**E. LOVELESS:** \$2 million to \$2.5 million?

**B. PETTEN:** Yeah.

**E. LOVELESS:** That increase was workers' compensation payments. They are demand driven and can vary based on the number of claims submitted and duration of the claims. TI was also notified during the year about a new WorkplaceNL retirement benefit that applies to all injured workers who receive extended earnings loss benefits.

**B. PETTEN:** Okay.

In Transportation and Communications, the revised expenditure of Transportation and Communications was \$113,000 less than budgeted.

**E. LOVELESS:** Yes. That was a reduction in travel for financial operations and corporate safety divisions, partially due to the pandemic. Also savings on mobility contract and reduced postage costs.

**B. PETTEN:** And Purchased Services: What's the decrease? What was the reason for that to drop from \$123,000 to \$70,000?

**E. LOVELESS:** Purchased Services, under same heading, right?

**B. PETTEN:** Yes.

**E. LOVELESS:** Why the decrease? That was through savings at headquarters and regional offices for Xerox printing costs due to the pandemic. Also less than anticipated ergonomics assessments throughout the year. This is demand driven and can vary year over year.

**B. PETTEN:** Okay.

Purchased Services in 1.2.03, there's a drop of \$37,000.

**E. LOVELESS:** In 2018-2019, the Department of Transportation and Infrastructure entered into lease agreements for mail machines in the regions, as these new machines are newer, they do not require the same level of maintenance; however, as the machines age, maintenance could increase.

**B. PETTEN:** Okay.

In 1.2.06, it's a small amount, but just curious, there's two unbudgeted expenditures under Professional and Purchased Services, \$2,000 and \$10,000.

**E. LOVELESS:** Did you say –

**B. PETTEN:** They're by themselves. There are two amounts, they're only small amounts, I'm just curious. The Professional Services and Purchased Services, under Land Acquisition, 1.2.06.

**E. LOVELESS:** Oh yeah, I've got two; I must have missed over one.

**B. PETTEN:** Small amounts, but just –

**E. LOVELESS:** Yeah, the increase, overruns due to Professional Services required for legal services related to land expropriations mainly on the Team Gushue Highway.

**B. PETTEN:** Okay.

**E. LOVELESS:** That's under Professional Services. And the increase of \$10,000 for 2021 revised, one-time appraisals conducted for land valuations.

**B. PETTEN:** Okay.

Minister, in the remaining time, I got just a few general questions.

**E. LOVELESS:** Yeah.

**B. PETTEN:** Can you update us on the asphalt studies, any tests the department have done? I know that's been an ongoing thing every year or regularly back in the day, but it's been forever. Are there any new updates on that or where we're to with that?

**E. LOVELESS:** I can, but I'll divert to the staff after.

It's a conversation that we certainly had and I have requested, but things get so busy in terms of even touring the place that – I call it – mixes everything together. But it's a good question, and even talking to contractors and various

others, this does come up. So it's a good question. But I'll rely on the staff to provide some insight to it.

**C. GRANDY:** So what we've assessed so far, we haven't been able to reach any conclusive evidence that one of the tests were any better than the other. We continue to monitor it. We try to do that twice a year. So we haven't done the measurements following the winter season. We try to do it in the spring following the winter season and then again the fall after the summer season. So there's nothing conclusive in what we've seen so far in one test over the other. We continue to monitor.

**B. PETTEN:** So the polymer additive that was supposed to really work good for the rutting, it wasn't a natural product, it was artificial, that's not being used now, is that correct?

**C. GRANDY:** We continue to use the polymer additive in the asphalt on higher volume roads. I think there is clear evidence that on high volume that does add to the elasticity in the asphalt.

**B. PETTEN:** Synthetic is what I was trying to find. Synthetic, yeah.

**C. GRANDY:** We do get better results from that.

**B. PETTEN:** Okay. But on less busy roads you're back to the regular?

**C. GRANDY:** Yeah, we don't use the polymer additive across the board.

**B. PETTEN:** Right, just regular 57, whatever regular mix.

**C. GRANDY:** Yeah.

**B. PETTEN:** Grace Hospital land, besides a tank being buried there, what are the latest happenings with that piece of land?

**E. LOVELESS:** Well, I think I was posed a question the other day by one of the Members. We're progressively and aggressively trying to come to a good ground in terms of that land because we know it's valued land. We have the minister that sits behind you; we've had

conversations with this department from a social perspective.

We did move a parcel of the land with the city and a developer that – I don't have all the details on it, but in terms of parking, there was a parcel of land. I don't know if the contractor has developed it yet in terms of – it's a building.

**OFFICIAL:** It was the former fire hall.

**E. LOVELESS:** Yeah. The former fire hall that is on that piece of land. But the parcel of land where the building sits, no, we don't have anything concrete right now to – I'd like to, I'd like to be able to tell you, but we don't. We're certainly actively looking at options. And once we have something that's solid, we'll certainly be able to announce it.

**B. PETTEN:** Is that the nursing, the old nursing units or residence there – I drive by there regularly because I'm back and forth the hospital lots over there last few months, that's a hazard, right? I know it's under provincial – that kind of spurred my thought, I'm looking at that a lot. It's dangerous, a lot of broken glass, windows. I mean, it's provincial government, we own it, basically, as a province. It's a huge liability, I guess. It's a valued piece of land; it's right in the centre of the city.

**E. LOVELESS:** Yeah.

Well, I know when I came into the department first, we had an extensive conversation on it, just putting on, I guess, my real estate hat and looking at it, you know, as you say, it's a liability. I mean, with the windows broken and there's a contamination.

I don't know what's in there, I haven't been in there, but presenting it as is when you want to sell it and stuff. There are people – I know when I did the story at the time, I had real estate agents that reached out to me about that, because they know the location. I mean, when you're selling something: location, location, location.

It is in a good location, but certainly what you mentioned is a concern, but if someone is willing to come to take it as is and we can negotiate terms, then I'd be all for it, but realistically it is a deterrent, no doubt.

But, again, on the other side of this, location, location, location is attractive. So hopefully we can find the right piece and move this piece of land that will give us good return, as well, for the province.

**B. PETTEN:** Absolutely.

Minister, Team Gushue Highway, what's the status? When are we going to see it completed? What's completed so far is pretty good but –

**E. LOVELESS:** Well, I think from the beginning of when all this started in terms of development of the Team Gushue Highway, a lot has changed since then. We've met with federal counterparts and we've met with the City of Mount Pearl, we've had a lot of discussions around it. But no bones about it, in order to finish it, it's going to require significant investment. Right now, that's not in our budget to do it. That's kind of the discussion that we had, certainly, with Minister O'Regan and some locals MHAs, it's of interest to them as well. I made it clear to them that we need them at the table with us.

So we're hoping that's going to happen sooner rather than later because, as I said, there is lots of interest in completing it.

**B. PETTEN:** The Nain Airstrip, any updates on that status to replace or upgrades to that airstrip?

**E. LOVELESS:** Well, we have allocated – we had this discussion because I was asked the question last night when we were hearing the Executive Council Estimates. We've committed \$3.5 million for a feasibility study and that's now with the Nunatsiavut Government. They're taking the lead on it.

In terms of where it is right now, it is with them and we look forward – obviously, we're partnering as well with the federal government so it's 50-50 cost shared in terms of that \$3.5 million come \$7 million. We look forward to what that is going to bring us in terms of results and moving the file forward.

**B. PETTEN:** Thank you.

**CHAIR:** Thank you.

MHA Brown.

**J. BROWN:** Thank you, Chair.

I have just got some general questions there as well.

Right now, other than the correctional facility, is there any other P3 models being discussed or evaluated right now in the department?

**E. LOVELESS:** For –?

**J. BROWN:** For any future construction – any consideration of any other P3 models?

**E. LOVELESS:** There are discussions ongoing, you know, always around, I guess, infrastructure needs in the province, whether in Labrador or the Island portion of it. But I don't have anything that I can say concrete to you that here it is and list off – but I don't know if there is any staff members who want to – did anybody want to comment on – if you can add anything to it other than there are lots of discussions ongoing in terms of infrastructure requests.

**J. BROWN:** Okay. Perfect.

I know the Member for Conception Bay mentioned there about the old Grace Hospital. Could we have an update on the Impacted Sites Liability Assessment Program and any cleanup work and stuff that is going around at this time?

**E. LOVELESS:** I will ask Dan to answer that, please.

**D. MICHELSEN:** Yeah. Sure.

You know, we participate in the Impacted Sites Liability Assessment Program in partnership with Environment and Climate Change. We provide, I guess, updates annually to them and their experts look at the sites and determine what is and what is not a liability.

This year is ongoing in terms of gathering the information, but last year we had seven sites that

were confirmed as liabilities. The total liability of \$990,000. But there was also about \$22 million in impacts related to properties that weren't considered government liabilities. And a total of 64 sites that we have where we have identified potential concerns and seven of them, like I said, were identified as actual liabilities.

**J. BROWN:** Could we get a list of all the sites and potential sites, too, please?

**E. LOVELESS:** Yes.

**J. BROWN:** Perfect. Thank you, my friend.

Under the Land Acquisition: Was there any land acquired this year or in the near future?

**C. GRANDY:** We are, through this particular activity that you might be referring to, clueing up old expropriations. So I think that is the bulk of what that particular subhead would be used for.

**J. BROWN:** Okay.

So there is nothing new; it is just finishing previous work?

**C. GRANDY:** Correct.

**J. BROWN:** All right, perfect. Thank you.

The study that was done on the Labrador-Island link and that it was moved over to the Canada Infrastructure Bank. Is there any ongoing discussions with the Canada Infrastructure Bank on that project?

**E. LOVELESS:** I haven't had any to date. There had been some preliminary discussions but I certainly look forward to further discussions on what it all means for Newfoundland and Labrador.

**J. BROWN:** Perfect.

Thank you, Minister.

**E. LOVELESS:** You're welcome.

**J. BROWN:** That would be all my questions for this subhead right now.

Thank you.

**CHAIR:** MHA Petten.

**B. PETTEN:** Thank you.

I have no more questions in this subhead.

**CHAIR:** Clerk.

**CLERK:** For the Department of Transportation and Infrastructure, Executive and Support Services, 1.1.01 to 1.2.06 inclusive.

**CHAIR:** Shall 1.1.01 to 1.2.06 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Motion carried.

On motion, subheads 1.1.01 through 1.2.06 carried.

**CHAIR:** Clerk.

**CLERK:** For the Department of Transportation and Infrastructure, Operations, 2.1.01 to 2.4.03 inclusive.

**CHAIR:** MHA Petten.

**B. PETTEN:** Road Maintenance, yeah.

**CHAIR:** Operations.

**B. PETTEN:** Operations.

**CHAIR:** 2.1.01 –

**B. PETTEN:** 2.1.01?

**CHAIR:** – to 2.4.03.

**B. PETTEN:** Yeah. I'm looking at Road Maintenance.

**CHAIR:** I was just making sure you're on –

**B. PETTEN:** Yeah, that's Road Maintenance, 2.1.01, Administration and Support Services.

Under Salaries, what is the nature of the \$354,000 extra spent last year?

**E. LOVELESS:** That was overruns primarily related to unfunded severance costs and increased overtime due to emergency call-outs. This is primarily related to supervisors attending emergency road repairs, as I referenced in my opening remarks, and snow and ice control operations beyond their normal working hours.

**B. PETTEN:** Okay.

Severance is included in that too, did you say?

**E. LOVELESS:** Yes, unfunded severance costs.

**B. PETTEN:** Okay.

Transportation and Communications, there was an additional \$300,000 over the budgeted amount.

**E. LOVELESS:** That was increased communication costs for Internet services, radios in remote locations and satellite phones in Labrador.

**B. PETTEN:** Okay.

Under Purchased Services, again, there was an increase of \$122,000 from what's budgeted this year.

**E. LOVELESS:** The increase represented overruns primarily related to 511 enhancements plus utility and maintenance costs for street lighting. This budget has now been rightsized.

**B. PETTEN:** Okay.

Can we get a list of the Grants and Subsidies there that are listed in that \$40,000, or probably even just explain it might be enough?

**E. LOVELESS:** Yeah, this funding is provided for local roads where it's more feasible to provide a grant for road maintenance than carry out the work directly.

He's smiling at me back there.

**B. PETTEN:** He's laughing there.

2.1.02, Summer Maintenance and Repairs, increase in Salaries of \$674,000.

**E. LOVELESS:** That, again, is kind of the same explanation as before in the previous one: Overrun due to unfunded severance payments and increased summer maintenance requirements, overtime and shift differential due to road washouts.

**B. PETTEN:** Okay.

There was a drop in Purchased Services of pretty well almost half a million, a little less than half a million.

**E. LOVELESS:** Purchased Services decrease: Reduction primarily due to fewer repairs and industry productivity levels.

**B. PETTEN:** 2.1.03, there is an increase in Salaries.

**E. LOVELESS:** Yeah.

As you can see from the revised budget, there was a decrease and savings primarily due to lower than anticipated backfilling costs and overtime for the year. Increase of \$145,200: The department has rightsized the budget for 2022-2023 to reflect anticipated salary costs.

**B. PETTEN:** Okay.

Under Purchased Services, 2.1.03, there is an extra \$400,000 in the unbudgeted amount.

**E. LOVELESS:** Are you referring to the increase?

**B. PETTEN:** Yeah.

**E. LOVELESS:** Okay.

The increase is primarily related to the additional cost for renting snow-clearing equipment to support government's fleet. This is demand-driven and depending on the conditions of the weather, there may be more rentals required. For example, this year, additional snow-clearing equipment was required for the

Northern Peninsula due to significant snowfall. My colleague, Minister Howell, had a lot of heartburn about that.

Listen, it's no secret that all across the Island – I mean with weather patterns, you don't know what you are going to get. When you have snowfall like that, then it proposes problems when the snowfall is a lot higher than the equipment.

**B. PETTEN:** Minister, on that question, existing equipment we have, is that probably as a result of some of that equipment not being repaired or in disrepair, not getting on the road? Because I know that mechanics is an issue, not only in the province but it is across the board in the country.

**E. LOVELESS:** No, you touch on that. We've had many a discussions and it is no secret that this equipment is out in the elements of salt, water, freezing and thawing. Our equipment takes a beating, no doubt about it.

Are we challenged? Yes, in terms of getting mechanics. I mean recruitment, no difference than years ago, every year; we're always recruiting, sometimes facing challenges. Sometimes, when you don't have the mechanics it can pose problems.

I mean overall we're doing a good job this year, but certainly faced with challenges. In terms of our fleet, it's a yearly review we do anyways to see where we are in terms of the needs in whatever parts of the province.

**B. PETTEN:** Under 2.2.01, Maintenance of Equipment, there's an extra \$323,000 budgeted this year for Salaries to what was spent last year.

**E. LOVELESS:** 2.2.01, correct?

**B. PETTEN:** Yeah.

**E. LOVELESS:** And you're asking about the increase?

**B. PETTEN:** Yeah.



**E. LOVELESS:** So the increase is due to step increases and anticipated backfilling requirements for the 2022-23 fiscal year.

**B. PETTEN:** Okay.

And we just touched on the mechanics thing. I was going to ask up there but I said I'll wait. Are we short on mechanics now, the department?

**E. LOVELESS:** I don't have the numbers in front of me.

Do you want to comment on that, Cory?

**B. PETTEN:** I'll group that together, Cory – and operators.

**C. GRANDY:** We don't have a regional breakdown in terms of vacancies, but we do certainly have vacancies in both operators and mechanics. I mentioned earlier the turnover tends to be a regular routine thing.

We take advantage, where we can, of the apprenticeship program, particularly as it relates to heavy equipment mechanics. We have a fair bit of success with that, but it continues to be a recruitment and retention challenge in both operators and mechanics.

**B. PETTEN:** I think the province needs to do a better job with the mechanics. I've reached out to Minister Byrne's department on it. There are mechanics waiting to go, but they have to wait until they get a certain number to get in school to kick-start the program.

People have to wait until the fall to start the program because they have five wanting to do it; they need at least six. Typical government bureaucracy that kind of gets in the way of – and I know that's not only just your department, but I have people out in my district looking for mechanics. So it's something that government should probably look at doing, promote it.

I think word on the street is they'd probably get more interest, you know what I mean? The salaries are another issue. I know that becomes a problem, too, because there are people interested in other trades. It's a big issue. It's not just within the department, but it's worth a conversation.

**E. LOVELESS:** And it's a valid point. I think we can all appreciate, as MHAs, that we hear it. Recruitment and retention we've heard in the last several months is around doctors and nurses and everything else but, operationally, for this department as well, we face the challenges. Anything that we can bring in to fast-track getting a man or a woman in a vehicle or whatever for Transportation, we should be there; we should entertain it and do it. So I'm always open for that.

**B. PETTEN:** I appreciate that.

So snow clearing last year, do you have an idea of what you spent, with private contracting out really. Do you have a number for that or contracts you have in place?

**C. GRANDY:** I don't have a full breakdown. If you look in that subhead, under Purchased Services, the funding there would relate to mechanical repairs, the road maintenance equipment and the vehicles. But in terms of a specific number within that, I don't have that kind of breakdown here tonight.

**B. PETTEN:** Okay.

So the increase in Purchased Services in 2.2.01, was that a purchase of equipment or is that the rental piece? That went up to \$1.7 million, or more than that.

**E. LOVELESS:** Yeah, the increase reflects increases in auto insurance rates and sending more equipment outside to third party garages for repair.

**B. PETTEN:** To the point of –

**E. LOVELESS:** Yeah, exactly.

**B. PETTEN:** Okay, my time is up.

**CHAIR:** MHA Brown.

**J. BROWN:** Thank you, Mr. Chair.

I'll just ask a few general questions here first on that. The Labrador Highway snow-clearing contract, is that located in 2.1.03? What was the amount spent on that last year?

**E. LOVELESS:** What's the section again, Jordan?

**J. BROWN:** I'm just asking if it was 2.1.03, Snow and Ice Control.

**E. LOVELESS:** For Labrador you're asking, right?

**J. BROWN:** Yeah. What was the contract total for Labrador for highway clearing?

**E. LOVELESS:** I don't have that here in front of me. Cory, I don't know if ...

**C. GRANDY:** I think Patrick has that number for you.

**J. BROWN:** Okay, perfect.

**P. MORRISSEY:** \$8.4 million was spent in '21-'22 for the Labrador contract for snow and ice.

**J. BROWN:** All right, perfect. Thank you.

Chair, just a quick question, we're up to 2.4 is it we're going to? Yeah, 2.4, I just wanted to make sure.

2.2.02, Equipment Acquisitions: Would that be for new acquisitions of new equipment into the fleet or just rentals and leases?

**E. LOVELESS:** It provides for the acquisition of heavy equipment and light vehicles for core government departments. There are 938 light vehicles in the fleet and 794 heavy vehicles.

**J. BROWN:** Okay, so this is for new. Are you looking at any new equipment or just replacement of existing into the fleet?

**E. LOVELESS:** I'd love to be looking at new. But, obviously, it comes with a cost. I mean, in that section there, unfortunately, we had a fire in Baie Verte last year that destroyed two plough trucks, so that was one example that we had to purchase two new replacement trucks.

It speaks to the overall challenge around it, but certainly what we're looking at as department is our need versus our cost and what we will invest

in, moving forward, trying to stay within the financial envelope of the department.

So we certainly could need new equipment in lots of areas, but we're doing a balanced approach. The new ADM, he's certainly done a fair bit of travelling to even look at that as well. Even when I visited a lot of districts last year, I certainly had a discussion with the local depots to say what's your need, we'd like to know. I think that planning is important because certain areas of the province have tougher winter seasons than other parts. So putting it all together to determine where we will invest, that's part of the process.

**J. BROWN:** Perfect. Thank you so much, Minister.

2.3.01, Building Utility and Maintenance, there's a reduction in Salaries in the revised from '21-'22 but there's an increase going into '22-'23. Can you explain this and what's the process here, Minister?

**E. LOVELESS:** Explain the increase is what you're asking?

**J. BROWN:** Yeah, and then the decrease but now the increase in the future budgeting.

**E. LOVELESS:** Yeah.

The decrease was savings due to extended recruitment and vacancies. That was the explanation for the decrease.

The increase of \$176,900 was a one-time savings in 2021 and salary plan increases in 2022-2023 including backfilling costs and set progressions.

**J. BROWN:** Okay. So I guess there are people required that you are going to need in the future coming up by the looks of it.

Under Transportation and Communications: Was the decrease a result of COVID and less travelling?

**E. LOVELESS:** Yes.

**J. BROWN:** And under Supplies, the sharp increase under Supplies.

**E. LOVELESS:** If I can just –

**J. BROWN:** Oh yeah. Sure.

**E. LOVELESS:** So you asked about Transportation and Communications, 2.3.01.

**J. BROWN:** Yeah.

**E. LOVELESS:** The decrease you asked about correct?

**J. BROWN:** Yeah. Was it COVID related?

**E. LOVELESS:** Yeah. Reduced travel for building maintenance staff based on operation requirements in their respective regions, but some of this is also due to COVID-19 pandemic restrictions. So I didn't want to just – I know COVID was mentioned there but –

**J. BROWN:** Yeah. Okay.

**E. LOVELESS:** When I saw other explanations there I just wanted to give you the fulsome explanation.

**J. BROWN:** Oh, absolutely. I appreciate it.

Under Supplies, the sharp increase in the spending on Supplies: What was the rationale for that?

**E. LOVELESS:** This one is due to COVID-19 PPE supplies.

**J. BROWN:** Okay. Perfect.

And under Purchased Services, there was a large increase in Purchased Services for this year: What was the rationale for that?

**E. LOVELESS:** TI paid \$847,000 of the invoices in 2021 that should have been paid in fiscal 2021 and has seen a CPI increase on various service contracts including HVAC and cleaning services and an increase in building maintenance. Fuel cost for government-owned

buildings is also \$1.6 million higher than last fiscal.

So when one thing goes up, it all goes up.

**J. BROWN:** Yeah. Absolutely.

Under Building Maintenance, just a general question. My office in Labrador West is in a government building. I've noticed that every year there seems to be like a lot of, you know, out of service in the building up there. And I get a lot of comments especially where it's shared with the courthouse. In the men's room, on the courthouse level, only one toilet out of four is available right now. And you see like a broken tile, you see a broken – and it has been noticeable for the last number of years.

I am just wondering: How is it being categorized and prioritized for repair in these government buildings? Because I have noticed that this has been – like the toilet has been out of order since I moved into that building in 2019. Just out of curiosity, what's the priority system for getting these things repaired in these government buildings?

**E. LOVELESS:** So you're telling me the only toilet in your building is out of service?

**J. BROWN:** There's one in the men's room that's available right now on that floor – it's a multi-floor building.

**E. LOVELESS:** Okay.

**J. BROWN:** And that's the courthouse floor.

**E. LOVELESS:** Right.

**J. BROWN:** And I don't know in the women's room, because I haven't been in there, but in the basement where it's currently a lot of vacant offices down there, there's only one office down there. Everything down there seems to be fine, but this is the floor that's used by the general public, the courthouse floor.

I'm just curious on how you prioritize things getting fixed, because I see year to year there are some things that just go year to year to year.

**E. LOVELESS:** Right, okay.

I'll let staff speak to it.

**C. GRANDY:** That situation does sound a little bit unusual. I think I'd take that away as a particular item in that particular building. We try to keep everything in service. In a lot of our buildings, it's as you break you repair it.

Now, I do know we've had some retention of staff issues in Lab West. I don't know if that would've played a point. I think there are (inaudible).

**J. BROWN:** It's hard to say because I haven't noticed anyone missing or new or anything like that. But it just seems that 2019, 2020, going on – it just kind of sparked my curiosity, how do you prioritize. Because I understand it's not easy, I did building maintenance, I understand. It's just I'm curious on the evaluation that you're using right now.

**C. GRANDY:** In that kind of a situation when a washroom is out of service, we certainly would prioritize it and put it back. I think you've raised an interesting question here, I think we'll probably have to take away and just (inaudible).

**J. BROWN:** Okay, yeah, perfect, I appreciate that. Just out of more curiosity than anything else. No, that's fair, thank you so much.

I just have one more question on 2.3.01, the revenue: Just where does the revenue stream come into for this here?

**E. LOVELESS:** That's the revenue from the rental of government buildings and sale of steam heat.

**J. BROWN:** Okay, yeah. All right, perfect.

And then 2.3.02, can we get a list of leased accommodations, buildings and stuff, currently leased by the provincial government?

**E. LOVELESS:** Yeah, we can provide it, but it is available online.

**J. BROWN:** Oh, it is provided online. Okay, I wasn't 100 per cent sure. But, yeah, even if it's just a link to it, it would be appreciated.

**E. LOVELESS:** Yeah.

**J. BROWN:** Thank you.

**CHAIR:** Okay, we're going to have to –

**J. BROWN:** Yeah, perfect, I'm good.

Thank you so much, Chair.

**CHAIR:** MHA Petten.

**B. PETTEN:** Thank you, Mr. Chair.

Minister, deferred maintenance on various government buildings; do you track that? Is there any tracking, or how do you follow for (inaudible)?

**E. LOVELESS:** Deferred maintenance on buildings?

**B. PETTEN:** Yeah.

**C. GRANDY:** We do have a program that does look at deferred maintenance. The accuracy and the number that is in that system – and the name of the software now is escaping me, the name of the program that we use. The accuracy in that number depends on how much you refresh from an inspection point of view. So we do track it; how well it reflects the true nature of the building, someone might question. I don't have that number here tonight in terms of what that value is, but there is a system that we use to track it.

**B. PETTEN:** Okay.

Under 2.3.02, in Leased Accommodations, in Purchased Services, an even \$400,000. Just curious what that is, I guess.

**E. LOVELESS:** 2.3.02, right?

**B. PETTEN:** Yes.

**E. LOVELESS:** Purchased Services?

**B. PETTEN:** Yes.

**E. LOVELESS:** Are you asking about the decrease or the increase?

**B. PETTEN:** Decrease, yes. Well, it's gone up again, the decrease from revised.

**E. LOVELESS:** Yeah, the savings were primarily due to delays in moves and terminated lease.

**B. PETTEN:** Moves by government, terminated lease, okay.

In 2.3.03, under Salaries, a drop of \$657,000 – drop to sorry, not of.

**E. LOVELESS:** Yeah, the decrease – alterations and improvements work being influenced by the pandemic; fewer employees working on projects, therefore less salary recharges that occurred during the year.

**B. PETTEN:** Okay.

Under Professional Services, there's a budget of almost \$3.1 million, but last year it was less than a million spent, but it's gone back up to the regular amount this year. Can you explain that one too, please?

**E. LOVELESS:** Well, the decrease was lower than anticipated Professional Services due to pandemic, and the increase, one-time savings in 2021-22 and budget returning to its usual allocation without the COVID-19 resilience stream funding in 2022-23.

**B. PETTEN:** Okay.

What about Purchased Services? There was \$20 million this year, budgeted for \$23 million and went down to \$20 million, so the numbers seem to be fluctuating about.

**E. LOVELESS:** Yeah, the decrease savings primarily from the COVID-19 stream funding as a result of COVID restrictions and delays in construction.

**B. PETTEN:** Okay.

So under Revenue - Federal, again, self-explanatory in the question I am going to ask, I guess. Deviation \$16 million to \$3.9 million and back to \$18 million.

**E. LOVELESS:** I'll see if I can explain it to you. The federal revenue for ICIP COVID resilient funding, plus that anticipated from the sales of properties no longer meeting the programs needs of the provincial government. As we can see, the federal portion is \$18.75 million; the provincial is \$678,000, which includes the sale of land and buildings.

The \$578,000 is a one-time sale of government-owned property in Pleasantville. The sale of properties 2021-22 included land for East White Hills Road, Portugal Cove-St. Philip's and a wildlife building in Millertown.

I don't know if that answers your question.

**B. PETTEN:** Yeah, I guess. I was just curious as to whether the – so these acquisitions, would they be for the new school?

**E. LOVELESS:** No, the new schools unless –

**B. PETTEN:** (Inaudible) for that.

**E. LOVELESS:** No, not here.

**B. PETTEN:** Okay.

Under 2.3.04, Purchased Services, you see, again, the fluctuation, I guess.

**E. LOVELESS:** Are you asking – well, there are decreases.

**B. PETTEN:** Yeah, \$8.1 million last year, it went down to \$7.1 million and now it is down to \$4.8 million this year. So why the fluctuations.

**E. LOVELESS:** The 2022-23 budget, less the 2021-22 budget, is about \$3.24 million – well, that is a decrease obviously.

**B. PETTEN:** Yeah.

**E. LOVELESS:** That reflects contract costs for low carbon economy projects that are to completed, which includes various boiler additions, upgrades and conversions from fuel.

**B. PETTEN:** Okay.

**E. LOVELESS:** That was on that \$3.2 million. The notes here – the \$2.2 million decrease and

that's the 2022-23 budget, less the year before revised, and that reflects cash flow adjustments for 2022-23.

**B. PETTEN:** And what about Salaries, there's a one-time salary there last year, \$470,000.

**E. LOVELESS:** In that same section?

**B. PETTEN:** Yeah, 2.3.04.

**E. LOVELESS:** That was to reflect proper job costing, TI staff are recharged to low-carbon projects for the amount of time spent on them, and it says this was an oversight, as an allocation should have been included in each of the individual line objects.

**B. PETTEN:** Okay.

Revenue - Federal down below there, it went from \$5.9 million budgeted to \$2.4 million. Is that from those federally sponsored programs?

**E. LOVELESS:** Yes, and again I will try to break it down for you in terms of – so the '22-'23 budget, less the budget the year before that, federal revenues associated with the Low Carbon Economy Leadership Program.

**B. PETTEN:** Okay.

**E. LOVELESS:** And the 2022 budget, less the 2021 revised, that's the \$2.7 million and the decrease in that reflects anticipated federal revenues to be received.

**B. PETTEN:** Okay.

So in 2.3.05, under your Purchased Services, there was no expenditure of the \$4.225 million last year, looked like there was nothing – then we're back to \$2.149 million this year.

**E. LOVELESS:** And we're back to \$2.150 million – government had announced a biomass conversion in six CNA campuses. The initial procurement for this initiative was not successful and cancelled. A second procurement concluded in March 2022. Review and evaluation is ongoing and money is carried forward into '22-'23.

**B. PETTEN:** Okay.

In Revenue - Federal, I guess that's probably maybe tied to that, but again that's half what it was last year, in 2.3.05.

**E. LOVELESS:** That's associated with the low-carbon economy cost-shared agreement. One hundred per cent federal.

**B. PETTEN:** Okay.

**E. LOVELESS:** We like those agreements.

**B. PETTEN:** And need more of them.

**E. LOVELESS:** Yes.

**B. PETTEN:** 2.4.01, Airstrips, the Revenue - Federal piece there. There is a drop of \$131,000.

**E. LOVELESS:** The decrease – there was a reduction in landing fees due to lower traffic with the ongoing pandemic. This revenue source is demand-driven and depends on the air traffic on the airstrips and federal revenues received toward the Natuashish airstrip. The increase in the revised of \$131,500 is revenues for landing fees and those are demand-driven.

**B. PETTEN:** Under 2.4.02, there's a \$1.4-million increase from last year in spending and it is gone back to \$1.3 million this year. So again, any explanation or what was included in that?

**E. LOVELESS:** Which part of that?

**B. PETTEN:** 2.4.02.

**E. LOVELESS:** Yeah.

**B. PETTEN:** Purchased Services.

**E. LOVELESS:** Purchased Services?

**B. PETTEN:** Yeah.

**E. LOVELESS:** The increase was due to an oversight during the budget 2021 process. Funding was not allocated to the LCARP for the resurfacing of the airstrip at Makkovik. Funding was allocated during the 2021-2022 year to complete this project. The decrease to 2022-23

budget is reduction as per cash flow requirements in '22-'23 fiscal.

**B. PETTEN:** Thank you.

I think my time is up there now, Mr. Chair.

**CHAIR:** Thank you.

MHA Brown.

**J. BROWN:** Thank you, Chair.

Just a general question on Airstrips now, and I know it was mentioned in yesterday's Estimates in the House but I want to bring it here. There was a bit of an update for the Nain Airstrip and that. I am just curious, is that going to be cost shared with us and the feds, or is that project 100 per cent federal-driven – the Nain airstrip relocation?

**E. LOVELESS:** Well, I can only speak right now to the feasibility study, which is cost shared, fifty-fifty, of \$7 million; our cost being \$3.5 million.

**J. BROWN:** Okay. So, I guess, that's a (inaudible).

So at this current stage there is only the feasibility that is being carried out right now. There are no other commitments.

**E. LOVELESS:** Well, I mean it is all in stages. So right now we are at the feasibility study and once that is completed, then who knows where it is going to go.

**J. BROWN:** Okay, perfect. But that is going to be fifty-fifty cost shared.

**E. LOVELESS:** Correct.

**J. BROWN:** Okay, perfect.

That is my last question for this section.

Thank you.

**CHAIR:** MHA Petten.

**B. PETTEN:** Thank you.

I've got a couple there. So under the Revenue - Federal, Minister, under Airstrips, \$3.7 million increase. It went from \$1.8 million to \$3.7 million, back down to \$1.3 million.

**E. LOVELESS:** That increase was due to additional revenue as a result of the timing of claims for LCARP. The \$1.3 million, that's again anticipated federal revenue to be received for LCARP in '22-'23.

**B. PETTEN:** Okay.

If you don't mind, I've got just a few generals I'll slip in there now.

**E. LOVELESS:** Yeah, sure.

**B. PETTEN:** I was going to ask this in the leased section but I know I had it allotted out to ask separate. Government's footprint, I know it's been a big effort by this and the former administration, or the same administration I guess, the Liberal administration to reduce the footprint, leases, the duration, what have you.

So how big is the footprint, or how successful have you been in reducing, I guess, the government's footprint in the last couple of years?

**E. LOVELESS:** I don't know if I have that in my notes there. Well, since 2016, we've reduced our office space footprint by 201,882 square feet. And that brings the current savings to taxpayers approximately \$5.2 million per year.

**B. PETTEN:** You don't have for the last year – that's just 2016, but you don't know in the last year, if there's been any –

**E. LOVELESS:** Yeah, I don't have it in front of me. I don't know if we have it, but we can provide it.

**B. PETTEN:** Okay.

The Roads Plan, Minister, and I know we talked about this already, but –

**E. LOVELESS:** Say that again?

**B. PETTEN:** Favourite topic, right? Tenders this year, like carry-overs and cancellations, where are we to across the board? You should do it right here than in the 45 seconds in the Question Period –

**E. LOVELESS:** I agree.

**B. PETTEN:** Where are we with tenders this year, because it is an issue of course.

**E. LOVELESS:** Yeah, and that's the difficulty about trying to answer a question in the House when you have 45 seconds in trying to do due diligence to it. We've had, I believe in terms of carry-over, if staff can correct me, I think it's like \$47 million that was carried over from last year.

I had conversations with the NLCA as well, because we've had a lot of conversations around early tendering. And to give contractors some heads-up as to what's coming and we, even in terms of the Roads Plan – and I make no bones about it; that's difficult in terms of planning, there's no doubt about it. And you can appreciate that. But we did do some early tendering and as per, really, the ask of the NLCA – not them, but just conversations to the department as well. So we did get some early tenders out on the TCH. More so because we know with the gas prices and everything else it's a concern, obviously for contractors, a concern for us, what's going to come back.

So we did that and I believe, when we were walking over, that there are letters that have not been signed – I believe you said you signed nine today – even though the Roads Plan is coming out very soon. But we believe that was necessary because then contractors can, especially on the TCH. And let me say there is a lot of bridge work that needs to be done. We're at a point right now – and when it comes to bridgework, when the department officials, the engineers come to you and say a bridge needs to be replaced, there's no negotiating. And we're at that point right now and that's going to be reflective in the Roads Plan. Not just this year, but in the years to come. It's necessary, because I always refer to it in the department, as what lies beneath the blacktop is more important than the blacktop itself.

We're working through it and I believe we've landed in a good spot in terms of talking to contractors and NLCA and advice from across the way. We need to take that seriously as well. So from a balance perspective I think we're in a good spot. But what we get done this year, I mean obviously contractors have to do the work as well. And hopefully we anticipate that we're going to have a good season, and I certainly look forward to the roadwork being done.

**B. PETTEN:** Have there been any cancellations of tenders yet? Have they come in high? I'm anticipating they will be.

**E. LOVELESS:** We've had some that have come in higher than we wanted it to be, but then some came in more normal. So hopefully there'll be a balance – hopefully. Obviously, I can use every cent I can get in terms of the road infrastructure.

I go back to because we need more of those agreements. I agree; we all agree. We had meetings with the federal minister, with other transportation ministers and, I mean, the pictures show it for themselves. Out west, they had terrible rain disaster out there and they need help. They can't do it on their provincial budget. We can't do it on our provincial budget and I said the same thing.

We have the Trans-Canada Highway. I told the minister I look forward to further discussions on that, but we need them to come to the table and we need it now. That's part of it as well, so I look forward to those discussions and hopefully being able to say, listen, I got lots of money over here.

**B. PETTEN:** Yeah, there was an extra \$10 million in the budget this year, too, of course for roadwork.

**E. LOVELESS:** Yeah.

**B. PETTEN:** Is that just anticipated to catch up on tenders? It's not earmarked for anything in particular; it's just added to the – it needed to be increased anyway, obviously, I would think.

**E. LOVELESS:** No, fair question. Certainly the Finance Minister recognized that, but we can all appreciate are even \$10 million, for what it will



give us in terms of results is – put it this way, you think you would be happy to get \$10 million, unless I win it in the lottery, but in the department, it doesn't touch a lot.

**B. PETTEN:** No.

**E. LOVELESS:** And this year we even – we all know it; I've got lots of requests from the other side as well in terms of signage. I don't know if it's because I'm Transportation Minister but I notice every sign in the province. But I don't know if it's the weather or whatever, so we have put a real focus on a sign plan that we need to get done this year. But, moving forward, we've talked about that there needs to be more consistency in terms of the plans around signs. If I'm there, then there's going to be a focus on it.

**B. PETTEN:** Minister, is that something that the department has given any consideration to contracting out? I come from a union background so I appreciate how our unions stand, but right now it looks to be almost an issue with the manpower. The actual physical people –

**E. LOVELESS:** Yeah.

**B. PETTEN:** – boots on the ground. I guess I'll tie all that to a summer maintenance question in general to put it together. Is that the issue? How do you get ahead of this stuff?

**E. LOVELESS:** Again, I have had the conversation because many people have made a suggestion: That's what you should be doing. I remind people that it's easier said than done, because you have union considerations. But we're having everybody coming back to the table and say we're not getting enough work done during summer maintenance. So why aren't we?

I have had conversations with TI workers and I have asked them directly: Would you be offended if outside work was coming in to do work that you guys can't get done? Why would we? It's only making their roles and their life and their responsibilities much easier. So why shouldn't we take a look at it is my response and, yes, we are taking a serious look at it.

Again, it's something that I want to focus on and drive as a part of – because I believe if we have a better maintenance program, we won't have to worry about – and even in my own district and I know you have got in your own districts – good summer maintenance program, the same as him. I visited the province and Labrador, but I believe, and everybody is saying the same thing, even the workers down there, that a good summer maintenance program, you won't have to invest in a lot of kilometres of new pavement and all of that stuff. Overall people don't like potholes but I think a proper summer enhanced, upgraded, whatever word you want to use, I think we can help us all out right across the province.

So it will be a focus. It takes some work. We all work in partnership to get where we need to go.

Thank you.

**CHAIR:** Okay.

**J. BROWN:** I'm good with this section here.

**CHAIR:** Clerk, can you recall the grouping?

**CLERK:** For the Department of Transportation and Infrastructure, Operations, 2.1.01 to 2.4.03 inclusive.

**CHAIR:** Shall 2.1.01 to 2.4.03 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, subheads 2.1.01 through 2.4.03 carried

**CLERK:** For the Department of Transportation and Infrastructure, Infrastructure, 3.1.01 to 3.5.02 inclusive.

**CHAIR:** MHA Petten.

**B. PETTEN:** Thank you, Mr. Chair.

Minister, I'm going to ask you a question now from my good friend behind me from Ferryland. It's probably a valid question too. He was talking about signs, metal signs as opposed to wooden signs. Is that something that probably cost –?

**E. LOVELESS:** I mean that's a good question. We have talked about it. For me, we are exploring all options. But we certainly have investment for the supports of sign install and we even looked at the different technologies around sign install over the last couple of weeks. I can't give you an answer of what it will be, but we do have a road sign plan in place. So we'll see how it goes.

**B. PETTEN:** Yeah, it's a pet peeve of mine. I think a lot of people feel the same way, too. I've been at that for a long time.

**E. LOVELESS:** In saying that, and I don't mind saying it, down in my own district, not because I'm Transportation Minister, but all signs down there – and I give credit and it should be, it should be to the superintendent that's there, Murray Drake. I had a conversation with him the other day. He said, no complaints about our signs, and they're not. But he's done the proper assessment year after year after year on what we need and getting it done.

It's not reflective on any other depots; they all face different challenges, but I just want to give a shout-out in my own district that he's done a good job. Again, it goes back to the consistency on a people level, on a departmental level.

**B. PETTEN:** Yeah.

3.1.01, Administration and Support Services: There's an increase in Salaries, a little less than \$300,000 from last year's number.

**E. LOVELESS:** Salaries?

**B. PETTEN:** Yeah.

**E. LOVELESS:** Variance reflects salary plan changes including filled vacancies for both chief, bridge and highway design engineers,

accompanied by general salary step progressions. That was the increase; they're all increases there.

There was an increase – hopefully I can get you to follow it through. There was a salary overrun due to unfunded severance payments. That was \$60,800, that was the revised of '21-'22, less the budget of '21-'22, and the 2022 budget, less 2021-22 revised of \$217,100, reflects the anticipated time management on road construction projects for 2022-23.

**B. PETTEN:** 3.2.01, Salaries are there. There is an extra \$251,000.

**E. LOVELESS:** Yeah, and that's increased salary requirements, overseeing road construction projects and response to the Southwest Coast flood event in November. Also there was unfunded severance payments made during the year.

**B. PETTEN:** Seems to be the theme with the unfunded severance as well.

**E. LOVELESS:** Yeah.

**B. PETTEN:** And the road projects, staff are assigned to every project, charged off – I remember this, but I'm just wondering if it's still the same. Engineers are assigned to an Outer Ring Road job and the salary is assigned to that job, as opposed to in the – it doesn't show up as much in the salary line, it would go to that job, correct? It is something to that nature. Is that still done that way? I don't know if I'm explaining myself correctly.

**C. GRANDY:** It is charged to the project. Now, you'll still see it in the salary line. There are six activities here that make up the project for the Roads Plan projects. So they're still reflected in all the salary lines, but you'll see it spread across six activities. It's not all in the headquarters group; it's spread across those six (inaudible).

**B. PETTEN:** It's not duplicated, obviously.

**C. GRANDY:** It's not, no.

**B. PETTEN:** Okay.

Under Supplies in that same section, it went from \$100,000, then it was \$1.5 million, now it's back down to \$40,000. What would that be?

**E. LOVELESS:** Again, overall, the increase of \$1.4 million, that was a response to the Southwest Coast rainfall in November. As a result of several road washouts, culverts and other supplies were required.

**B. PETTEN:** Okay.

I would be assuming Professional Services, that bump was the same thing as well?

**E. LOVELESS:** Professional Services, there was an increase there and that's the increase in consulting services in 2021 due to a rehab of the CN Viaduct on Pitts Memorial Drive.

**B. PETTEN:** Okay.

Under 3.2.02, Purchased Services, again, gone up to \$8 million this year from \$800,000.

**E. LOVELESS:** Are you referencing the increase?

**B. PETTEN:** Yeah, big increase.

**E. LOVELESS:** Yeah, so the increase there, that's the 2022-23 budget, less the 2021 revised, \$7.8 million. Projects are allocated to current and capital activities based on the nature and scope of the roads project, in accordance with public sector accounting standards. This represents an increase in the current allocation for cost-shared projects.

**B. PETTEN:** So what cost-shared projects would they have been, under ICIP?

**E. LOVELESS:** They're around road maintenance projects, but I don't have any specific ones. I don't know if ...

**C. GRANDY:** So part of that is up under the ICIP agreement, specifically under the rural and northern sub-stream. And then also there's an older federal funding program, the New Building Canada, that's also included in this section.

**B. PETTEN:** The Salaries piece there is \$250,000 allotted for Salaries for this year. Is that where you're tying the salary to a project? That's what we were just talking about just now.

**C. GRANDY:** That's correct.

**B. PETTEN:** Okay.

Under Revenue - Federal, it's gone from \$72,000 to \$6 million. Is that the federal share of that program? I've answered my own question.

**E. LOVELESS:** The increase from \$72,000 to \$6 million?

**B. PETTEN:** Yeah.

**E. LOVELESS:** That's \$5.9 million, and that's cash flow changes based on the scope of the program.

**B. PETTEN:** So that's federal money for a federally sponsored program, right?

**E. LOVELESS:** Yes.

**B. PETTEN:** Under ICIP again?

**E. LOVELESS:** Yeah, this is federal revenue from the federal government for cost-shared programs, and they're 100 per cent federal.

**B. PETTEN:** Okay.

3.2.03, under Salaries, it went from \$4.2 million down to \$1.2 million, and it was \$700,000 actually spent less than the original budget from last year.

**E. LOVELESS:** The \$4.2 million down to \$3.5 million –

**B. PETTEN:** And now that's down to \$1.2 million this year, right?

**E. LOVELESS:** Yeah, that decrease was contractor productivity levels were reduced and less time required managing projects. The \$2.3 million, which is \$3.5 million down to \$1.2 million, that's the cash flow changes based on, again, the scope of the program.

**B. PETTEN:** Okay. So is that the finishing up of a project that Salaries are no longer required there? Is that the simplified explanation for that?

**C. GRANDY:** Can you just ask that question again, just to make sure I understand you?

**B. PETTEN:** This is a drop of \$3 million from last year's budget. So is that \$3 million less salaries required this year as a result of projects wrapping up? Do you know what I'm saying?

**C. GRANDY:** Yeah. So our salary levels this year is our best forecast as to what effort will be required for that particular list of projects. It will go up and down year over year.

**B. PETTEN:** Based on what you're assigning to the project.

**C. GRANDY:** Exactly.

**B. PETTEN:** Okay.

Professional Services, \$675,000 and it was only \$100,000 budget. So I guess the increase of \$575,000.

**E. LOVELESS:** So the increase going from \$100,000 to \$675,000 is your question, correct?

**B. PETTEN:** Yeah.

**E. LOVELESS:** And that's professional engineering and consulting services for Team Gushue Highway and Galway interchange.

**B. PETTEN:** Okay.

I have one final before the clock runs out on me now. Purchased Services, it's \$11 million less, \$70 million to \$59 million.

**E. LOVELESS:** Yeah, that variance reflects pandemic and reduced industry productivity levels.

**B. PETTEN:** Okay. I'll just let you go to my colleague, Mr. Chair.

**CHAIR:** MHA Brown.

**J. BROWN:** Thank you, Chair.

Before I start, I just have a general question.

Now with the new Roads Plan – you're working on that – is the department looking at studying or developing any climate resiliency in your Roads Plan coming up? Are you looking at bigger culverts, wider sides and stuff like that because of obviously what we see on the South Coast and other climate incidents over the last couple of years?

**E. LOVELESS:** That's already being done. With culverts, I believe there's a requirement of 30 per cent. It depends on where a culvert is, but due to climate considerations and concerns, there are culverts that are put back, they're larger. But I can't tell you that there is a consistent, because it depends on the engineering of it and what they determine what size would go in there based on the surroundings and everything else.

Also, I think it's important to mention it here at this point that I've had conversations with the federal minister, Minister Hutchings, around the concerns. I drove this man's district last fall and the coastal roads that we have in this province are a concern. I said to the minister that we need to address it and need to address it now. So there is a, I believe if I refer to it, DMAF? Well, it's a mitigation fund that projects will fall under and there are different times that they accept applications for this that we want to be proactive so that it doesn't happen.

To be honest with you, I love having the conversation, because we are being proactive and we don't lose communities. And again, I travelled quite a bit, but his district was kind of like – even though I knew where he was, I'm close to the ocean in my district, but I don't have coastal water levels to the road infrastructure like he does in a lot of his district.

**J. BROWN:** Yeah, absolutely, I've been down his way, I understand.

Another consideration too, I'm just wondering has the department been keeping track of the cost of environmental damage like storms and stuff, the damage that's being done to infrastructure in this province? Are we keeping track of how much it's costing us?

**E. LOVELESS:** When there are disasters or washouts and stuff, there is a process where we document it all, and it goes to the federal government in terms of an application. I don't know, Greg, if there is anything you want to add to it.

It's well documented. We go through the process to the feds, in terms of our ask, of what damage was done in the province. We go ahead and do the work because we have to get the work done.

**J. BROWN:** Yeah, absolutely.

**E. LOVELESS:** But, certainly, it's an important piece of us. Again, it's the feds being a partner. We need them at the table on a lot of levels and that's another example.

**J. BROWN:** Oh, absolutely.

Another question, too, is regarding probably more on the physical building side of things. Right now, what LEED level is the minimum that – LEED standard. Are we doing all our buildings in our province to any particular LEED standard right now, when we're doing for – how much carbon it costs to build the building but also the carbon footprint, also how much lower energy costs that we're currently using. Are we building all our buildings to a LEED standard right now, like gold, silver or platinum?

**E. LOVELESS:** Listen, I'm going to let the officials address it. I would say that, yes, we are, but in terms of how it all works, I'll let the staff answer that one.

**C. GRANDY:** We strive to meet the LEED Silver rating under the LEED program.

**J. BROWN:** Okay, so that's what you strive for right now.

**C. GRANDY:** Yeah.

**J. BROWN:** Are there any projects or anything that you're considering, anything above Silver right now?

**C. GRANDY:** No, there is nothing that right now we're aiming for higher than LEED Silver.

**J. BROWN:** Okay. Perfect.

3.2.04, the Canada/Newfoundland and Labrador Infrastructure Framework: We budgeted \$2 million to get from the feds but it never showed up. What was the reasoning for that?

**E. LOVELESS:** That's 3.2.04 you said?

**J. BROWN:** That's correct, Minister.

**E. LOVELESS:** Okay, I think I'm at the right one. So the department did not receive the final revenue payment from the federal government due to the project not being fully completed. However, the department is working with the federal government to receive the final holdback funding in 2023 in relation to the Team Gushue Highway.

**J. BROWN:** So this is for the remainder of the Team Gushue.

**E. LOVELESS:** Right.

**J. BROWN:** Okay.

3.2.05, Trans-Labrador Highway, standard question there: Will it be done on time this year?

**E. LOVELESS:** I hate to say, yes, it's going to be done on time. We're going to strive to have it done on time.

**J. BROWN:** Strive to have it done. That's (inaudible).

**E. LOVELESS:** There are other forces in play in terms of the work being done, because who knows what can happen, whatever. But as far as we are concerned, it's on time and we are anxious to cut the ribbon.

**J. BROWN:** Okay. I'll make sure –

**E. LOVELESS:** And it is going to be a photo op.

**J. BROWN:** Okay, I'll remember this. Just remember where you have to cut the ribbon is not far from my cabin.

**E. LOVELESS:** That's right. I'm having a shovel and everything.

**J. BROWN:** It's not far from my cabin.

Last spike, there you go. Absolutely.

Under the project, obviously, all the reduction from last year's budget to the current budget is to indicate this is the last section that is currently not (inaudible).

**E. LOVELESS:** Right.

**J. BROWN:** So that makes sense. This is obviously the tail down on the project.

3.2.06, Federal - Provincial Cost-Shared Agreements: We noticed it was budgeted \$4 million, but only \$2.4 million was spent in Salaries and we're spending \$2.7 million. What is the reasoning for such a steep decrease there on this program from budgeted to revised?

**E. LOVELESS:** So the budgeted to revised – let me get my numbers here correct now. Budget of 2022 less – that's \$1.7 million – no, \$2.1 million. That's a result of reduced productivity levels from contractors. Less time was required for staff to manage projects.

**J. BROWN:** Okay.

Then we go from \$2.4 million under the revised and the Estimate for '22-'23 is \$2.7 million. Is this because the project was dragged out longer?

**E. LOVELESS:** Well, it is cash flow changes based on the scope of the programs for the '22-'23 season.

**J. BROWN:** Okay.

What project would have been under this federal - provincial cost-shared agreement?

**E. LOVELESS:** In the notes here and, certainly, the agreements included in the activity: We have the NBC projects, the Rural and Northern – so it's the cost-shared programs that fall under this category – Disaster Mitigation and Adaptation

Fund, and we have green infrastructure and trade and transportation.

**J. BROWN:** So this is all kind of shared with the federal government and so it's those projects – what was I saying. I know that Purchased Services is going up significantly under 3.2.06. I notice that there's an \$11-million increase in Purchased Services. Is this just because the scope of the project is changing? Or is this another project coming in to this?

**E. LOVELESS:** Yeah, that reflects the anticipated contract costs for the province's cost-shared roads projects.

**J. BROWN:** Okay, thank you.

3.3.01, Building Design, Administration and Support Services: Under this subhead here, is this where you look at for the new federal correction facility?

**E. LOVELESS:** Is there a certain section you're asking about or just a general question?

**J. BROWN:** Yeah, 3.3.01 –

**E. LOVELESS:** Yeah.

**J. BROWN:** – under Building Design, Administration and Support Services. For Building Design there, would this be the section there now where you'd see the design and implementation of the federal correction facility – or the new provincial correction facility?

**C. GRANDY:** The staff that are involved in that project would be – some of the management staff would be under this activity. But further on, in 3.3.05, is where you would actually see the project funds.

3.3.05 is Justice Infrastructure. That's where you would see the ...

**J. BROWN:** Okay, so that would be the actual (inaudible).

**CHAIR:** Thank you, MHA Brown.

MHA Petten.

**B. PETTEN:** Thank you.

Let's go back to 3.2.05, Salaries. Minister, there's a noticeable drop there. Is that, again, from projects wrapping down? Trans-Labrador Highway, 3.2.05, drop in Salaries.

**E. LOVELESS:** Yeah, the 2022-'23 budget less the 2020-'21 budget. That reflects salary requirements. That's the decrease for the Trans-Labrador Highway project. Reduction from the 2021 budget, as the project is due, as we just discussed, to be completed this fiscal year.

**B. PETTEN:** Okay.

3.3.01, Purchased Services: There was an increase from \$3 million to \$4.3 million.

**E. LOVELESS:** So the increase was – you're asking about the increase, correct?

**B. PETTEN:** Yeah.

**E. LOVELESS:** The overrun is due to increased premiums and property claims.

**B. PETTEN:** Premiums and property claims, what is that?

**E. LOVELESS:** Let's see if I can explain here. The funding for property insurance and to pay deductibles on insurance claims – anyone want to go further with that?

**C. GRANDY:** This activity is where we also fund the insurance premiums for government-owned property, so the increase that the minister noted was an increase in those insurance premiums.

**B. PETTEN:** Okay. So that's basically from mostly insurance premiums, most of that increase?

**C. GRANDY:** Yes, all the insurance premiums are under this activity for all government facilities.

**B. PETTEN:** Needs to cap insurance.

**E. LOVELESS:** The bulk is premiums.

**B. PETTEN:** 3.3.02, Health Care Infrastructure, under Purchased Services, what's included in that one there? What are those costs? \$2.9 million, went down and still \$3.3 million. What's included in that line item?

**E. LOVELESS:** I'll try to see if I can follow that through for you. The 2021 revised, less the 2021-22 budget, the decrease is due to service payments withheld as a result of unavailability of Central Health LTC facilities in accordance with the project agreement, and that was \$683,300.

There's an increase of the 2022-23 budget, less the 2021-22 revised, and payments expected on the Central Health long-term care, as well as the NAMHAF parking garage, plus the annual CPI increase on project payments in accordance with the project agreements. Does that help you?

**B. PETTEN:** Yeah, I understood it as much as you did.

**E. LOVELESS:** But there's also the '22-'23 budget less the 2021 budget. The increase is in part due to a full year of service payments being required on the – someone want to tell me, NAM, what all that stands for, so they can appreciate it?

**B. PETTEN:** Acronyms, yeah.

**OFFICIAL:** The mental health facility currently.

**E. LOVELESS:** There you go. The mental health parking garage in 2022. As opposed to only five months in 2021, it opened in November of 2021. As well as the annual CPP increase in the monthly service payments on all P3 projects in accordance with the project agreements.

**B. PETTEN:** So they're kind of like service progress payments?

**C. GRANDY:** That is the operating period of the P3 projects.

**B. PETTEN:** Got you.

So are you expecting those to increase in the out-years now with all the new facilities? The

mental health and addictions, Corner Brook hospital – the projections, will that increase now? That should increase I am assuming.

**C. GRANDY:** As those projects come online, this particular activity is where you will see a portion of the service payments that relate to the 30-year contract agreement.

**B. PETTEN:** What we call a mortgage payment, so to speak.

**C. GRANDY:** Exactly.

**B. PETTEN:** That will be in that section there, okay. Lots of good acronyms in government, isn't it?

Under 3.3.03, School Facilities, Professional Services, there are only \$350,000 – it was \$2.8 million budgeted and –

**E. LOVELESS:** 3.3.03?

**B. PETTEN:** Yes.

There is only \$354,000 actually spent and now it is down to \$150,000 this year.

**E. LOVELESS:** That decrease – the budget for 2022-23 is now rightsized to reflect anticipated expenditures. Also, less consulting will be required as multiple projects were substantially completed in last year's season.

So that explains the decrease from \$2.8 million to \$354,000. Was that your only question?

**B. PETTEN:** Yeah, I guess that is fine for that one.

Under Revenue - Provincial, there is no funding there this year. Can you explain why that is?

**E. LOVELESS:** That is no variance, as insurance proceeds for Bay d'Espoir was received in 2021-22.

**B. PETTEN:** So most of that fund is the result of the new school down in your district.

**E. LOVELESS:** Yes.

**B. PETTEN:** The one that was replaced.

**E. LOVELESS:** Opened and I am going there next week.

**B. PETTEN:** Is that opened now?

**E. LOVELESS:** Yeah.

**B. PETTEN:** Oh, good. Ribbon cutting?

**E. LOVELESS:** No.

**B. PETTEN:** I asked that seriously, actually, that time.

**E. LOVELESS:** No, I think the ribbon has already been cut.

**B. PETTEN:** Okay.

**E. LOVELESS:** It is just that with COVID we had challenges going down there and stuff. But I think I said it in my notes that they're holding the provincial badminton tournament down there; 105 athletes from the province going down there.

**B. PETTEN:** Perfect.

**E. LOVELESS:** I'm going down for the opening ceremonies and we'll see if I can take a ribbon down there with me.

**B. PETTEN:** I would take a ribbon down there if I were you, too. Ribbons are not all bad.

**E. LOVELESS:** No, absolutely.

**B. PETTEN:** Minister, the new schools that were announced in the budget: Kenmount Terrace location and Portugal Cove-St. Philip's. So is the land purchased for those? What is the plan for those constructions?

**E. LOVELESS:** I am going to have to hand that over.

**C. GRANDY:** So the funding that was this year's is planning funding. There is no land purchase or no specific site selection for those properties.

**B. PETTEN:** So there is no actual site selected for those. It is just a matter –



**C. GRANDY:** It is the very beginning of the planning process.

**B. PETTEN:** Okay.

3.3.04, Facilities Development: Purchased Services, again, \$2.8 million to \$7.2 million.

**E. LOVELESS:** Let me see. That's the \$4.3 million increase, correct?

**B. PETTEN:** Yeah.

**E. LOVELESS:** The increase is as a result of additional funding for priority planning – Bay St. George public building construction and CNA Film and Media Production Centre renovations.

**B. PETTEN:** Purchased Services appear to be mostly where the funding goes for projects within the department. It seems to be most of the money is there.

**E. LOVELESS:** Yes. To the contractors and the associated costs.

**B. PETTEN:** Under Professional Services, 3.3.04, I guess it is gone up triple the amount. It was only \$64,000 spent. What are the details on that one?

**E. LOVELESS:** Why are we moving to \$729,800?

**B. PETTEN:** Yeah.

**E. LOVELESS:** That is an increase in '22-'23 as a result of additional funding for priority planning – Bay St. George public building construction and CNA Film and Media Production Campus renovations.

**B. PETTEN:** Okay.

Under 3.3.05, Justice Infrastructure, there is Purchased Services there of \$9.4 million but there was only \$275,000 that was spent last year.

**E. LOVELESS:** Purchased, right?

**B. PETTEN:** Yeah.

**E. LOVELESS:** You were asking from the \$7.5 million down to the \$275,000 or the \$275,000 –?

**B. PETTEN:** Well, the fluctuation was \$7.5 million, went down to \$275,000 and now it is back up to \$9.4 million. Can you explain that variation?

**E. LOVELESS:** Okay.

The 2022-23 budget, less your 2021 budget, which was \$1.9 million, reflects anticipated contracts for '22-'23 for the Labrador correctional facilities and the adult corrections facility. The '21-'22 revised less the 2021-'22 budget, that was a decrease. That was the Labrador corrections facility expansion in Happy Valley-Goose Bay. Your 2022-'23 budget less your '21-'22 revised, \$9.1 million, that was an increase and that reflects cash flow requirements for '22-'23.

**B. PETTEN:** Okay.

**CHAIR:** Okay, MHA Brown.

**J. BROWN:** Thank you, Chair.

3.3.06, Health Care Infrastructure – now this one, along with 3.3.02, was just carried over from Health and Community Services new to this year, correct?

**E. LOVELESS:** 3.3.06?

**J. BROWN:** Yeah, 3.3.02 and 3.3.06, they were in – these are new to the TI this coming budget, correct? Those subsections?

**E. LOVELESS:** Yeah, they came to TI last year, actually.

**J. BROWN:** Okay. They just weren't corrected in the book from last year, I guess.

**E. LOVELESS:** Yeah, that's correct.

**J. BROWN:** Okay.

3.3.06 Health Care Infrastructure: This is where the new mental health facility, along with the

addition to the Labrador Health care facility – this is for this project here, correct?

**E. LOVELESS:** Yeah, I can give you the list of –

**J. BROWN:** Perfect. That would be appreciated.

**E. LOVELESS:** You want me to provide it to you now? I can read them out or we can provide them to you.

**J. BROWN:** Just provide them to me. That will be absolutely fine.

**E. LOVELESS:** Okay. No problem.

**J. BROWN:** Last year, it was budgeted \$500,000, then it was increased to \$634,000 and we're only going to budget \$544,500 in the following year. What was the reason for the increase but, also, why are we not carrying over the same amount?

**E. LOVELESS:** So you're on Salaries, correct?

**J. BROWN:** That's correct. Yes, sorry.

**E. LOVELESS:** Okay.

The \$44,500 increase, that's increased project management requirements. That's construction advances on certain projects; i.e., the Corner Brook Acute. The increase of \$134,000 was an increased project management requirement anticipated as construction advances on projects. The decrease of \$89,500 was decreased project management requirements as certain projects conclude.

**J. BROWN:** Okay, so it's just as we carry on.

Under Purchased Services it was \$3 million budgeted, it was revised to \$4.5 million and it's going to stay at \$4.5 million in the Estimates. What's the reasoning for that?

**E. LOVELESS:** Purchased or Professional?

**J. BROWN:** Sorry, Professional. My apologies.

**E. LOVELESS:** The increase was due to higher professional engineering requirements

specifically for Corner Brook Acute as the project advanced to the next stage; example: operational readiness, transition consultants, et cetera. The 2021 revised less the budget of '21-'22: That was higher than anticipated professional engineering and architectural consulting costs for various projects, including Central long-term care, Corner Brook Acute Care and the new adult mental health and addictions facility.

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

Under Purchased Services, we budgeted \$64 million. We only spent \$47 million, but we're budgeting \$79 million in the coming year. What's the transition there?

**E. LOVELESS:** What we're estimating to spend in '22-'23 is what you're asking?

**J. BROWN:** Yeah, and why we under spent in '21-'22, but we're going to overspend in '22-'23.

**E. LOVELESS:** Right.

Well, there was a decrease and that was cash flow savings on various infrastructure projects. That's attributed to construction design work delays, including the mental health facility, Central Health care and Corner Brook Acute Care. The increase we're seeing in budget '22-'23 reflects planned expenditure for health care infrastructure.

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

Moving on to 3.4.01, Ferry Terminals: Under Salaries we had budgeted \$40,000, but we ended up spending \$90,000 in '21-'22. And then we're going to plan on spending \$120,000 in '22-'23.

**E. LOVELESS:** That increase of \$50,000 was the salary variance due to the higher number of small projects under ferry terminal maintenance service contracts, which require increased staff and, obviously, time, including coordination and management. The increase of \$29,200, the original budget did not reflect an appropriate salary allocation for the chargeback of project management time.

**J. BROWN:** Okay. Thank you, Minister.

Under Transportation and Communications, it was budgeted a thousand dollars, then we spent \$14,000 and now we're budgeting \$25,000. What are the planned increases there?

**E. LOVELESS:** The increase to the \$25,000?

**J. BROWN:** Yeah, from budgeting in 2021-22 we only budgeted a thousand dollars, but now for '22-'23 we're going to budget \$15,000.

**E. LOVELESS:** The first increase that you reference is the minor increase on travel requirements for ferry terminal projects. Examples: Ramea, Makkovik, Farewell, McCallum and other remote sites which will require additional travel and higher cost.

The \$10,900 travel costs are contingent on location and upcoming work in remote areas. So that's the increase of \$10,900.

**J. BROWN:** All right.

Under Professional Services, we budgeted \$50,000 but we spent \$90,000. What was the increase there?

**E. LOVELESS:** Consultant costs for wharf assessment and design work in 2021-22.

**J. BROWN:** Okay.

Then under Purchased Services, we budgeted \$1.3 million but we only spent \$1.2 million, and now we are only going to budget again \$1.2 million. What was the reasoning – what didn't get done, I should say.

**E. LOVELESS:** The '21-'22 revised less your '20-'21 budget, which was \$103,000, that was a decrease. That is cash flow savings attributed to the Ramea wharf project.

**J. BROWN:** Okay. And then we're just going to rightsize that.

**E. LOVELESS:** Yeah. Then, while we're seeing a decrease of \$100, that's a minor variance.

**J. BROWN:** Yeah, minor variance. Okay.

3.4.02, Ferry Terminals, Capital, Salaries there: We budgeted \$200,000 but we didn't even spend close to that. What was the reasoning for that?

**E. LOVELESS:** Well, the \$181,400 was a decrease. That was less than anticipated TI project management as the Nain wharf rehab work was moved to '22-'23.

**J. BROWN:** Okay. That's the reason for the increases –

**E. LOVELESS:** Yeah, the increase would be: Cash flow savings due to the Nain wharf rehab work was moved to that year, which was self-explanatory.

**J. BROWN:** Okay.

Under Professional Services, \$250,000 was allocated but we only spent \$70,000 and we're only planning on spending \$50,000 in the upcoming year. What's the reasoning for that?

**E. LOVELESS:** To only spending \$50,000 this year?

**J. BROWN:** Yeah.

**E. LOVELESS:** There's been a decrease of \$20,000. The budget was just rightsized to reflect anticipated engineering consulting requirements for the upcoming season.

**J. BROWN:** Okay.

Purchased Services, we budgeted \$2 million but we only spent \$95,000 and now we are budgeting \$5 million.

**E. LOVELESS:** That increase is increased expenditure due to carry-over of Nain rehab wharf project.

**J. BROWN:** 3.5.01, Municipal Infrastructure.

**E. LOVELESS:** Yeah.

**J. BROWN:** Under Salaries in '21-'22 the budget was \$2.7 million. In the revised it was \$2.5 million, but in the upcoming '22-'23 it is \$2.8 million. What are the variances there?

**E. LOVELESS:** Well, we had a decrease. That variance was due to vacancies and extended recruitment. The increase is delayed recruitment and vacancies in '21-'22. Positions are being filled and some at a higher step.

**J. BROWN:** Okay, perfect.

Under Transportation and Communications, \$146,000 was budgeted and only \$50,000 was spent. What was the rationale for that?

**E. LOVELESS:** We had a decrease and reduced travel communications due to the COVID-19.

**J. BROWN:** Okay.

Professional Services, \$136,000 was budgeted. We only spent \$39,000 on the revised and then we are expecting to spend \$136,000 again this coming year. What didn't get purchased I should say in that?

**E. LOVELESS:** Well, the decrease was fewer applications requiring climate consultations.

**J. BROWN:** Okay.

**E. LOVELESS:** The increase of the same amount – a one-time savings in 2021 as we anticipate full budget to be spent in 2022 for Climate Lens consultation.

**J. BROWN:** Perfect.

Thank you, Minister.

**E. LOVELESS:** You are welcome.

**CHAIR:** MHA Petten.

**B. PETTEN:** I am going to go back to a few of my questions again, Minister.

**E. LOVELESS:** Sure.

**B. PETTEN:** Change it up.

The fixed link, any discussion with the federal government since that has been, I guess,

announced or discussed? What is the status of that?

**E. LOVELESS:** We have had some conversations around it, but I can't say at a specific level that we have had. The Canada Infrastructure Bank – and again, I don't have anything to report here in terms of what I have had in the last several months. It is a conversation that I had with – well maybe it is the last couple of months with the federal ministers, O'Regan and Hutchings, and also the MP for Labrador and other MPs as well, because it's a topic that's important to all of us, but at this point we don't know where it's all going.

So it is a conversation that I have on my list the next time that I certainly meet with the federal minister as well responsible for transportation and infrastructure.

**B. PETTEN:** Minister, you announced or you spoke a while back about ferry market soundings. There's not much spoken of it since, so is that still ongoing?

**E. LOVELESS:** It's completed. I haven't had the opportunity yet to review all of it, but I certainly look forward to that and to see what feedback we got, and trying to derive some of the common denominators around the feedback and in helping us to assess where ferry services are in the province and where we need to go.

**B. PETTEN:** The new penitentiary replacement – what's the status with the land ownership, and I guess the progress of that outside – the procurement process is ongoing now, but the planning in place. So with the land, White Hills, I guess, is all that in place?

**E. LOVELESS:** Well, we're still proceeding with that, but I'll ask if Cory wants to give a further update on that. I've been questioned in the House. It's a valuable project, and I appreciate the concerns. But as a department we have to do our due diligence, and we will, considering the concerns that come from the opposite side, and we'll do that. We believe it's a project that warrants proceeding and again we'll certainly do our due diligence as a department.

Cory, I don't know if you want to add something to it.

**C. GRANDY:** No, we're still proceeding, as the minister said, with the procurement process, and that process is very collaborative with the proponent team. We continue to engage with the proponent team with what we require in the design. As the minister said, we're doing our due diligence now that we're down to a single proponent, which changes a little, but it's still proceeding and anticipate concluding that process later this fall.

**B. PETTEN:** Outside workers on these capital projects – any idea how many are working on the new mental health and addictions centre?

**E. LOVELESS:** I don't have the numbers in front of me, but I do think we have them. So I'm being told it's 100 per cent Newfoundland and Labrador employment – 100 per cent, so you've got to repeat it.

**B. PETTEN:** I won't do that much, but that's good to hear. And that's being obviously monitored, tracked in the department, okay.

Minister, the water bomber, I believe I asked about this last year, the fifth water bomber that was damaged. Was that ever sold after?

**E. LOVELESS:** It's not sold yet, but I'm not going to say any more to that. I'll let the deputy minister give you an update on that.

**C. GRANDY:** So we will be proceeding with a process to dispose of the fifth water bomber this fiscal, and it will be an open process.

**B. PETTEN:** Okay.

This is another issue, too. I looked at minutes actually there recently preparing for this, and I know me and your ADM, Baker, had a long back and forth on this last year about the overtime costs on the ferries. The ADM actually made an issue of it. So has that improved any? Is there any plan to address – I guess the status of that issue, because you remember last year my argument was why don't we hire more people if the cost were so exorbitant in overtime.

**E. LOVELESS:** No, fair enough. I think from a blanket look at ferry services and what it provides and the fact that overtime is being paid in the areas that it is, it is concerning. But in terms of your question around improvement and stuff, I'll ask John if you want to comment on overtime for salaries in terms of ferry users. So he's asking has there been any improvement this year in terms of overtime.

**J. BAKER:** Yes, as a matter of fact, over the past four years, we've taken \$1.4 million out of overtime. And that's due to rightsizing and getting crew members back on straight time rather than having the current member stay back at 1.5 or 2.2. And we've done a considerable amount, and yes there is more to do and we will continue to do it.

**B. PETTEN:** So I look forward to there being less on the sunshine list this year. There will be fewer of them on the sunshine list. Thank you for that.

The road to the North Coast, Minister, that study, was that ever done?

**E. LOVELESS:** You're referring to the prefeasibility study?

**B. PETTEN:** Yeah, I guess.

**E. LOVELESS:** Yeah, that's the \$200,000. The draft documents were sent to stakeholders. That was done several weeks ago and we're just waiting for their feedback on that, where we go from here.

**B. PETTEN:** Okay.

Just an update – there are a lot of updates because things come and go all of the time in this place. We move on to new (inaudible). The helicopter service issue with the St. John's Regional Fire Department. What is the status of that now? Has that worked itself out because there hasn't been much about it since? There was a lot about it last year, I guess.

**J. BAKER:** The helicopter contract that we have here, that one is equipped with medical supplies for medical services and we have

another helicopter in Central and also two in Labrador.

**B. PETTEN:** Okay.

New equipment – I know we talked about this in the amount, but are you cutting back on the purchase of new equipment? The new equipment looks like you are purchasing less this year. So is that moving over to renting equipment as opposed to purchase of equipment, which the department always purchased equipment? There was a drop in the line but I mean it is a separate question so I left that for –

**E. LOVELESS:** Again, it goes back to that conversation we had at the beginning in terms of the challenges around what we have versus our needs versus what it costs and what we, I guess, can't afford. And it is a big conversation. In terms of looking for external resources to fill in our needs, it is always an ongoing discussion.

But, certainly, not looking at any reduction. Reduction is not on my mind with regard to the need that we have in the province. If anything, going external, whatever, we always have a cost-benefit analysis done in terms of is it better to do that. As a minister, I wouldn't not do that, if it makes more sense. But certainly no reductions at this point based on the need we have out there.

**B. PETTEN:** Minister, I suppose, aside from the politics that me and you have been bantering back and forth for quite some time, the long-term care facility in Gander, Grand Falls, on a strictly serious note, is there any plan to review what – I know you spoke yesterday to me in the House. If I am not mistaken, you weren't satisfied. Is there any plan to do a review? I guess we don't want to see this happen, obviously. Is that in the works? Is that something that is on your radar?

**E. LOVELESS:** To be honest with you, I guess I challenge in what I should use. Should I use the word "review" or what should I do? Because we had a lengthy discussion on this and I don't mind saying it, because I'm here with the staff, whatever, it's been frustrating – beyond frustrating. I have staff that work very hard. I

believe at this point – and we all know the importance of what it is we're trying to get here; we're trying to open up 120 beds for seniors in Central Newfoundland and Labrador.

The process of getting there has been frustrating. So I've asked lots of questions, to the point that I've even said that when this project is done, we need to sit around the table to say, what went wrong here. I've stressed that. I've had a good working relationship with the CEO of Central; her and I have had some conversations that have been back and forth and stuff, trying to understand what's going wrong here, because we have a contractor who's doing the service. We're oversight; we're trying to connect the dots as well.

I mean, you've got TI and you've got the contractor and you've got Central Health. The deputy has said to me millions of times, you know, we had Corner Brook hospital that was done, and it was done with not many problems at all. This one seems to have more. So if we've had more, then we need to ask questions of why we have more in this process. And the two deficiencies that were noted, they're being worked on. Believe me, when I knew that they were not completed, blood pressure goes up.

It's a good question, I'm glad you asked it, because we had a conversation. When this came to my desk over the last week or so, and I'm like, I'm definitely having a – I don't know if review is the right word, but certainly questions are going to be asked to those that were involved to see how we can do this better next time.

**B. PETTEN:** Thanks.

**CHAIR:** MHA Brown.

**J. BROWN:** Just a quick question. Well, more just general question on municipal infrastructure there. When going out for grants or when municipalities apply for grants or anything like that, is any consideration made into is the project going to meet any certain environmental standards, or anything like that for longevity? Are we looking at reviewing on, like, each project municipality is coming to – in a sense of is it going to meet certain standards that we want or anything like that? Are we looking at that

from environmental standards, good stewardship, things like that? Are we looking at anything like that when we go out for grants or anything like that? Or call for grants, I should say.

**E. LOVELESS:** In terms of an assessment process?

**J. BROWN:** Yes.

**E. LOVELESS:** Is that where you are –?

**J. BROWN:** Yes, for assessment, like for project-wise.

**E. LOVELESS:** I'm not sure if I am following your question. If you meet targets, is that what you're saying?

**J. BROWN:** Yeah, certain targets like environmental targets or efficiency targets or if the project is going to meet or exceed any kind of longevity targets for length or construction-wise or anything like that. Are we trying to strive for anything like that for the future?

**E. LOVELESS:** I believe we always do. Cory, I don't know if you want to add something to that or whomever.

**C. GRANDY:** I might defer to Greg. Within ICIP there are certain substreams that have those types of criteria that have to be met. It is not in all streams.

Greg, can you elaborate on that? Just on the mitigation stream.

**G. CLARKE:** So under the ICIP federal-provincial funding program, Mr. Brown, there are substreams that have specific objectives that have to be met by the projects that are funded under that substream. To take a portion of the green infrastructure stream, the project might have to meet certain environmental quality outcomes related to water and sewer, which is a project for which there is a great deal of demand in the province.

By the same token, in our provincial only municipal infrastructure funding, we would prioritize projects that meet the condition of getting a community off boil-water advisory, for

example. Which is, I think, going partway to answering your question you asked about how we review the proposal that is given from the community to determine whether it meets environmental objectives and so on. I think I have explained partially how we do that.

Our division is made up of a variety of different engineering professionals who do review the application with an eye to determining both the viability from an engineering and environmental perspective because we engage Environment and Climate Change and Municipal Affairs from different perspectives to make sure that the efficiency, financial viability and environmental objectives of the program are met at a high level.

We don't necessarily vet the projects to an excruciating detail but they do have to meet the federal-provincial program criteria, provincial program criteria and our team assesses individual applications from a variety of internal engineering, financial and environmental perspectives.

**J. BROWN:** Just a follow-up to that – myself and the minister discussed about impact with more extreme weather patterns and stuff. When we go to municipal roadwork and everything like that, are we also asking them to kind of check their damages done by weather, things like that? If they rebuild something, rebuild it at more of a standard that would probably hold up to more extreme weather? Are we asking the municipalities to do that too in their project applications?

**G. CLARKE:** By all means, yes.

**J. BROWN:** Okay, perfect.

That's my last question for this section.

Thank you.

**CHAIR:** MHA Petten.

**B. PETTEN:** Yeah, a couple of questions. I'll just go to Grants and Subsidies. I don't know if that was asked. I don't think it was. I was having trouble with my earpiece. Under 3.5.01, it's \$12 million less this year. I guess what's included there for such a fluctuation there.

**E. LOVELESS:** Hopefully I can answer. The 2022-23 budget, less the 2021-22 budget, is a little over \$11 million, and that's a decrease. That's anticipated spending on MCW and multi-year capital works programs and small-scale community projects.

That's that piece. There was a decrease from the 2021-22 revised, less the 2021-22 budget, and that's cash flow savings on MCW and multi-year capital works and small-scale community projects. The \$4.4 million increase reflects cash flow requirements for municipal infrastructure projects for the upcoming season.

**B. PETTEN:** Why were there savings on those – what was the reason for that?

**E. LOVELESS:** It's cash flow savings and all relative to productivity levels.

**B. PETTEN:** Under 3.5.02, Grants and Subsidies once again, \$90 million budgeted and \$75 million spent.

**E. LOVELESS:** Sorry, which one are you asking?

**B. PETTEN:** Grants and Subsidies, 3.5.02.

**E. LOVELESS:** 3.5.02. I don't have any Grants and Subsidies.

**B. PETTEN:** No?

**E. LOVELESS:** No, I was thinking – I'm trying to follow my notes. Grants and Subsidies was on the back like everything else, but here it's –

**B. PETTEN:** No problem.

**E. LOVELESS:** So you referenced the decreases or the increase?

**B. PETTEN:** Well, it's \$90 million down to \$75 million and now it's back to \$82 million, so again, it's a fluctuation.

**E. LOVELESS:** Again, I am trying to give you a good explanation. The \$15 million decrease, that was lower than anticipated spending on infrastructure projects due to COVID-19 pandemic in '21-'22. Including the provincial territory infrastructure committee projects,

you've got rural and northern projects, public transit and green infrastructure. This is cash flow savings that is carried forward to future years. That's the \$15 million.

We see there's an increase to \$82 million; that's a little over \$7 million. That's lower than anticipated spending on infrastructure projects due to pandemic in '21-'22, including the rural and northern projects, public transit, green infrastructure, and again cash flow savings that is carried forward to future years.

**B. PETTEN:** Okay. I'm going to do a few questions now before we're finishing this section, I guess.

**E. LOVELESS:** Yes.

**B. PETTEN:** The long-term care conversation is an important conversation when you finished off – I've called for this publicly, so I mean it's not a secret: project management. Because I think one of the media outlets asked me, and I said, well if you're building a house, you don't wait until gyprock and fixtures are on the wall to check the studs. I guess that's a really simplistic term. That's the question people are asking. When you look at it, people have asked that question: Why wasn't it picked up here when you moved on to, literally, the ready-to-open facility?

What I'm asking, is the project management team in place – government obviously is ultimately the payer. So do we have staff that are overseeing the contractor? For want of a better word, what kind of oversight is out there is what I'm asking?

**E. LOVELESS:** I mean, we do but, in essence, the contractor is doing the work at certain stages. And that's part of the questions; I'd like to be able to appreciate even more of the oversight and the project management versus where we are, in stages. Because when I tried the answer in the Question Period the other day about the clinical orientation process, that had to happen in terms of transitioning into the home.

Then you had – I believe that I'm saying it right – operational readiness. That's another stage, and that was when the floors of 27 of the 120 washrooms were identified, as the wheels on



some of the – I don't know the clinical names or whatever, but I saw a picture where one of the wheels was that much off the floor. You have a drain in the centre of the floor and there is no perfection with that. So my first question was well, maybe the design stage should be challenged. In a long-term care facility, do you need a drain in the centre of the floor or should it be down on the end with a gradual slope? It is just me thinking because I have built the houses myself. So I have some common knowledge. And we had that conversation and that would be a part of the challenges like – should it be in long-term care homes?

And then the water issue. The water issue, really, was not a new deficiency. It was an ongoing deficiency where warm water was in the pipes that – he made an analogy to me that it is like the hose on your lawn and it is sitting there and when we would turn it on it is warm and then it turns cold – operational piece.

But we are working with the contractor and, certainly, for me as minister, pressing on the staff as well and Greg has been doing a tremendous job with some other officials to get the answers. We need them and because we understand the urgency but there is a process. Two weeks elapsed with regard to the water issue, and it was a requirement of the process. But two weeks can be a long time when you want to move into these facilities.

I was driving when I had a conversation with somebody about this and not knowing all of the details, it was like why is this happening? It happens on big projects and stuff but that is part of the process of, at the end, do we do a review and ask these important questions so we can eliminate this happening in the future no matter what contractor it is or who is in a department.

**B. PETTEN:** Absolutely.

Minister, the new mental health and addictions facility, right now is that anticipated to be on time, on budget or any perceived, any known issues, deficiencies or what have you?

**E. LOVELESS:** Again, I am reluctant to say it and it not happen, but all indications that we are on time and we are on budget. Who knows what can happen a year down the road? I don't know for sure but, right now, we were over there the other day and certainly went through the mock-up. That process is a fabulous process as far as I am concerned. The lady was telling us that 80-something people went through with 17 pages of recommendations and that includes families going through that mock-up to say when patients go into that building here is how it can be better for the patient.

We can talk about – I always say this – the building all we want, but it's that person that's mentally challenged, the difficulty walking in that building. They're not worried about what windows are in it, but they're worried about the service they're going to receive. To know even different floors are colour-coded because of the mind is just amazing.

I encourage anybody to go over there just to walk through and see what they're doing. That's a process that is going to lead to a lot less concerns and deficiencies, if you want to refer to it as that.

**B. PETTEN:** The Auditor General recommended a centralized road maintenance repair program. Is there any progress with that?

**E. LOVELESS:** Say that again.

**B. PETTEN:** The Auditor General's report that recommended a centralized road maintenance repair program.

**E. LOVELESS:** Centralized maintenance. Well, we had a conversation with the AG not long after when – because I felt it was important to have a discussion with the AG and another staff member at the time. We went through rankings of roads and I did ask him at the time what kind of system would you suggest? They didn't have an answer in terms of what type of system it could be for ranking roads or whatever. If we're going to have a Cadillac – I can't tell you really what a Cadillac system would look like, nor did the AG at the time, recognizing about how do we rank roads.

From the work that I spent with staff in the department, I believe we have a good system in terms of our people that work, the engineers and everyone else. We can do better and every year I think you learn how we can do better. In terms of the ranking system, I've seen staff during our preparation of reviewing for the roads plan, which we spent hours and hours and hours at. I believe they're doing great work and I believe there's a real good process there in terms of determining what roads should be done in the province.

I don't know if that answers your question.

**B. PETTEN:** Well, a conversation more than anything; just getting an idea of where we're to. Yeah, I appreciate it.

I ran out of time.

**CHAIR:** Yeah, I know. Do you have more?

**B. PETTEN:** I just have a couple more questions. I'm good for the next section; I am done for this section.

**CHAIR:** You're done for this section?

**B. PETTEN:** Yeah.

**CHAIR:** Okay, thank you.

Clerk, can you recall the grouping, please?

**CLERK:** For the Department of Transportation and Infrastructure, Infrastructure, 3.1.01 to 3.5.02 inclusive.

**CHAIR:** Shall 3.1.01 to 3.5.02 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, subheads 3.1.01 through 3.5.02 carried.

**CHAIR:** Now, I have to ask you, do you want a 5-minute break?

**B. PETTEN:** I'm sure they probably do.

**CHAIR:** I think I should. No?

**E. LOVELESS:** Yes, may I?

**B. PETTEN:** Yeah, I have no problem. The minister wants one. I have no problem.

**CHAIR:** Five minutes.

**E. LOVELESS:** Five minutes it is.

### Recess

**CHAIR:** Okay, we are going to go back at it again and, hopefully, we won't be much longer.

We have got to include Mr. Trimper this time when everybody else is done.

**CLERK:** For the Department of Transportation and Infrastructure, Air and Marine Services, 4.1.01 to 4.2.02 inclusive.

**CHAIR:** Mr. Petten.

**B. PETTEN:** I should be done in another couple of hours. You got to have a bit of levity every now and then. No, I promise I won't be that long.

Under Ferry Operations, Salaries was an extra \$354,000.

**E. LOVELESS:** That was the overrun due to insufficient funding for backfilling costs and unfunded severance payments.

**B. PETTEN:** Okay.

Allowances and Assistance, it is not a big amount; it is only \$25,000. What does that include?

**E. LOVELESS:** Allowances and Assistance.

**B. PETTEN:** It is only \$25,000. But just curious.

**E. LOVELESS:** That is funding that provides for damage claims by customers using the vessels.

**B. PETTEN:** Okay, interesting.

Purchased Services, an extra \$1.6 million spent last year.

**E. LOVELESS:** Purchased Services?

**B. PETTEN:** Yeah.

**E. LOVELESS:** The \$1.6-million increase was overrun primarily due to increase repairs and maintenance and insurance premiums. Also, we had two additional runs on the North Coast service requested, and that was due to inclement weather conditions and related delays during the '21 season. Also, the receipt of three mini-homes on the last day of freight acceptance that required transport to Natuashish this season, and other freight that required us, as the department, to be transported to the coast.

**B. PETTEN:** Okay.

There was increase in Supplies and now it's dropped back down in this budget to \$9.6 million.

**E. LOVELESS:** Where am I, in Supplies, in that same section?

**B. PETTEN:** Yes.

**E. LOVELESS:** Okay, there was a decrease – okay, I'm not sure which one, from the 2021 budget to the revised, or are you asking about the Estimates?

**B. PETTEN:** Well, you went from \$10.8 million and then it jumped to \$11.6 million. You actually went over by \$800,000 and then you're gone back down this year, pretty well \$2 million. So what was the increase and now it's a decrease in this year's budget.

**E. LOVELESS:** So the increase that you reference, they are fuel costs as tied to usage rates and fluctuation in price, and variance reflects a substantial increase in cost of fuel.

Also, two additional runs on the North Coast were required due to inclement weather condition-related delays. The decrease reflected in '22-'23: Fuel and other supplies requirement vary year-over-year depending on the number of runs required and the price of diesel fuel.

**B. PETTEN:** Minister, on that line, you've got \$9.6 million budgeted this year and a lot of that covers fuel –

**E. LOVELESS:** Yeah.

**B. PETTEN:** Is that kind of being optimistic, based on what we're seeing in the market now? We spent \$11 million last year, so do you expect to be (inaudible) unless we're going to see a major adjustment, and we're not seeing it yet, \$9.6 million might be a little under budget.

**E. LOVELESS:** It's a fair question. At this point it's a what-if, knowing that oil prices, fuel prices are certainly going to be a challenge affecting everybody, and certainly ferry users and his department.

So it's a good, valid question. I don't know, John, if you want to add anything to it in terms of the \$9.6 million that's being allocated for fuel.

**J. BAKER:** Of course, if we can eliminate the two extra runs in the fall, that will certainly help us with regard to fuel usage.

**B. PETTEN:** What extra runs would they be?

**J. BAKER:** Those are the two extra ones that we identified just a few minutes ago late in the season when we had to make the two extra runs up North.

**B. PETTEN:** Okay, fair enough.

Under 4.1.02, there was an extra \$10 million last year that was spent under Purchased Services.

**E. LOVELESS:** That is the ferry vessel refits for the '21-'22 budget. It was allocated at \$10 million. Also, to complete emergency repairs on *Beaumont Hamel*, *Gallipoli*, *Flanders* and *Legionnaire*. These are unplanned events but we

have to deal with them and it required immediate action which cost approximately \$5.6 million. The department also had to complete mandatory five-year refits for the *Legionnaire*, *Veteran*, *Grace Sparkes* and *Hazel McIsaac* which were mandated by Transport Canada. So all of that parcelled together was \$10 million.

**B. PETTEN:** I missed one up there: 4.1.01. You are expecting less revenue this year – provincial. We are hopefully away from COVID or we are going to have our first summer and have a bit of normalcy and plus it is Come Home Year. So is that figure probably a bit underestimated or is that reasonable to say that is what – could that possibly be higher? I know it can be higher any year but this year in particular we are promoting – those rural communities I would anticipate would see, with Come Home Year events, usually they are the ones that people tend to come back to those communities in bigger masses.

**E. LOVELESS:** So you are talking 4.1.01, Revenue – correct?

**B. PETTEN:** Yes.

**E. LOVELESS:** Your point is taken. So the '22-'23 budget, less the '20-'21 revised, we see a decrease there of \$500,000. What I have here is the rightsizing of vessel revenues and overall reduction in ferry ticket sales due to lower volume of passengers during pandemic. But to your point, this coming year, we all hope that that will be up significantly and therefore that will change the number.

**B. PETTEN:** Okay.

Going to go back a few more questions I just want to touch on. The Lewisporte wharf: There was an assessment done to the Lewisporte wharf last year.

**E. LOVELESS:** Yeah.

**B. PETTEN:** What is the status of that? What was ...?

**E. LOVELESS:** Well, we're currently working with the Town of Lewisporte. We had a meeting with them – what, three months ago maybe – early in the year to talk about what we feel is an offer to them because of the conversation around the oil industry and what their wharf or what they can do in their town. Obviously, they're interested in what they will be able to do moving forward, but we all know the challenges – not challenges so much, but where the oil industry is right now and what it is they want to do in that town.

We're currently working with them looking at economic development opportunities and, certainly, with the wharf in mind of what they can use it for. We've had presentations around the wharf itself. There are a lot of challenges around there but, right now, we're still working with the town in where we're moving forward with that piece of infrastructure.

**B. PETTEN:** I got my final one to wrap up my time.

Recurring breakdown issues: The ferries and Bell Island in particular. We hear it often. Is it mechanical or are there issues that the public don't know about? It seems to be a common recurring theme.

Any comment on that? We don't have to talk about Romania, I know. We talked about that yesterday.

**E. LOVELESS:** No, and I wasn't going there. So you said it, I didn't.

**B. PETTEN:** That's fair enough.

**E. LOVELESS:** We could probably attribute the word to it as "frustration," because the breakdown of the ferries. I really don't have a really good answer for it, other than these ferries are in salt water and they're put to the test all the time. They're not running just once a day; they're in the water quite a bit. You have doors that are up and down, up and down and we know the challenges around that.

But I don't know. John, if you want to speak to it in terms of the challenges around that and where we are?

**J. BAKER:** Yes, the minister was correct. We have vessels there – especially the larger one – with ramps and bow visors on them with hundreds of tons of steel and those are operated every 15 minutes. It's a lot of wear and tear, especially the Bell Island service. I would say it's the most challenging service that we have with regard to undertow and winds. So when you're coming in trying to dock, trying to keep the service intact and keep the service going, the crews are doing the best they can.

But, again, when you're doing that every 15 minutes, it brings some challenges to it. Also, the challenge on the equipment itself; the thrusters are going all the time, every few minutes. Like I said, several hundreds of tons of equipment, steel, is up and down, up and down all the time. The rams on it are wearing; they have to be replaced quite often.

When we go to a dockyard we only have a certain amount of time because we have to get the vessel in and get it out. We go there and we don't have a – a whole lot of the dockyard is filled. We have vessels in there now and trying to get them out, they have resource problems as well.

So it's a real challenge, especially when you're trying to keep the service going. With so many runs and every 15 minutes it's pretty challenging. This is why we don't have the similar issues in other areas because the runs are not so frequent and you have time to work your equipment. Like I said, the tides and the undertow are not the same.

**CHAIR:** MHA Brown.

**J. BROWN:** Thank you, Chair.

Just general questions there first. With the Ferry Operations, can we get totals of how much was the North Coast run budgeted for and cost, and the Strait of Belle Isle run costing? The contracts, what it cost this year?

**E. LOVELESS:** Yeah. You want us to provide it to you?

**J. BROWN:** Yeah, if you can just provide it to my office, it would be sufficient.

**E. LOVELESS:** We can just provide it to him, instead of reading it out.

**J. BROWN:** Okay, perfect.

Another general question there. This past year there was no alternate port available for the Strait of Belle Isle ferry in Corner Brook. I'm sure because of their activity and no pre-ask to the Port of Corner Brook. I was wondering if this coming year will there be a consideration for an alternate port for the Strait of Belle Isle ferry in case of ice pressures.

**E. LOVELESS:** Yeah, I'll let staff speak to it, but I think that all depends on – if I'm correct in saying that, it's due to availability as well.

John, do you want to just add to it?

**J. BAKER:** Yes, Corner Brook, when we could get there, was very convenient. But to look at alternate docks within close proximity of the St. Barbe area, when you're coming across, the freeboard on the vessel is such that they would have to do another makeshift ramp on top of what's there now, similar to what we have in St. Barbe.

Fortunately enough, the dock in Corner Brook is able to be compatible with the vessel. This year, I think we did fairly well because we were able to maintain the icebreaker to such a point where I think we did about 67 per cent of the runs that we were scheduled to do. Of course, by going to Corner Brook, at the best of times it's around a 12-hour run. So that reduces the number of runs as well.

Sometimes not very convenient to the passengers going across, because a lot of them, especially for medical services, have appointments in St. Anthony. So then they have to travel from Corner Brook to St. Anthony and back to Corner Brook again. We try our best to maintain the service to St. Barbe. Yeah, it's a great time to look at it, but putting that secondary ramp on the docks at the other ports, sometimes it's convenient, sometimes it would make it very difficult for any other vessels coming in there.

**J. BROWN:** Yeah. So just out of curiosity though, you're not looking at, say, Port

Saunders, Port au Choix or anything like that? At this current time, you're not looking at any additional ramp there at this current place and time?

**J. BAKER:** We looked at several ports on the Northern Peninsula.

**J. BROWN:** Okay, perfect.

You just mentioned the two extra runs on the North Coast. So in this coming year you won't be doing any extra runs going to the North Coast, or you'll just likely consider going on extra runs to the North Coast this coming year?

**J. BAKER:** At this point, right now, it would be just kind of hypothetical because we do it more or less on demand. It is like, as the minister stated earlier, we had those mini homes come in on the last day of accepting freight and they were anxious to get those because they wanted to try to get them set up for the families before the real winter set in. Since we had to move those, then of course we took other food items along as well.

**J. BROWN:** Okay.

Going through that there now – government aircraft. The damaged water bomber, is that still an asset of the government or has that been sold off or parted out?

**E. LOVELESS:** It hasn't been sold off but we are in the process of looking at selling it. So it is still in that stage of assessment.

**J. BROWN:** At this current time, are you looking at any replacement aircraft for that water bomber or are you just going to keep status quo?

**E. LOVELESS:** We have four. I think in terms of from a service perspective the four has certainly met our needs. So right now there is no consideration based on the results we are getting from the four to warrant us discussing adding a fifth one.

**J. BROWN:** I know in the past that the previous minister that sat in your chair in 2019 mentioned the bird dog aircraft as another option, too. Is that any consideration now to complement your water bombers?

**E. LOVELESS:** Yeah, so the minister of 2019 – Cory, do you want to answer that one?

**C. GRANDY:** There is no current consideration for that. You are correct; that is something that was considered but right now that is not something that is under any active (inaudible).

**J. BROWN:** The two King Air air ambulances, I know we have our issues with the lack of service sometimes, and we have thought about that. Is there any consideration of the third King Air aircraft that was recommended in the 2017 report?

**E. LOVELESS:** No, and your comment is fair and certainly your concern is fair with regard to your district that you represent. But I know since coming into the department the whole piece of discussion, Minister Haggie and I certainly have recognized, and from concerns, that we need to have a good, wholesome conversation about the air ambulance. Because we know how valuable it is certainly to the patients in the province. That's ongoing and I look forward to further discussions.

**J. BROWN:** Okay, as long as you're talking about it. At least it's being talked about. That's the (inaudible).

**E. LOVELESS:** No, absolutely.

**J. BROWN:** I'm glad that you're having some conversations around that. Other than that right now I am – oh, no, there's one more.

Your comments about the Lewisporte dock – just out of curiosity, you said that the piece of what they were looking at didn't match up. Is there any reason why it's not suited for what Lewisporte was hoping it would suit to? Is there any reason why it's not lining up?

**E. LOVELESS:** What's not lining up?

**J. BROWN:** You said they were interested in some kind of oil and gas service work and it didn't fit the mould. Is there any reason why it doesn't fit or it's more of a structural or integrated thing?

**E. LOVELESS:** I guess the easiest way I can probably answer that question is where the oil

industry was five years ago compared to where it is now – and that's not to take away from the importance of the oil industry. It is very important to the province and we've seen some recent development and it's beyond important. But that's all my reference was, in terms of –

**J. BROWN:** Okay, just more of an idle curiosity, that's all.

**E. LOVELESS:** Yeah.

**J. BROWN:** But anyway, appreciate it.

Just a quick note. So at this current time, the province is looking at disposing of that asset, still, the wharf, but just for another piece completely, or are you just looking at revitalization of some sort?

**E. LOVELESS:** Well, I think all of that. Again, we're having a conversation because there is the wharf there and there's also adjacent land, so that's all within one partial, I think. But in terms of the town, obviously they have a plan and we're trying to work with them to see if in actual fact the plan is – I'm not going to say realistic to diminish the significance of it, because it's important to them and important to us.

So we're working with them, and certainly with the MHA. This file is very important to him and important to us. Again, it's just working on the file and hoping we can come to some positive resolve.

**CHAIR:** Okay, thank you.

**J. BROWN:** Thank you, Minister.

**CHAIR:** MHA Petten.

**B. PETTEN:** Thank you, Mr. Chair.

4.2.01, there was an extra \$2 million spent in Purchased Services.

**E. LOVELESS:** That \$2 million represents – well, Air Services faced several demands, demand-driven financial pressures during the year, including assisting Ontario during the forest fire season, conducting a search and rescue mission in Labrador, and two overhauls

on the air ambulance in St. John's that came in at much higher than anticipated.

**B. PETTEN:** Okay.

Revenue - Provincial increased from \$850,000 to \$1.395 million. Where did that revenue come from? An extra half a million dollars more in the provincial revenue.

**E. LOVELESS:** So you're asking what –?

**B. PETTEN:** Where the increase came from.

**E. LOVELESS:** Yeah, so 4.2.01, the revenue piece right?

**B. PETTEN:** Yeah.

**E. LOVELESS:** So we had a million budgeted in 1.5; that was increased revenue from water bomber services provided to Ontario.

**B. PETTEN:** Okay, that's the deal, they compensate for the services.

**E. LOVELESS:** Yeah. And I think my opening remarks I –

**B. PETTEN:** Yeah, you mentioned something about that

**E. LOVELESS:** Yeah, I referenced and it was, just quickly, the government received \$1.235 million in revenues, which is \$785,000 additional revenues for the province.

**B. PETTEN:** Okay.

**E. LOVELESS:** Three-quarters of a million.

**B. PETTEN:** 4.2.01, Purchased Services, that \$5.5-million item. What does that entail? (Inaudible) budget line.

**E. LOVELESS:** Purchased Services?

**B. PETTEN:** Yeah.

**E. LOVELESS:** I think I already answered that one. That was the increase of \$2 million?

**B. PETTEN:** No, it says there it is \$5.5 million. It stands alone. There were no previous budget amounts.

**E. LOVELESS:** No, that is Professional.

**B. PETTEN:** Under Purchased Services, 4.2.02, Capital.

**E. LOVELESS:** Oh, 2.02 – sorry. That is why.

So 005.5, and that is funding required for water bomber avionics upgrades.

**B. PETTEN:** Okay.

And this \$22 million provincial revenue, where does that come from?

**E. LOVELESS:** And that is revenue projection for sale of the damaged water bomber.

**B. PETTEN:** So you are projecting to get \$22 million for that damaged water bomber? I am not going to put a bid in on it. I am not going to bother with this tonight.

I am pretty well almost finalized there now. I just want to go back to when I ran out of time last time, we were talking about the Bell Island situation. I guess the AG reports zeroed in on the training and I guess maintenance – I think one example was as grease wasn't being put on some piece or part, which seems pretty basic in the big scheme of things to these big vessels.

I guess that is the question, and I know we look at the operational ramps going up and down and the normal maintenance out in the salt water, but what has been done to address those issues? Because that seems to be a huge problem and we heard other antidotal stories. Myself and the minister had a sidebar yesterday on a couple of stories we heard from others, even out on the Fogo service.

Where are we with that? Because that creates a big cost financially to the department, obviously, and to the province if these things keep happening. It keeps adding up. So I guess what is the latest with that? Is there a new training

program in place? Are there any more oversights, any more looking into that because that is stuff that is preventable?

**E. LOVELESS:** The training and oversights for what end result? I am just trying to connect.

**B. PETTEN:** The AG report specified some of these breakdowns were preventable because it was probably due to poor training. It was operation and maintenance of equipment. It could have been basic maintenance was being missed. I am just extracting from some of the comments in the AG report. I am wondering what the department, I guess, is doing to address them because they will cost us money every day the ferry is down. I don't have to tell you when she is down to the dockyard, it is a headache and it is a cost.

**E. LOVELESS:** To put it in perspective now, you're referring to training, keeping in consideration it is the construction of new ferries, it is ongoing, and for operational purposes when they're in operation.

**B. PETTEN:** Sure.

**E. LOVELESS:** John, I don't know if you can touch on that.

**J. BAKER:** I know the AG's report touched on training, but a lot of the training that she was referring to was in the beginning when the vessels first arrived in Newfoundland and went into service. But from what I understand, from just reading up on the documents and the contract itself, is that the provider was responsible for training the crew. I know I have documents where the crew signed off on who was on there at the time. When it comes to the training those, the builder and the provider of the vessel was supposed to have had professional crew members on that ship and, as we would do now, they should not have signed off on that crew if they felt they weren't adequately trained.

It is no different than what we have right now. If a captain is off a vessel for at least six months or more, he can't take that vessel without going through a familiarization. The current captain on board has got to sign off on that and put his own



reputation on the line that he is capable of taking that vessel.

With regard to the training on the vessel itself, we've put extra steps in place whereby our marine superintendent of maintenance is doing a very due diligence job on that to make sure and monitor those issues, especially when we do have a service interruption. What was the root cause of it? And, yes, we have taken people to task.

**B. PETTEN:** Thanks for that. I guess I go back to the point of ultimately whoever is to blame originally, the vessels are ours, the staff are ours, these are our boats – whether we like it or not – and if there is still training issues, it is our responsibility, not Damen or anyone else, it comes back on the province. That is the nature of the beast when you deal with these things.

So it is fine to blame the manufacturer but right now, here and now, several years later, if we still have a problem – I guess that's the root of my question: Are we doing anything to address any issues; are we making sure training is up to scratch? We have facilities around at the Marine Institute that can provide that training. It's like any other – you're driving a bus, it should be ongoing training and is part of almost quality control, quality assurance issue.

I guess that was then, this is now. My question is here in the present. I think that it's a valid question, because I do hear stories that there are still questions on some of the operations. I mean, they're all good and they're all qualified, I'm sure, but it's never bad to train people including – no matter what profession you're in. That's my final remark on that one.

**E. LOVELESS:** Yeah, and they're fair questions and duly noted. But I think in terms of the training aspect is that no matter what industry we're in, there will always be some element of human error. And training is important, and I think there are checks and balances with ferry operators. I know, travelling on the vessels myself, they say how they do regular checks and maintenance on this and their overall performance.

But what you're asking, is there a deficiency there in terms of what's going on. So if there is,

we need to address it, because it'll only help all of us at the end of the day, and especially the ones that use the ferry system. So point taken.

**CHAIR:** Thank you.

**B. PETTEN:** I'm out of time again.

**CHAIR:** MHA Brown, are you finished or (inaudible)?

**J. BROWN:** One question – more of a curiosity than a question. Were there ever any talks internally in the department of spinning off Marine Services as a provincial Crown corporation outside the department?

**E. LOVELESS:** I guess, in other words, privatization is what you're asking?

**J. BROWN:** No, Crown corporation, it's not privatization.

**E. LOVELESS:** Well, I mean, there's –

**J. BROWN:** Like BC Ferries, that's where my curiosity comes from, similar to BC Ferries.

**E. LOVELESS:** There are all kinds of discussions ongoing and I don't know maybe that'll be in the market sounding. Maybe somebody will be suggesting that in the market sounding, I don't know. Again, it goes back to efficiency. I mean if we can find ways whether that's to maintain our ferries or operationally that makes sense for the government and the taxpayers of Newfoundland and Labrador, then I'm open to that conversation.

**J. BROWN:** Like I said if you look at the model BC uses, they're closest to us in the amount of ferries operating intra-provincially. So I'm just wondering if we looked at the BC ferry model, the Crown corporation model, in comparison to directly department-run. That's just my curiosity, if it was a discussion or anything. I guess that's more like in the market sounding kind of box right now.

**E. LOVELESS:** No, that's fair. Duly noted.

**J. BROWN:** All right, perfect. That's all I have right now.

Thank you, Minister.

**CHAIR:** Thank you, MHA Brown.

MHA Petten, do you have anything else to add?

**B. PETTEN:** No, I don't. I'll say I went a half an hour longer than what I promised Loyola, but better late than never. Anyway, I just want to say thank you to Minister Loveless. Good job, I appreciate it. And Cory and the remainder of staff, I appreciate your time. I always say this: I understand the work that goes into it behind the scenes because I used to be on that side at one time. So I do want to thank you for your time and your answers and good job, thanks a lot.

**CHAIR:** MHA Trimper.

**P. TRIMPER:** Thank you.

If I had another hour I bet I wouldn't have anything else to ask, because we've been checking it off. So well done, everybody.

I do have some items. I'm not even going to bring them up because Dan and I had a little chat, Minister, just during the break. And there are a couple of items for potential disposal. So I'll give it to him and copy you on that list.

**E. LOVELESS:** Okay.

**P. TRIMPER:** I'm not going to belabour it. There are two women that I think you know them, your department knows them; they've reached out to us for help. So I'm asking about the status of the distracted driving kills signs. Sarah Pittman and Frankie Ralph.

**E. LOVELESS:** In all fairness, it's something that the Members have brought to me before. We've had discussions and when I said to you earlier during the break that you and I need to chat, then that'll be on the conversation list.

**P. TRIMPER:** Okay, all right.

And I just want to say to one of my – I think he's one of my favourite people I have to say I've met since I've been in government, Mr. Baker. We still enjoy great harmony at the Goose Bay dock after having shifted that fence. We almost had a little mini battle breakout at

that dock between stakeholders and a couple of years ago the department came to the rescue with a very simple fix and pacified. And we haven't had a peep out of that community since. So well done to the department.

Thank you very much.

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

**E. LOVELESS:** So I think that's it; the curtains are going to roll down. I appreciate the input and I appreciate the other Members that make this exist and thank Mr. Pike for chairing and Bobbi. We have a Page over here that's sitting patiently with us, so we thank him. Again, I echo the staff that is behind me that works very hard and Margot, who is my executive assistant, I appreciate her very much and she does great work.

But I am going to single out one of the employees over here and that is the deputy minister that I have. He is well known by a lot of MHAs and he has been in the system for a long time, and I see what he carries in terms of issues in the department and stuff. It is a huge department and the responsibility is enormous. I just want to say to him that I appreciate his guidance because he is the deputy minister and I am the minister, but we work in collaboration and I appreciate everything he does and certainly all the other staff as well. It is a good crew and I appreciate them and just want to say thank you to them from the bottom of my heart.

**CHAIR:** Thank you, Minister.

Clerk, can you recall the grouping, please.

**CLERK:** For the Department of Transportation and Infrastructure, Air and Marine Services, 4.1.01 to 4.2.02 inclusive.

**CHAIR:** Shall 4.1.01 to 4.2.02 inclusive 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:** 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 carried without amendment?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

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

**CHAIR:** I would like to thank the Committee Members and the officials for being here this evening and the next meeting for the Services Committee – oh my god – tomorrow, May 6, at 1 o'clock to consider Estimates of Digital Government and Service NL.

Have a good evening, everyone.

On motion, the Committee adjourned.