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Department of Transportation and Infrastructure
Public Procurement Agency

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Honourable Derek Bennett, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Transportation and Infrastructure and Public Procurement Agency

Chair: Paul Pike, MHA

Vice-Chair: Loyola O'Driscoll, MHA

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

Clerk of the Committee: Evan Beazley

Appearing:

Department of Transportation and Infrastructure

Hon. Elvis Loveless, MHA, Minister
Cory Grandy, Deputy Minister
Dan Mackenzie, Associate Deputy Minister
John Baker, Assistant Deputy Minister, Air and Marine Services
Greg Clarke, Assistant Deputy Minister, Infrastructure
Justin Garrett, Assistant Deputy Minister, Strategic and Corporate Services
Dan Michielsen, Assistant Deputy Minister, Roads
Keith Maynard, Departmental Controller
Melony O'Neill, Director of Communications
Greg Butler, Budget Manager
Margot Pitcher, Executive Assistant

Public Procurement Agency

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

Also Present

Hon. Steve Crocker, MHA, Minister of Tourism, Culture, Arts and Recreation
Hon. Krista Lynn Howell, MHA, Minister of Municipal and Provincial Affairs
Annie McCarthy, Government Members' Caucus
Darrell Hynes, Official Opposition Office
Scott Fleming, Third Party Caucus Office

Pursuant to Standing Order 68, Steve Crocker, MHA for Carbonear - Trinity - Bay de Verde, substitutes for Brian Warr, MHA for Baie Verte - Green Bay.

Pursuant to Standing Order 68, Krista Lynn Howell, MHA for St. Barbe - L'Anse aux Meadows, substitutes for Lucy Stoyles, MHA for Mount Pearl North, for a portion of the meeting.

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

CHAIR (Pike): Good morning, everyone.

Welcome to the Estimates for the Department of Transportation and Infrastructure. We're going to first announce the official substitutes that are here this morning.

For MHA Warr, we have Minister Crocker and for MHA Stoyles, we have Minister Howell sitting in until 10 o'clock, maybe.

Okay, a few little housekeeping rules before we begin. Always identify yourselves and wait for the tally light to come on. You may have to wave at it like this to get it to come on at times. Members and officials are reminded not to make any adjustments to the chair you're sitting in. Water coolers are located in each end, so feel free to get water at any time you need it.

I guess we'll begin with asking the Members of the Committee to identify themselves.

We'll start with Minister Howell.

K. HOWELL: Krista Lynn Howell, MHA for St. Barbe - L'Anse aux Meadows, Minister of Municipal and Provincial Affairs.

A. MCCARTHY: Annie McCarthy, Researcher, Government Members Office.

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

S. CROCKER: Steve Crocker, MHA, Carbonear - Trinity - Bay de Verde.

S. FLEMING: Scott Fleming, Researcher, Third Party Caucus Office.

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

D. HYNES: Darrell Hynes, Researcher, Opposition Office.

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

CHAIR: Okay.

Minister, you and your department officials.

E. LOVELESS: Okay, I'll begin. I'm the MHA for Fortune Bay- Cape La Hune and Minister of Transportation and Infrastructure and Minister Responsible for the Public Procurement Agency.

I will ask staff to introduce themselves and I'll begin to my right.

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

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

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

D. MACKENZIE: Dan Mackenzie, Associate Deputy Minister, Transportation and Infrastructure.

J. GARRETT: Justin Garrett, Assistant Deputy Minister, Strategic and Corporate Services.

K. MAYNARD: Keith Maynard, Departmental Controller.

D. MICHIENSEN: Dan Michielsen, Assistant Deputy Minister of Roads.

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

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

G. BUTLER: Greg Butler, Manager of Budgeting.

CHAIR: Thank you.

Now we have the minutes of the previous meeting, April 28, 2023. I'd like to get someone to move approval of the minutes.

S. REID: So moved.

CHAIR: Moved by MHA Reid.

Seconded?

Seconded by MHA Crocker.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Thank you.

On motion, minutes adopted as circulated.

CHAIR: Clerk, could you read the first subhead.

CLERK (Beazley): Public Procurement Agency, 1.1.01, Public Procurement Agency.

CHAIR: Shall 1.1.01, Public Procurement Agency, carry?

Minister.

E. LOVELESS: I only have like 11 pages here to read off, so I won't be long, just in case.

Just some housekeeping items, we'll have USB sticks for all of you at the end that we'll hand out. We will begin by the Public Procurement piece, Heather will begin that.

I guess from a departmental perspective, I just want to mention that this is unprecedented year in terms of investment in our road and infrastructure. I believe it's worth repeating and I'm going to keep repeating it because it's a good news story.

Also, I guess, the Department of Transportation is involved in a lot of things that go on in this province. Last year, we had the fires on Bay d'Espoir Highway, right directly involved from a MHA perspective, but also from a Transportation and Infrastructure perspective as well. We never can forget the people that are involved, the staff that are involved. I begin with these people that are alongside of me and behind me that do a lot of work, tremendous work, and we never can thank them enough for that. So I do that right at the beginning.

Also, last year from an infrastructure perspective and climate change perspective, we saw what happened in Port aux Basques and surrounding communities. That was a lot of devastation and, again, a lot of hard work from TI staff and certainly other staff at all levels of government. So with that, I'll end, but I will give a little breakdown of employees and retirements and attrition for your purposes.

TI had 1,647 employees as of March 31, 2023. It includes 141, 13-week employees and 68 funded-vacant positions. A breakdown of the 1,647 employees are 1,463 unionized, non-management and 184 management; 1,411 male and 236 female; 728 permanent, 273 seasonal, 624 temporary and 22 contractual. Broken down by branch and divisions, we have 963 from the Operations Branch; 249, Air and Marine Services; 341, Infrastructure Branch; 94, Strategic and Corporate Services. By regions we have 594, Avalon region; 352, Eastern region; 245, Central region; 377, Western region, and 79, Labrador. Last year, TI filled 259 positions through the Public Service Commission.

Retirements last year, TI had 60 retirements throughout the department. There are an additional 48 employees eligible for retirement this coming year. In total, TI has over 250 employees currently retirement eligible.

In terms of attrition, TI reaches its attrition plan of 678,300, which is equivalent to 27 positions over two years in 2021 and 2021-22.

With that, I'll let the Estimates begin.

CHAIR: Thank you, Minister.

I'll start with you MHA O'Driscoll.

L. O'DRISCOLL: Thank you.

What role does the agency play in overseeing government procurement?

H. TIZZARD: We're responsible for overseeing the procurement of government departments. So we're responsible for procurement of all goods and services for government departments. We're also responsible for overseeing the policies and rules and procurement undertaken by public bodies as well.

L. O'DRISCOLL: What role does the agency play in the value for money in government procurement? Lowest is not necessarily the best.

H. TIZZARD: Sorry, could you repeat the question?

L. O'DRISCOLL: What role is the agency playing in the value for money in government procurement? Lowest is not necessarily the best sometimes.

H. TIZZARD: So any procurement tool, the legislation requires the achievement of best value and departments are responsible for choosing the correct procurement tool to ensure best values received. So each department is responsible for undertaking

the procurement or the approach to procurement that it determines in that specific instance that would achieve best value.

L. O'DRISCOLL: Okay, thank you.

Is the agency involved in procurement in the sole bid to replace the HMP?

H. TIZZARD: No.

L. O'DRISCOLL: What role, if any, does the agency play in non-compliance? We occasionally hear from municipalities doing what it wants, what is the recourse for that?

H. TIZZARD: We're responsible for auditing public bodies. So we do audits regularly and if we see anything like that we make recommendations to the municipality. We'll follow up then after that to see if it's carried out those recommendations.

L. O'DRISCOLL: Thank you.

Does the agency have any opinion on value or a merit of an executive employment search firms?

H. TIZZARD: No, again, whatever department or public body is undertaken a procurement, it's up to that department or public body to choose the correct approach it deems as the best value approach or the correct approach for that procurement.

L. O'DRISCOLL: Thank you.

Last fall the major industrial auction for Muskrat Falls equipment was handled by an outside firm, Ritchie Bros. Does the agency have any opinion on the decision to exclude any Newfoundland firm from even applying to do this work?

H. TIZZARD: I'm not entirely sure of how they engaged that outside firm. I don't know if they – I'm not sure how they engaged that outside firm. But, again, it's up to the public

body to find the service that it needs while still following the legislation.

L. O'DRISCOLL: Thank you.

I'm just going to move into 1.1.01, is that fine there in regard to the questions?

CHAIR: Yes.

L. O'DRISCOLL: Okay, under Salaries, can you explain the drop that was there last year under Salaries?

E. LOVELESS: The question is under Salaries?

L. O'DRISCOLL: Yes.

E. LOVELESS: The increase you're asking?

L. O'DRISCOLL: The drop in it compared to last year.

E. LOVELESS: The decrease is the result of lower salary costs due to vacancies throughout the year. They included a buyer, a director of public procurement policy and analyst positions offset by salary increase. They've been filled since then, by the way.

L. O'DRISCOLL: Under Transportation and Communications, it dropped last year, but the request has gone back up.

E. LOVELESS: Well, the decrease reflects lower travel costs due to the use of webinars for training and cancellation of FPT meetings.

L. O'DRISCOLL: Thank you.

Under Professional Services, again it's down to \$2,900 and then back up again. Just an explanation of that?

E. LOVELESS: Yeah, well, the decrease is due to fewer auctions, resulting in lower auctioneer fees based on the percentage of revenue generated from disposal of assets.

L. O'DRISCOLL: Under Purchased Services, there's a significant drop and then this request has gone back up. Can you explain that?

E. LOVELESS: Right. There are two decreases there. One is the result of the federal government's enhanced timeline regarding implementation of the single point of access project. That's for all provinces.

The decrease of a little over \$35,000 was the result of fewer in-person training sessions and meeting room rentals; virtual sessions were conducted in that case.

L. O'DRISCOLL: The last one under this section, Revenue - Provincial, there's a drop there of \$100,000. Can the minister explain that as well?

E. LOVELESS: The decrease was due to a reduction in revenue from the sale of assets. Actuals include, for example, an airline rebate from Provincial Airlines and also an amount of money for P-Card annual rebate. That rebate is based on the more we use, the more rebate we would receive. Also from the sale of assets this fiscal year.

L. O'DRISCOLL: Okay, that's it for me on Public Procurement, that's it for me on that section.

CHAIR: All right.

MHA Brown.

J. BROWN: Yeah, thank you so much.

Currently, in the Public Procurement Agency, how many full-time positions, how many part-time or contract positions and how many vacancies there right now?

H. TIZZARD: In the actual structure: 34 positions, 29 permanent, three temporary, two contractual.

J. BROWN: Perfect.

How many vacancies there currently right now in the department?

H. TIZZARD: Right now there are seven vacancies.

J. BROWN: Seven vacancies, perfect. Thank you very much.

With the consolidation of the health authorities is the Public Procurement Agency assuming any new responsibilities with procurement or are they going to continue just to audit the current system?

H. TIZZARD: No, the health authorities are responsible for taking their own procurement, but we would be responsible for auditing them, yes.

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

That's the last of my questions for this section.

Thank you.

CHAIR: Okay. MHA O'Driscoll, do you have any more questions?

Okay. We're done.

Clerk.

CLERK: 1.1.01, Public Procurement Agency.

CHAIR: Okay.

Shall 1.1.01 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

All those against, 'nay.'

Carried.

On motion, subhead 1.1.01 carried.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: Shall I report the Public Procurement Agency Estimates carried?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: We're done for the morning. We wish.

Clerk, could you recall the grouping, please?

CLERK: For the Department of Transportation and Infrastructure, 1.1.01 to 1.2.04 inclusive, Executive and Support Services.

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

All those in favour, 'aye.'

MHA O'Driscoll.

L. O'DRISCOLL: So I've got some questions. I'll probably ask them all at one time and then I'll go through the sections after, if that's okay with you all. I might do that anyway and see what happens.

First of all, is there any update on the talks regarding the fixed link?

E. LOVELESS: My easiest answer to that would be no. There are ongoing discussions. My colleague from Labrador, I know the last time she was in Ottawa with one of her colleagues as well, discussed it. But in terms of any concrete conversations as what our solid plan is right now, we don't have a solid plan. It's always a topic of discussion, but we know we've got transportation links in and out of the province that we're focused on and stuff. It's always up for discussion.

L. O'DRISCOLL: Can we get a breakdown of the fleet purchases this year – I'm sure they're probably on the stick that you got – and heavy equipment and light-duty vehicles as well?

E. LOVELESS: Yeah, just for clarity, if you don't mind repeating what you're specifically asking for because we can get that information for you.

L. O'DRISCOLL: Well, just get a breakdown of the purchases that you had last year in heavy equipment and light-duty vehicles.

E. LOVELESS: Yeah.

I think there would be a breakdown through the Estimates as we go through but if it's not, if there is something there that you need clarity on, then we'd be happy to provide it.

L. O'DRISCOLL: Is there any consideration to have a cost per kilometre on any of your vehicles in your fleet? I used to work in a fleet vehicle company and we did fleet maintenance. Sometimes, we had a fleet of vehicles that, say, heavy equipment or truck that is on the road, you do a cost per kilometre on it. Any consideration of ever looking at something like that in your department?

E. LOVELESS: If I can ask, cost per kilometre for what purpose?

L. O'DRISCOLL: Well, based on maintenance. Okay, we used to do a vehicle ran that –

E. LOVELESS: Okay.

L. O'DRISCOLL: Based on maintenance and your costs, one vehicle could have engine trouble or could be rear-end repairs; it could be tire issues or whatever the case may be. And you have a lot of vehicles; I know that, but you have the department of highways trucks on the road. Some vehicles are more costly than others based on the age. Then if it gets to a point where it is too costly, you take them out and are able to replace them.

I'm not saying they don't come out that easy because you have to do a tender but, you know, just something to consider.

E. LOVELESS: Right.

I don't know if that is our tool that we use but we certainly recognize in terms of the kilometres that are put on our vehicles.

L. O'DRISCOLL: Yeah.

E. LOVELESS: I mean we know where we are in terms of – and I am happy to say even in this budget this year that we are focusing on investment in our light vehicle and heavy equipment, which is important and over the next several years we'll see some consistency around that. Hopefully, because of that, these questions that you're asking will be –

L. O'DRISCOLL: It's just a consideration.

E. LOVELESS: Oh yeah.

L. O'DRISCOLL: Because when we did it, as an example, some vehicles ran at six cents a kilometre and other vehicles ran at 30 cents a kilometre. So when you had 30

cents a kilometre, then you had to have a look at that and say, well, maybe it is time to pull that out of the fleet.

E. LOVELESS: Right.

L. O'DRISCOLL: And that was based on a private industry but it is certainly something that you could consider.

E. LOVELESS: Yeah, I'll ask the deputy if he wants to add something to it.

C. GRANDY: We do track, obviously, the maintenance cost per vehicles. The average age of the fleet has gone up over the years and, as the minister alluded to, we're making some investment in the fleet now to bring that average age down but we certainly do track maintenance costs and that is one of the big factors in terms of if a vehicle stays in the fleet or not.

L. O'DRISCOLL: For sure. It is not easy to do. We had a computer and we tried for years and could never do it; we had to do it manually on the wall and on a board to truthfully be able to keep track of it. It was very difficult. But we could never get a computer to generate what we were trying to accomplish.

Anyway, how many vacancies do you have in heavy equipment operators and mechanics?

E. LOVELESS: I read out the total but we don't have a breakdown per division. The numbers that I read out at the beginning, there are 68 funded vacant positions. Again, if we don't have clarity on something, we'd be happy to provide it after.

L. O'DRISCOLL: Okay, we'll certainly put that in. Not a problem.

Are we using more private contractors/garages for repairs and maintenance?

E. LOVELESS: We're still using them and certainly based on demand of providing the services that we need to provide. I don't know if anyone wants to add to that.

C. GRANDY: Yeah, I mean it varies depending on what position is vacant. As the minister said, there are 68 vacant funded positions in the department as of March 31. By April 1, that number is different again. So we'll always use private contractors, private entities to augment when we have vacancies in any particular region or any particular depot.

L. O'DRISCOLL: Dealing with some of the departments that are there, I guess you're up against some of these heavy equipment technicians that take more lucrative positions somewhere else. So it's hard to get people in your department, I would think, in that regard. I'm going to say it's probably a union issue, but still hard to get the best quality of – not the best quality, but they go somewhere else basically.

E. LOVELESS: It is a challenge and we only had discussion about this not long ago, because I visited one of the depots and you talk to the workers and ask them what their concern is or what would be an ask for me to take back to government and that was exactly what they had said. But keeping in mind that while wages are private at a certain level but, in government, you have a full package of your benefits and everything else. Sometimes it comes down to an individual. If an individual prefers to have that security versus a couple of dollars extra on the wage. But it's a conversation. No matter who's sitting here or whatever, it's always a challenge.

L. O'DRISCOLL: Oh yeah, no question. The question has got to be asked really because it is certainly an issue in some of the depots for sure. A lot of the senior fellows are there 35 and 40 years. Eventually they're gone and it's hard to get people to replace them.

E. LOVELESS: Good question.

L. O'DRISCOLL: How much roads carryover did the minister have last year?

E. LOVELESS: I'm going to ask Mr. Dan.

D. MICHIELSEN: We had approximately \$18 million in unplanned carry-over last year. From our Roads Plan that was approximately about \$176 million to \$180 million was tendered. So out of that, we had about \$18 million carry-over. Around 10 per cent.

L. O'DRISCOLL: Okay.

How much construction capacity exists to get the \$225-million Roads Plan done this year?

E. LOVELESS: We always strive to get most as we possibly can do and recognizing that – we do have a short season. Even our tendering, I mean, we listened to the industry and they want early tendering so they can start the process as soon as they possibly can. But taking into consideration that is a short season and from a capacity perspective, we encourage the industry to get at it. Get moving on it.

We're always listening to them, in what their concerns are, but reality is we have a short season and there's only so much work that can get done in that period of time. But I think the industry has received some consistency over the next five years and they are pleased with that. I think, because of that, that will help us in terms of them hiring more people, eager to get to work. That's a good sign. It's music to all of our ears. Hopefully we'll see a better season this season and moving forward.

L. O'DRISCOLL: Well, let's hope so.

Just in regard to, I'm going to say the District of Ferryland, I know there's a tender or roadwork going to be done in Trepassey area and it's split two years. Is there a

reason it's split two years? I never understood that, why you split it two years, if they're in the area and maybe just explain that to me or is it just the department – ?

E. LOVELESS: Because I likes you; I don't love you.

L. O'DRISCOLL: No, I'm just wondering, if you go up there this year, if you don't do it all in one time, if you don't go back in two years. Just a general question on that.

E. LOVELESS: Yes, and there are some areas, sometimes, it's broken down into several years, but in this particular instance I can ask Dan to comment on that, if you don't mind, Dan.

D. MICHIELSEN: Sure. I mean with 10,000 kilometres of road in the province, there's demand everywhere. So when we have projects that hit a threshold of a certain amount, we know our value for money is there and the minister does a great job trying to spread the projects around to all areas of the province that need it. So it's based on economies of scale but there's a necessity a lot of times to break projects up into multiple years.

E. LOVELESS: I think – I haven't had a chance to talk to Dan yet – he wanted to know the specifics on what roadwork is going to be done this year from (inaudible). You don't need to give that to him now, but we'll get it to him.

CHAIR: Thank you, MHA O'Driscoll.

MHA Brown.

J. BROWN: Yeah, thank you so much.

Can we get an update on the work that's being done for the Nain airstrip, for that plan?

C. GRANDY: We made a contribution to the Nunatsiavut Government for that work. The NG is responsible for carrying out that

study. We've made a funding contribution, a total of –

G. CLARKE: \$1.75 million.

C. GRANDY: Yeah, actually, I'll just defer to Greg to follow up.

G. CLARKE: Our contribution agreement with Nunatsiavut Government is up to \$3.5 million, which is half of the potential total expenditure on the project. Our contribution agreement required us to pay 50 per cent upfront, which we've now done.

The Nunatsiavut Government is progressing the studies themselves. We are not party to the development of those studies, but, as the work progresses, we'll continue to make further contributions under our agreement as we confirm the studies are completed and eligible.

J. BROWN: All right, perfect, thank you so much.

Can we get an update on the feasibility study for the North Coast highway as well?

G. CLARKE: The consultations have been under way for some months now in the Northern communities. The consultations are not completed yet, but they are close to being finished. At the same time, the engineering work of the study has begun in areas that are not impacted by the outcome of the consultations. We do anticipate at this point that the full work for the study will be done this fiscal year and also that the study will be complete, but we'll take that one step at a time.

J. BROWN: All right, perfect. Thank you so much, Sir.

Can we get an update of any work for this coming year on cleaning up contaminated sites?

E. LOVELESS: Is there a specific contaminated site that you're –

J. BROWN: No, no, from Estimates last year to this year there were some sites that were supposed to be cleaned up. I'm guessing one of them was the old hospital site, things like that. There was some work or something that was being done. We just want an update on if any of that work was ever completed.

E. LOVELESS: Yeah, well, we announced in the budget that would be done this year, the old Grace Hospital site. I'm not sure – I think it's like (inaudible) I believe, in terms of it being cleaned up, but I can ask Cory to comment on where it is at this point.

You've got to wave higher; like you're in the church.

C. GRANDY: Later this year we'll be issuing a tender for the demolition of the former nurses' residence and then that would include any required cleanup of the contaminants that are inside of that structure as it sits today.

J. BROWN: Are there any other abandoned buildings or anything like that that are being looked at for a cleanup?

C. GRANDY: There nothing that is coming to my mind right now, MHA, beyond that particular project.

J. BROWN: All right. Perfect. Thank you so much.

Was there any new land acquired last year? Are there any plans to acquire any land? If so, for what purpose?

E. LOVELESS: Well, we know in terms of the new buildings to be built, obviously, land acquisition is a piece of it, but in terms of specifics of various pieces of land, I don't know if anyone can add anything to that.

C. GRANDY: Yes, so there are no specific parcels that were acquired last year that comes to mind. There is a standing line item in our budget for payment. There is usually

a delay following expropriation for a project that gets paid and settled over the course of the year. There is a line item in our budget, annually, for that, but in terms of current projects, no particular parcel comes to mind, but for the various projects that are in our infrastructure plan, there is land acquisition required as an ongoing activity.

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

In the 2022-2023 budget, column section, it doesn't seem to match up with the 2022 Estimates column from last year's Estimates book in a couple of sections, Air Subsidy and the Strategic Supports sections appear to be rolled into this section. But the summation of the Estimates from last year and this year don't seem to be matching.

One example is section 1.2.01 from this year and last year, they don't seem to match up. Is there any reason for why they are not matching up?

C. GRANDY: Sorry, are you on 1.2.01?

J. BROWN: 1.2.02 and 1.2.03, they're not matching up from this year and last year's budgets.

C. GRANDY: And you're looking at the totals?

J. BROWN: Yes, so the Estimates and stuff from the last year's book and this year's book in those sections are not matching up from the Estimates.

E. LOVELESS: Which particular figure are you referring to, Jordan?

J. BROWN: Right now, under the section, I have some examples here if you wanted a copy of the examples that were not matched up. There are a couple throughout the TI sections that don't match up from last year's budget book to this year's budget book in those sections.

Did you guys roll things into it or is there some sort of reason for that?

C. GRANDY: I just want to make sure that I'm understanding. I think the department collapsed various activities so there are fewer activities in the book, if that's the essence of your question.

J. BROWN: Yeah, it seems like. So for one example, in the Estimates for 2022-2023, Salaries and stuff there, don't match up from what was the revised in the same section of this one. So in this one, for example, they estimated \$4,883,000 but if you come to the book in the same section here, it's estimated at \$5,000 so there's a \$1-million discrepancy from last year's book to this year's book, even before you get to the revised.

So I'm just wondering what did you collapse or merged together for this?

K. MAYNARD: During the budget process, we restated a number of activities and like Cory said, we shrunk the number of activities for the book. For example, when you're looking at 1.2.02, last year we moved Air Subsidies, Strategic and Support Services into that activity. So you won't see a comparison from last year's estimates to this year's. But if you look at the restated budget, the first column in the Estimates, that would include those two activities, their budgets from last year and then we compare to this year.

J. BROWN: Okay, so you collapsed stuff into the thing. Okay, so we were just looking, there was a large discrepancy from last year's book to this year's book, but there was no explanation. So we just wanted to make sure that that is what.

So this happened multiple times throughout the department?

K. MAYNARD: Yes, a number of activities, yes.

J. BROWN: Okay, so there are eight possible discrepancies currently that we've noticed, so has there been eight times this happened throughout the department?

K. MAYNARD: Yes, there are number of activities where we collapsed, for example, Admin and Support Services went into Improvements - Provincial Roads. In Municipal Infrastructure, we collapsed two activities down to one. In Building Infrastructure, we collapsed four activities into one. So, like you said, there are probably a number of instances of that.

J. BROWN: All right, perfect.

Thank you so much.

That's my last question for this section right now. I'm good.

CHAIR: MHA O'Driscoll.

L. O'DRISCOLL: Thank you.

What is the department's experience with tenders so far this year? Are they up or down?

E. LOVELESS: There are some that we experience over and some that are closer to where we wanted to be. So we're hoping that once it's all complete, that there's going to be a balance, but we do suspect that there will be overage in terms of tenders coming in over.

L. O'DRISCOLL: Okay, thank you.

Can we get an update on the government's progress in reducing the lease space?

E. LOVELESS: I'll hand that off to Dan.

D. MACKENZIE: So from a leased-space perspective, obviously the department manages a lot of core leases for government departments, agencies and public bodies that we're responsible for. We have approximately 181 leases at the

present time, as of the end of March. The annual value of core government leases is about \$18.7 million. The total square footage for core government leases is about 1.1 million square feet.

Lease space includes office, garage, cold storage, fence compound, land and hangar space. So there is a variety of different kinds of units that we will maintain to support clients throughout the GNL. We've had some success in reducing our lease footprint since 2016. That number has gone down by approximately 173,000 square feet with a savings of about \$5 million.

For context, I guess I would say the value of leased space continues to go up. In the current marketplace, the inflationary costs are seeing changing rates on the value of properties that we lease. So the fact that we're continuing to reduce that threshold and keep our numbers down, shows the effort that's ongoing.

L. O'DRISCOLL: Thank you.

Does the minister have any update on the asphalt studies that were done and what is working and what is not?

E. LOVELESS: In terms of the studies, we've had several discussions on it. I can ask Dan to comment or Cory to comment further on it but, based on what we saw, there was nothing that was clearly stating that we're doing something wrong or here's the direction you should go.

I'll ask Dan to comment on it further. So there's nothing conclusive in terms of recommending this and we accepting that recommendation, but I'll ask Dan to add a little bit more meat to the bone.

D. MICHELSEN: So we published that report online. We've done an interim look. Obviously when we lay pavement, we get a life expectancy significantly higher than the period that we're doing this report. So we continue to monitor the sections that we've

done, different design mixes and we'll continue to update that report as we get new information.

L. O'DRISCOLL: Thank you.

Throw you a softball now. Can we get an update on the Team Gushue Highway?

E. LOVELESS: As was announced yesterday –

L. O'DRISCOLL: So to get clarification so everybody knows.

E. LOVELESS: Yeah, that's right.

It's important because obviously there was some confusion yesterday in terms of what you thought. But it was announced yesterday to be completed. The federal minister said yesterday in terms of how the money would be spent, we looked at eligible projects and that's one of the eligible projects that fell under the funding arrangement. So Team Gushue Highway will be completed.

We have a report that gave us some options in terms of how to complete it at a cost arrangement. So that's still with us in terms of review, but it's a good starting point. To answer your question, Team Gushue Highway was part of the announcement yesterday and it's not that an application now has to go to Ottawa to come back, it's approved. So we'll be moving forward with that.

L. O'DRISCOLL: Will I be looking at trucks this year when I'm driving home? That's my question.

E. LOVELESS: You might be driving one; you never know.

L. O'DRISCOLL: I'd like to see some.

So you think it'll start this year?

E. LOVELESS: No.

I did an interview with CBC just earlier this morning. While I don't have time frames as such, shovel hitting the ground, I don't believe it will happen this year unless it's magical because there is a process that's involved, RFPs for engineering and consultative working as well. So that's part of the process before we get to the actual tendering for work. There's a lot of planning yet to happen in terms of sections of the twinning and the TG. So that has to happen; that requires time.

I'll leave that to Cory. He's an engineer here in terms of when shovels will hit the ground. But we don't have a foot on the brake here. We're moving forward and want to get this started because it will include years of work, employing Newfoundlanders and Labradorians and companies. I mean, I've heard from the people; they are excited about this. It's a good news story. I don't know, Cory, if you want to add to the excitement.

C. GRANDY: Yes, so I guess one of the first steps right now will be to, as the minister said, issue an RFP for an engineering consultant to do the detailed design. The report that we had completed gives us the conceptual arrangement in terms of how that highway will tie in to the interchanges for Route 2 and then to continue and tie into the Robert E. Howlett Highway. So that's the conceptual design and now we'll be issuing an RFP to engage an external consultant to complete the detailed design for that section.

L. O'DRISCOLL: That's the question that I'm going to be asked: When do you think we're going to start laying the shovel or getting the equipment on that road or these roads?

E. LOVELESS: Again, I'd love to be able to tell you when it's going to be but until this first step of the RFPs for the engineering piece and the design, we can't really give you a time frame of when you're going to see machines, when your constituents are

going to see excavators, backhoes and heavy duty trucks. We don't know at this point, and I'd be reluctant to say a month or whether it's February next year because then – I always say that – that becomes the story. Oh, the minister said it was going to be February of 2024 and it's not. So it's like –

L. O'DRISCOLL: I'm using the Gushue Highway because I'm driving by it pretty well every day. Wouldn't that work already be done to that point where it's done now? There are roads over there. If I look at it, I'm not an engineer, now don't get me wrong but I look at it and there's crushed stone, there's everything there, probably curbs and, you know, pavement has got to go there and I am sure that on the other side – I don't know over by Brookfield Road area but wouldn't that already be done? That'd be my question.

E. LOVELESS: Yes. You're not an engineer, but he is.

C. GRANDY: The segment where we have sub-grade right now is relatively short. You're right, it would be relatively simple to issue a tender just to complete that segment. One of the things we need to assess in the engagement of an external consultant is how to package this work and make sure that we're getting the best efficiency or bang for your buck in terms of how much is included in a tender.

That tender, if we just issued to complete that piece now, there wouldn't be a lot of advantage to it really because there's still significant work to come along parallel to Brookfield Road and how we bisect Brookfield Road and then go ahead and tie into Route 3.

Again, when we get through this step, as the minister said, with the engineering consultant, we'll discuss the various construction packages, tender packages that we would and how we would phase this and how we would bundle the pieces of

work. But what you're seeing subgrade on now is a relatively small piece of what needs to be done.

L. O'DRISCOLL: Okay, thank you.

Ferry soundings have slipped below the waterline and have disappeared. Can we get an update on that?

E. LOVELESS: Say that again?

L. O'DRISCOLL: Ferry soundings have slipped below the waterline and disappeared. I'm just wondering can we get an update.

E. LOVELESS: Your question is around the market sounding piece, right –

L. O'DRISCOLL: Yes.

E. LOVELESS: – and what are we doing with it?

L. O'DRISCOLL: Well, you know, it's disappeared, so an update on it.

E. LOVELESS: What do you mean disappeared?

L. O'DRISCOLL: Well, can we get an update on where it's to and what the plan is?

E. LOVELESS: Well, the market sounding piece or exercise took place and we've received it, we've discussed it and I think it's fair to say – hopefully I don't get in trouble by saying it, but there's no magical feedback that is going to be the magic for ferries in the province, in terms of the market sounding. We received information, coming from outside, whether it's towns or ferry users or committees and stuff, that we've heard before. Some new information and, at this point, it's a tool in our toolbox in terms of discussions around the ferries in the province.

I think it's safe to say, and I don't mind saying it here, that some people think that it's a simple solution for ferries or what we're going to do with ferries in the province. I mean, we have communities that are connected by ferries, we have a responsibility for that service and we're doing that.

I don't know if I've answered your question, but the market sounding is another tool to help us determine what we will do in terms of ferries. I don't want anyone listening to scare anybody in an isolated community that there's going to be some axe or whatever. That's never the intent. In terms of ferries we have that are less users, we got to talk about that. We got to include that into the equation. That's all packed and parcelled in our discussions and the market sounding gave us more information around that.

L. O'DRISCOLL: Thank you.

CHAIR: MHA Brown, do you have any further questions?

J. BROWN: No, I have no further questions for this section.

CHAIR: Okay.

MHA O'Driscoll, do you have any more questions?

L. O'DRISCOLL: *Budget 2023* announced \$127 million for new schools, but government has not identified land, let alone purchased it yet. How much of this money will be realistically spent this year?

E. LOVELESS: I'm going to send that over to Cory.

C. GRANDY: So I may defer to Greg on a couple of the projects. The four schools that have been identified, we've zeroed in on sites for the school in Portugal Cove-St. Phillip's. I expect that to roll out relatively quickly this year in terms of acquisition.

Similarly, for the new school in St. John's, a couple of sites have been identified and we are zeroing in and we would anticipate acquisition this year. The school in Dorset Collegiate, Pilley's Island is a redevelopment, so there's no site acquisition required there and the school in Cartwright is the site identified. Greg, is there acquisition required?

G. CLARKE: No.

C. GRANDY: So there's no site acquisition required for the new school in Cartwright.

L. O'DRISCOLL: So I'm wondering if you do the same with roads, but with schools you determine who needs what. I heard a Member yesterday speaking from Paradise looking for a school obviously. I was just wondering, do you go out and do a grade, or how do you evaluate who gets a school and don't?

Meaning that before I got here, so I can't say much about it, there was a school for Mobile and it was axed from the budget in 2015. They made some adjustments and took elementary kids and put them in a high school, where there's a little bit of room. How did that get dropped off and other schools get added? That would be a question of how you do that.

E. LOVELESS: No, fair question. I mean, in terms of Transportation and Infrastructure, we hold the responsibility of constructing what buildings we decide to build. In terms of catchment areas – because I've been on school councils, reporting back to the department and the department does an assessment of needs in areas. That's all part and parcel of what the schools are decided to be built.

If you want to talk about need, I guess there's a need in lots of areas of the province. But at the end of the day, we have a decision to make and be responsible for taxpayers of Newfoundland and Labrador,

and that means the whole of Newfoundland and Labrador.

But I know you want a new school, so I told you –

L. O'DRISCOLL: They haven't pushed for it since then but when they lost it, sort of the conversation died, There are classrooms that are full in every district in some of these areas – not every district, but a lot of these areas got that issue.

E. LOVELESS: But if I put a new school in your district, are you going to vote for the budget?

L. O'DRISCOLL: If you puts it in now. You can't change it now, I'm sure.

HMP replacement, only \$7 million announced; so what's the update on the contract awarded right now?

E. LOVELESS: Didn't you actually ask that question to me yesterday?

L. O'DRISCOLL: Yes, but I need an answer. I didn't get much. I gave you the Gushue Highway and it was a softball, so I need one on this.

E. LOVELESS: Well, I mean, listen, the reality of the replacement of it, I think we all agree it needs to be replaced. There's no doubt about that. We went through a process and it resulted in a single proponent. We're dealing with that process as we speak. I know you referenced yesterday in terms of ballooning costs and stuff. I think it's fair what we've been seeing going on in the last year right around the world in terms of inflationary pressures and ballooning costs. So I'll just leave that there.

You referenced a number yesterday, but that is part of the process that we're going through right now and that's all – I can't say any different than what I said yesterday in terms of looking at this. But it's important and I think it's a project that needs to get

done. We plan to do it; it's just finding that – I don't know what word I can use, but the words that I can use is because at the end of the day we always have a responsibility to the taxpayers of Newfoundland and Labrador. But sometimes there's a need to do something in this province and I believe nobody is going to argue that this project needs to get done.

So let's try to find a way to get it done and that's what we're attempting to do. I'm hoping to have more on that in the coming months on the HMP.

L. O'DRISCOLL: It's certainly something that, no question, we need. Would you consider retendering it, I mean, to see where that goes?

E. LOVELESS: I'm not saying yes; I'm not saying no. It's a discussion that's ongoing in the department. At the end of the day, I'll just revert to finding what's best for the taxpayers of Newfoundland and Labrador and, at the end of the day, trying to strike the balance that we can get this project done because there's a great need.

But I will say that what's happening here is not only happening in Newfoundland and Labrador; this is happening in other provinces as well when I say this is happening in terms of a single proponent and working with the proponent to try to get the project done. So it's not just on our shores and our lands that this is happening; it's happening elsewhere. At the end of the day, you prefer that there be 10 people involved, or 10 proponents involved, but in the census we have one we're trying to work through the process.

L. O'DRISCOLL: Just considering that came certainly over budget or looking to be, for sure, what would it hurt to retender and somebody else might reconsider to get us a price that might be more in line? It's just fairness, I'm going to say. We're not started yet, but it's certainly a process they could certainly look at.

E. LOVELESS: No, that's fair in terms of trying to find a way to involve more outside work but to use the retendering process, you may have the same result.

L. O'DRISCOLL: You may.

E. LOVELESS: Who knows, right? So that's fair.

L. O'DRISCOLL: That's what I'm saying. Maybe we'll have the same ordeal and it is what it is, but someone else may reconsider and have a look at it, that's all.

E. LOVELESS: In terms of the inflationary process, I mean, whatever we do it's not going to change those challenges. Whether that's the HMP or roadwork or whatever the case may be, in Newfoundland and Labrador and elsewhere. So it's the reality everywhere.

L. O'DRISCOLL: Again, I mentioned this when I spoke yesterday, but some are maintenance, like guardrails falling down, signs missing or damaged, some of the work is not getting done. Are there vacancies or has the department looked at outside help to get this work done?

E. LOVELESS: Good question because it's always on the minds of all MHAs, especially in rural parts of the province. Not just rural parts of the province because guardrails are everywhere, but I think we talked about this last year and the announcement that we made this year in terms of \$225 million in that, there is a division where we're going to be focused on that kind of work that will potentially be outside of TI alone. We know that TI workers in various parts of the province are not getting the work done. So if we're not getting the work done, how can we get the work done?

We focused \$15 million in a division that we would call Asset Management and we're hoping that this year we're going to achieve some of that and next year we can say b'y, listen, we did a wonderful job and MHAs like

yourself and Mr. Pike and others that are here can see the difference and say good job.

L. O'DRISCOLL: I can certainly say that in my district in certain areas you always get people that are going to complain and that's the way it goes. But there has been a lot of work done in our areas in the last year or so that's been really good and I can only compliment them in my area. But when you're coming in from your district or MHA Pike is coming in, you're coming the Witless Bay Line and there's a section of guardrail when you leave the Trans-Canada and exit to go to Witless Bay Line, nearly two years – now I don't know the exact date; I'm not going to get into that, but where that's to, it's down flattened and it's a big drop-off. Whether it's going to stop a vehicle from going down if the guardrail is there, but there's nothing there now to stop it. So it's been down for a period of time and it's not in my district as such, but it's all our issue, let's say that.

E. LOVELESS: Yes, we'll make note of that and, I mean, the unfortunate piece about it – we had one MHA that said the same thing, we had it repaired and like within a short period of time, there was damage done again. So it's like –

L. O'DRISCOLL: Yeah, you're pushing them with plows and stuff, I get all that. I can't say how it goes back there; I'm not an engineer again, but it's on a steep side of a road and if a car goes there, it's – and we've made some calls. Not to our depot but we've made some calls because it's concerning when you go there. But that's just one of them. Signage is another one that I brought up yesterday when I spoke. Something that it's a big tourist area and we need to have that. Just the look of it when you're driving.

I drove out this morning and they have the paintings on the bridge, brand new road construction. Not your issue, I know, but so many paintings and fellows going around

with spray cans and painting stuff. It looks dilapidated and it's brand new. It's so discouraging.

E. LOVELESS: Well, you probably can ask Cory himself, when I travel the province. I mean, you're just noticing everything from sign to guardrails. Every time I'm on the road, I make note of everything and exactly where it is.

We will see improvements. I can guarantee that because, first of all, we've put some more money into a branch and we're going to be focused on that. I believe where it needs to be is the consistency, whether in terms of having a look of our inventory of signs and guardrails and stuff, I think this will help. We're making every attempt to achieve that. We'll leave that to those who are responsible for it. I look forward to see what that division will bring us in terms of results.

L. O'DRISCOLL: I know my time is up but I'm not sure.

CHAIR: Time is up.

L. O'DRISCOLL: I still have more questions. I'm not sure if he—

CHAIR: MHA O'Driscoll, you can continue.

L. O'DRISCOLL: I only have a few more and then that will be done for the questions.

Have you considered keeping the employees that are on in the winter for the summer to do some maintenance?

E. LOVELESS: We have considered it and we've talked about it, but I haven't made a decision that yes, we're definitely going to do it. I get it in my own district as well. But, at the end of the day, we have to look at the efficiency piece and just blanketly opening more depots to extend them, will we get the result we want? Some would probably yes, you will. So it's a conversation we're having but we haven't made that decision. But I will

say the Progressive Conservative government before us shouldn't have shut them down and we wouldn't have that problem, right?

L. O'DRISCOLL: I can't answer that; I wasn't here. We try to take care of where we are now. Forty of us should be in here to take care of what we're trying to do now and move on past that and get to what we need to get fixed. But I certainly agree with it. Why they shut it down, I have no idea.

How many outside workers are employed right now in our capital works projects?

E. LOVELESS: What in particular are you talking about, in terms of – are you talking like –

L. O'DRISCOLL: Just in general overall.

E. LOVELESS: – the new mental health and all that stuff?

L. O'DRISCOLL: Yeah, like in Corner Brook.

E. LOVELESS: I don't have it in front of me but the last numbers I saw within a three-month period it was 100 per cent Newfoundlanders and Labradorians. We always strive to hire Newfoundlanders and Labradorians on all of our projects. But the reality sometimes is that some speciality work not done by Newfoundlanders and Labradorians has to be done. Sometimes it does come from outside. There's no difference in Newfoundlanders and Labradorians going to other parts of the country because they do a certain type of work.

The answer is always the same that we strive to give most – 100 per cent is always our target and we've been on target in some projects; some projects we haven't. But the work is getting done and that's important.

L. O'DRISCOLL: Thank you.

Any update on the AG report that recommended a centralized road maintenance ranking system? Any update there?

E. LOVELESS: I think my answer is probably going to be the same as last year. We have a conversation with the AG about those concerns. I think the central system is – I have it right here. Officials that are here and in other parts of the province in terms of identifying what roads – there was a system and I can say we've expanded the system in terms of looking at low-volume roads.

Not necessarily for vehicles going over that road, but what vehicles are going over that road. Is there a fish plant? From an economic development perspective, the business case is under consideration and I think it's proven well. I believe it has, because we talk about it every day. Shipping products in and out of – no difference from what we announced yesterday from a TCH approach when you got goods in and out of the province wanting good roads.

A lot of work goes – more work than I think officials are given credit for in terms of their input. I value them. We've spent many, many hours on roadwork because sometimes it might be you that might say there is a bad piece of road here so we take that back and we look at it further. As was in the media and to say it every time that we have over 10,000 kilometres of roads in our province and it is a challenge but I believe with – because I did ask the question to the AG: What Cadillac service are you suggesting? They didn't have an answer. They're not necessarily saying a Cadillac system.

We have roads and we have our ranking system and I believe it is doing a good, balanced job in terms of – it is not just our roads. I say it all the time – and Cory will probably read my lips – it was what lies beneath in terms of our bridges, culverts and everything else. I don't think the system

is broken so I'm not necessarily pushing for that system, which I don't know if anybody has a suggestion on what the system should be.

I hope that answers your question.

L. O'DRISCOLL: Nope, it is certainly tough. When you drive across the Island, and I do that a fair bit, that you do see a lot of infrastructure, bridges. I've seen it last year, two and three times going across the Island and it is not easy to do for sure. Everybody wants a bridge and everybody wants a road.

Some of these Local Service Districts, I'm just wondering the representation they get because they have their own group that they do and how do they get looked at is some of the questions – and I can only use a small road in Mobile as an example. Your department, it is hard to get there unless you have the superintendent that goes out and drives it or whatever the case may be. Sometimes I wonder how they get on the list; they call me and they say, well, we'd like to get this road done. Of course I get that call a lot because this road and wherever it may be.

Sometimes I just wonder how they get these small roads in these small communities – they're small communities but still they're busy areas even though they're small communities, you know, so how they get there.

E. LOVELESS: Well, again, and I compliment the system throughout the province in terms of Dan's interaction with or Cory's interaction with the depots in terms of coming back with their priorities. From an LSD perspective, yes, it is more difficult. I think the man sitting right behind me has a lot of LSDs in his district and he has advocated for these areas and while they're challenging, we still need to have that conversation piece.

I think collectively MHAs do come to me and say, listen, this road should be done; this

road should be done. So that's all taken back and given to officials and we look at it from our whole umbrella of funding, we take it all into consideration and strive to do the best we can for the LSDs. Keeping in mind that LSDs are not incorporated and from a tax perspective and all that, it's difficult. I wish they were all contributing and some people says it's unfair and all that stuff but that's a bigger conversation. We do strive to assist those Local Service Districts the best we can.

L. O'DRISCOLL: I'm sure we do. We get it on both sides. I mean, I've got municipalities and I've got LSDs, so I'm sure we all get that and you get it as well.

E. LOVELESS: Yes.

L. O'DRISCOLL: The water bomber – for years, we were going to sell the fifth one and now they're going to fix it. So what is the plan there now?

E. LOVELESS: Let me make it clear; the water bomber, the fifth one is not going to rot. She's not wooden.

L. O'DRISCOLL: Never said she's going to rot.

E. LOVELESS: I just want to clarify that. I don't know if you've ever visited the site.

L. O'DRISCOLL: I haven't. No.

E. LOVELESS: You should and I say that not because it is you, anybody out there to see the value of what the employees put into the maintaining of these aircraft. I mean, I walked in there and I walked out excited. Yes, we were entertaining selling it. Forest fires, last year, paused me and paused the department in terms of our need for it. Right now we're equipped with staffing four of them. That fifth one is still part of the conversation. Right now we have an RFQ out to see who can do the work on this fifth asset.

Once that's completed, we'll be in a better position as to okay, what are we going to do with it? Service-wise and from an operational perspective that's more for Minister Bragg to answer because we provide the employees to operate them but in terms of where they go, where they're stationed, is certainly their call. We have the agreement with other provinces as well that they did assist us last year with the fire on the Bay d'Espoir Highway in Central. They come in and we provide our services to them as well, whether that's Quebec or Nova Scotia, whatever. That works well.

L. O'DRISCOLL: I appreciate that because I had a buddy that worked with a helicopter group and I know the maintenance that goes on in these vehicles. People have no idea what goes on and every time they go out and land and they look at them and the instrumentation. You've done the instrumentation parts. So it's very important that they're doing all this. I certainly appreciate that. There's no question.

A lot of people don't understand. They think it's just sitting there and nothing being done. They're checked over, rivets checked, everything is checked on it when they leave and come back and it's just a PM maintenance schedule, no doubt, that I mentioned that before and the cost per kilometre is the same kind of thing. You don't haul in vehicles every day but these planes or aircraft are checked pretty well every day.

E. LOVELESS: Again, I encourage you do go out there. I'm telling you, the machines are – anyway, you need to experience it for yourself. But in terms of the information piece for the operations of the water bomber, listen, last year in terms of the fires, the biggest challenge I had was people: Where are the water bombers? Where are they? Trying to inform them. You know what that does to social media, it explodes.

We had an incident in Harbour Breton Sunday night. I learned something Sunday night that water bombers, there can be operational difficulties with different temperatures during the year and in the water it can cause issues. So I wasn't aware of that. I mean, the water bombers are there ready to go but you can't just make a call and say listen, get her up in the air now. They have to assess.

In terms of Harbour Breton, fortunately collectively the fire departments came together and took care of it. But I was on the phone with Minister Bragg constantly and we were ready to go. But it happened around 4:30 and your window of opportunity in terms of daylight wasn't there. But again, from excavators to people in the community, b'y, they made it happen. They sat on the hill overnight and watched it so there would be no flare-ups.

L. O'DRISCOLL: Good stuff.

So that's it for questions. I do have some in the sections, but in that section, I'm not sure if –

E. LOVELESS: Mr. Chair, I would encourage a break at some point because I do have two glasses of water in me.

CHAIR: Okay.

Not wearing your Depends?

E. LOVELESS: No, I depend on you.

CHAIR: Okay.

It's probably time. We can take one now. We're almost into halftime, so yeah, we'll take a break now for 10 minutes.

Recess

CHAIR: Okay.

We're starting, thanks.

Clerk.

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

CHAIR: MHA –

E. LOVELESS: I'm sorry, what section you say?

CHAIR: 2.1.01 to 2.4 –

L. O'DRISCOLL: No.

CHAIR: Oh, sorry.

Shall 1.1.01 to 1.2.04 inclusive –?

L. O'DRISCOLL: I have some line-by-line items in that section as well.

CHAIR: Oh, okay.

L. O'DRISCOLL: I only asked the questions first; I didn't go to the line by line.

CHAIR: Yes, we noticed that.

Okay, carry on.

L. O'DRISCOLL: Okay.

Under 1.2.01, Executive Support, Salaries, you spent an extra \$254,300 more than budgeted.

E. LOVELESS: That's due to the increase in executive positions, the ADM and associate DM.

L. O'DRISCOLL: Okay.

Under Property, Furnishings and Equipment, what was the nature of the unbudgeted \$2,000 there in expenditure?

E. LOVELESS: What section is that?

L. O'DRISCOLL: Under 1.2.01, Property, Furnishings and Equipment, \$2,000.

E. LOVELESS: It's just an increase to furnishing for executive team. It's not a nice chair for me; let me make that clear.

L. O'DRISCOLL: Like these ones.

Under 1.2.02, Administration and Support Services, Transportation and Communications, why was revised expenditure of \$45,000 more than was budgeted?

E. LOVELESS: Increase in postage stamps. I know a couple of years ago, you lick a stamp, it was one calorie; you lick one now, it's three calories. But the increase was due to postage costs. As we can see, cost in everything is going up.

L. O'DRISCOLL: Under Purchased Services, can the minister explain the nature of the drop of \$75,000 last year?

E. LOVELESS: Savings at headquarters and regional office for Xerox and printing costs and it's demand driven and certainly can vary from year to year.

L. O'DRISCOLL: Okay.

Under 1.2.04, \$500,000 does not sound like a lot of money with the various schools and capital projects government has announced. Just wondering for Land Acquisition.

E. LOVELESS: Okay, I'm going to defer that to the deputy minister, please.

C. GRANDY: So the land acquisition for various projects would actually be in the project cost itself. We use this line item here, Land Acquisition, for historical things. We would've acquired properties for example for Team Gushue. That's still going through a negotiation process with landowners and we use this budget for that. But as we acquire property for new projects, it's included in the project budget.

L. O'DRISCOLL: Okay, so of the \$127 million, the land acquisition is in those budgets?

C. GRANDY: Correct.

L. O'DRISCOLL: Okay.

That's it for me on that section.

CHAIR: Okay.

MHA Brown, do you have any? You don't?

J. BROWN: No, I'm good.

CHAIR: Okay.

Clerk.

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

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.2.04 carried.

CHAIR: Clerk.

CLERK: Operations, 2.1.01 to 2.4.03 inclusive.

CHAIR: MHA O'Driscoll.

L. O'DRISCOLL: Under Salaries, what was the nature of the extra \$402,700 spent last year?

E. LOVELESS: New collective agreements and recognition bonuses. In addition, we

had overtime incurred for emergency road repairs and snow and ice control operations.

L. O'DRISCOLL: Okay.

Under Transportation and Communications, why is there an additional \$300,000 last year during COVID?

E. LOVELESS: Increased communication costs for Internet services, radios in remote locations and satellite phones in Labrador, including 511 programming.

L. O'DRISCOLL: And Supplies, why an extra \$40,000 there?

E. LOVELESS: That's in first aid and personal safety equipment across various regions.

L. O'DRISCOLL: Okay.

Under Purchased Services, can the minister explain the nature of the additional \$58,000 last year?

E. LOVELESS: Primarily related to 511 enhancements, plus utility and maintenance costs for street lighting.

L. O'DRISCOLL: Under Property, Furnishings and Equipment, can you explain the unbudgeted expenditure of \$22,300?

E. LOVELESS: Ergonomic assessments.

L. O'DRISCOLL: Okay.

Under 2.1.02, Summer Maintenance and Repairs, why the extra \$2.8 million under Supplies?

E. LOVELESS: Under Supplies?

L. O'DRISCOLL: Yeah.

E. LOVELESS: Increased costs of construction supplies, which would include traffic paint and liquid asphalt. Again, in

addition to inflationary pressures across the activities.

L. O'DRISCOLL: Okay.

Under Purchased Services, why the extra million dollars there as well?

E. LOVELESS: Inflationary pressures on equipment rentals and general maintenance of spreaders, rollers, excavators.

L. O'DRISCOLL: Just extra costs or are you saying inflationary pressures?

E. LOVELESS: Well, yeah, it's extra costs due to inflationary pressures on equipment rentals and general maintenance.

L. O'DRISCOLL: Under 2.1.03, Snow and Ice Control, what was the nature of the extra \$6 million there under Supplies?

E. LOVELESS: I'm not sure if you're hearing me because I'm answering but my mic is not – okay, there it is.

Again, it's the common theme of increasing costs and this is a significant increase in salt and sand requirements. You know and I know that it's highly dependent on weather conditions and we know that can vary. It's a reality in terms of increasing costs.

L. O'DRISCOLL: Under Purchased Services, what was the nature of the unbudgeted expenditure of \$2.1 million of the extra?

E. LOVELESS: That's attributed to increased costs and CPI rates. Increase primarily related to the additional costs for renting snow clearing equipment to support government's fleet.

L. O'DRISCOLL: Under 2.2.01, Maintenance of Equipment, under Supplies, what was the nature of the increase from \$19 million to \$25 million?

E. LOVELESS: That's under Supplies?

L. O'DRISCOLL: Yeah.

E. LOVELESS: Did you reference the increase of \$2.5 million or \$6.5 million?

L. O'DRISCOLL: This one here says what was the nature of the increase from \$19 million to \$25 million, so \$6 million.

E. LOVELESS: Okay. Again, it's just the substantial rise in costs related to fuel and maintenance of light vehicles – right to your question earlier – and heavy equipment. Fuel costs alone for light vehicles and heavy equipment is more than 50 per cent higher than anticipated.

L. O'DRISCOLL: No doubt, it's right across the board, not only –

E. LOVELESS: Absolutely.

L. O'DRISCOLL: It's everybody.

Purchased Services: Why the significant increase of approximately \$4.6 million?

E. LOVELESS: Again, we've talked about the increase in costs. Equipment maintenance, significantly impacted by general market increases on repairs and maintenance. We have turnover in heavy equipment technician positions that led to increased utilization of the private sector for repairs. Work has to get done. As a result, TI required an additional \$4.6 million for repairs and maintenance for the light vehicle and heavy equipment fleet.

L. O'DRISCOLL: Okay.

Under 2.2.02, Equipment Acquisitions, Property, Furnishings and Equipment, can the minister explain the increase in the \$1.5 million in Estimates for this year compared to last year?

E. LOVELESS: Under Property, Furnishings, correct?

L. O'DRISCOLL: Yes.

E. LOVELESS: Well, we certainly have had a demand for replacing the aging fleet and we have a budget approval for additional \$5 million in capital funding for light-duty vehicles for the next five years, which is \$25 million in total, and we welcome that to address the aging fleet. Also, we have \$4.2 million in capital funding for heavy-duty trucks, backhoes, graders, snow blowers, trailers, and brush cutters to do that all-important work.

L. O'DRISCOLL: Under Operating Grants, why is that number increasing to \$14,535,000? Are we getting the same value for the money, is it inflation or what is it?

E. LOVELESS: I think, it's probably the same – you're under 2.2.02, Operating Grants?

L. O'DRISCOLL: Yes, 2.2.02.

E. LOVELESS: Well, I think the explanation for that is pretty much the same.

L. O'DRISCOLL: Okay.

Under 2.3.01, Provincial Buildings, Purchased Services, what explains the additional \$11 million last year?

E. LOVELESS: So we had additional funding that was transferred within other department areas to cover a deficit. To give you a little bit more information, the price of fuel is at a major impact and government-owned buildings that use oil-fired furnaces as their primary source of heating and we have also CPI increases which impacts it as well.

L. O'DRISCOLL: Does the department track deferred maintenance at various buildings, like government-owned, CNA campuses and stuff like that?

C. GRANDY: The department does have – I forget the name of our software now that

does that tracking. So we do have a system that does that.

L. O'DRISCOLL: Okay.

Under 2.3.02, Alterations and Improvements to Existing Facilities, Professional Services, you spent only \$712,000 last year but anticipate spending the full amount. The same thing happened the year before that as well.

E. LOVELESS: Under Professional Services?

L. O'DRISCOLL: Under Professional Services, yes.

E. LOVELESS: The decrease there, if that's what you're referencing, it's lower than anticipated design work in building maintenance projects. Professional services cost can vary year to year, depending on project phases. There are a large number of smaller projects managed by building operations in which consultants were not required and so, therefore, that resulted in lower professional service costs.

L. O'DRISCOLL: You only spent \$712,000 last year but you're anticipating the full amount again. Is that the way it's going to be?

E. LOVELESS: Yes. I can conclude that's a budgetary process. Hopefully you spend less, but you're estimating that your budget from last year will be the same this year. Hopefully it'll be less. Hopefully we won't have to maintain – we're doing such a good job, we won't have to spend money at maintaining.

L. O'DRISCOLL: Hopefully if you do more maintenance, then it's less cost overall, basically.

Purchased Services: What's happened there for a million-dollar cut?

E. LOVELESS: So one-time increase in '22-'23 not requested in '23-'24 and the increase related to one-time COVID stimulus funding.

L. O'DRISCOLL: Okay.

Under Revenue - Federal, can the minister explain the drop to \$4 million from \$18,750,000 back to \$6,522,000?

E. LOVELESS: It's modification of cash flows in federal funding. Revenue will be picked up in 2025 and beyond. I don't know if that answers your question as I can certainly have officials give you some more information.

L. O'DRISCOLL: Yes, get a little more on that.

C. GRANDY: Yes, so this revenue is federal revenue received under the COVID resilient stream under ICIP funding. So what you're seeing in the revenue is just a cash flow adjustment. What we don't receive in '23-'24 we will receive in the out-years as projects are completed and claims are made to the federal government.

E. LOVELESS: So we don't lose the revenue.

L. O'DRISCOLL: All right –

CHAIR: If I could just interject, just to note that when any staff are speaking, to identify yourself. Broadcast needs that.

Thanks.

L. O'DRISCOLL: Under Revenue - Provincial, can the minister explain the budget cut to \$100,000?

E. LOVELESS: Where are you gone to now, my son?

L. O'DRISCOLL: No, 2.3.02, under Revenue - Provincial.

E. LOVELESS: Revenue – Provincial – oh, he is gone over to the other section.

L. O'DRISCOLL: No, the last one was in the same section.

E. LOVELESS: 2.3.03, correct?

L. O'DRISCOLL: No, 2.3.02. One was Revenue - Federal and then the other was Revenue - Provincial.

E. LOVELESS: I don't see anything.

C. GRANDY: Yeah, the provincial line for revenue would be from the sale of properties. So you're seeing the decrease because we don't anticipate that type of sale to realize the provincial revenue. That's why you're seeing the drop to \$100,000.

L. O'DRISCOLL: All right.

Under 2.3.03, under Salaries, why was there an unbudgeted – oh, sorry.

CHAIR: No, you go ahead and finish the question.

L. O'DRISCOLL: Okay.

Why was there an unbudgeted expenditure of \$310,000?

E. LOVELESS: To reflect proper job costing, TI staff are recharged to low-carbon projects for the amount of time spent on them.

CHAIR: Okay, thank you.

MHA Brown.

J. BROWN: Thank you, Chair.

Can we get a list of the current maintenance repairs that will be carried out this year on the highways?

E. LOVELESS: On highways?

J. BROWN: Yeah, can we get a list of what's planned for maintenance repairs for this coming season?

E. LOVELESS: Yeah.

I don't mean to be harsh in saying this, but that's the Roads Plan. Are you talking about guardrails and all that?

J. BROWN: Yeah, the list is usually like everything is ranked and what's usually gets done. Can we get a plan of what's going to be done for maintenance and repairs for this coming summer, like what's confirmed that's going to be done?

E. LOVELESS: I still have to say that there is the Roads Plan in terms of what roads will be done. There is a two-year Roads Plan but in terms of the maintenance, I mean, I don't have that and I don't think Dan has that because there are different regions of the province, different depots that will have different priorities in terms of what they will do.

I don't have that list other than to point you to the Roads Plan. But if there is something specific that you're referring to, we'd be happy to –

J. BROWN: Yeah, we could do that later.

E. LOVELESS: Okay.

J. BROWN: Currently, right now, how many highways are listed that require major work that needs to be done that is not included in the Roads Plan? That is not for this next two years but still listed that there is still work that needs to be done.

E. LOVELESS: Well, we just prioritized some yesterday in that announcement. I think it has already been addressed. I go back to the Roads Plan; those are the priorities for the next two years. So I don't know if I can add anymore to your question than that. These are the major highways to

be done on a priority basis and, as I said before, we'll strive to do more.

J. BROWN: Perfect, thank you.

How many bridges require upgrading in this year? How many bridges are slated to be repaired or fixed?

E. LOVELESS: A lot. I will say, since my time in TI, we've certainly focused on bridgework because we have to know what our challenges are beneath the highways before we put blacktop on it. So there has been a real focus but, in terms of how many bridges, I don't have in front of me what was done last year or what will be worked on and completed this year.

I am given information here that from a dollar figure – so is that for this year?

OFFICIAL: That's for this year.

E. LOVELESS: For this year alone, almost \$21 million is being spent on bridges. Again, bridges have certainly been in the news media, from Canning Bridge in Marystown to other bridges and Minister Crocker's district as well. I think it goes to show the inspections that are required, the staff are doing good work and sometimes an inspection brings different results. Based on that if an inspector tells me that it needs to be closed down, it will be closed down, or a reduction in the load or whatever the case may be.

J. BROWN: Can we get a list of which ones will be done this year? Which ones you plan to do repairs on this year?

E. LOVELESS: We can get them for you but, I mean, it is in the Roads Plan.

J. BROWN: Okay, perfect. Thank you.

Are there any changes in the past year to the road maintenance system management in terms of how roads get ranked on priority of work?

E. LOVELESS: I think the extensive conversation earlier on that in terms of what the AG expects us to do in terms of rankings from local roads – when I say local in terms of lower volume but we apply under the lens of economic development in areas of the province and stuff and that's taken into consideration.

So other than that, we proceed with our ranking system. I've had a great appreciation obviously because I'm working with the staff, but to think that it's not working, it is and I'll defend it. You really need to be there with those officials to appreciate it, and I think we're doing a good job.

J. BROWN: Perfect. Thank you, Minister.

Going to maintenance, could we get a breakdown of the number of vehicles that are currently in the fleet with TI and their categorization of maintenance or light vehicle?

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

J. BROWN: Thank you so much.

What is the current state of the fleet? Are there any scheduled repairs to be completed in this coming year of equipment or how much equipment is going to be planned to be replaced this year?

E. LOVELESS: Well, I mean, repairs are always ongoing. I'm happy to say that we're focusing on and we're investing – I think I read out the numbers earlier in terms of what we're committing to, not just on a one-time basis but on a consistent basis because we do need to address the inventory challenges that we have. We plan to do it and we're going to do it. So onward and upward.

J. BROWN: Thank you, Minister.

Can we get an update on the recruitment and retention of mechanics in the provincial maintenance garages? Have we gone back to the correct staffing levels or are we still having challenges there?

E. LOVELESS: Well, for me to say that we don't have challenges would be not correct. It wouldn't be fair to you, it wouldn't be fair to people who are listening and it wouldn't be fair to anybody, but I think it goes back to MHA O'Driscoll's comments around this as well. There are challenges and as a government or any government, you don't sit back and say, oh, we have 10 vacancies but we're not really worried about it. Yes, we are, and recruitment efforts are there. But do we always get what we want in terms of people accepting those positions?

The recruitment process is what it is, but we know where the challenges are. Private industry has their role to do in terms of hiring and stuff. Do we compete with them? We do, but we strive every day to recruit and replace those vacancies. But it is a challenge. It's been a challenge for us, but that's not new to any ministers or any of the governments over the years. But we strive to do better.

J. BROWN: Perfect, thank you, Minister.

Over to Provincial Buildings, I know you were in Committee with me but it was the wrong Committee. Can I get an update on the roof of the Arts and Culture Centre in Labrador West?

E. LOVELESS: We don't have the details here. That would be a take back and we'll get back to you.

J. BROWN: Thank you so much, Minister.

The most recent annual report from the Auditor General warned about P3 costs fluctuating substantially due to the changes to CPI. What impact will inflation have on our financial obligations when it comes to those commitments?

E. LOVELESS: Well, I mean the reality is there that the inflationary pressures are what they are. It pressures every Finance minister in every government. It's something that we have to deal with; we have to plan it. But we can't not continue to do stuff in this province, if it's build buildings or construct roads because we have inflationary pressures. If we shut it all down, b'y, she's going down.

That's not the plan of this government and we're going to continue on, keeping in mind, but always in the back of your mind that we need to be balanced, because the reality of any government is that there's a borrowing requirement. That's all part and parcel of it.

J. BROWN: Perfect. Thank you, Minister.

How much deferred maintenance and an estimate, roughly, that is done currently on buildings – how much deferred maintenance have we backed up now on our provincial buildings?

E. LOVELESS: Again, we don't have a number here right now, but we'll duly note it and someone will certainly get back to you on that.

J. BROWN: Thank you so much.

Can we get an update too on the current transition from fuel boilers to electric boilers on provincial buildings? How many has been done and how many are planned to be done this year?

D. MACKENZIE: The process of revising and changing the energy systems in government buildings is an ongoing process. There have been a number of changes that have happened in recent years and a number of more scheduled for this fiscal year as well. I can provide a couple of examples to illustrate.

For example, under the Low Carbon Economy Leadership Fund that we maintain with the Government of Canada, we have

plans in place to switch from oil-fired to electric heat for the West Coast Correctional Centre in Stephenville; some schools in the St. John's area, Brother Rice, for example, the College of the North Atlantic campus in St. Anthony and Baie Verte; and various public buildings in Grand Falls-Windsor, by way of example.

J. BROWN: Perfect, thank you so much.

CHAIR: Thank you.

MHA O'Driscoll.

L. O'DRISCOLL: Go back to 2.3.03 where I left off, under Professional Services, what was the nature of the \$155,000 spent there?

E. LOVELESS: Consulting costs required for various low-carbon projects throughout the year.

L. O'DRISCOLL: Okay.

Under Purchased Services, \$4.8 million to \$3.6 million spent down by \$1.2 million. So what's happening there?

E. LOVELESS: That reflects contract costs for low-carbon economy projects to be completed, which include various boiler additions, upgrades and conversions from fuel.

L. O'DRISCOLL: Under Revenue - Federal, what is happening there? There's a drop of \$1.6 million there as well.

E. LOVELESS: Same as the answers before and if you need to me to repeat it, I can.

L. O'DRISCOLL: No, all good.

Under 2.3.04, Low Carbon Economy, \$2.1 million was budgeted only \$369,000 spent and now you're requesting \$6.3 million. So what's the difference in that there?

E. LOVELESS: What part are you on? Are you Salaries?

L. O'DRISCOLL: No, under 2.3.04, Purchased Services.

E. LOVELESS: Oh, sorry.

So you're asking from budget '22-'23 to Estimates '23-'24?

L. O'DRISCOLL: Well, last year \$2.1 million was in the budget and you only used \$369,000. Now you're requesting \$6.3 million.

E. LOVELESS: Yes, the variance is associated with cash flow's requirements for approved projects which include some carry-over from '22-'23.

L. O'DRISCOLL: Okay.

Under Revenue - Federal, what's happening there?

E. LOVELESS: Cory told me the wrong area.

L. O'DRISCOLL: I'm sure he did.

E. LOVELESS: So the variance is attributed to cash flow requirements associated to the projects and timing of receipt of federal funding.

L. O'DRISCOLL: And under 2.4.01, Airstrip Operations, Supplies, can the minister explain \$270,000 spent last year?

E. LOVELESS: That's overrun due to increased costs associated with fuel and parts.

L. O'DRISCOLL: And under Purchased Services, there's \$105,000.

E. LOVELESS: That variance is due to fewer than expected airstrip maintenance contracts – cracks, repairs and general maintenance.

L. O'DRISCOLL: All right, that's it for me on that section.

CHAIR: Thank you.

MHA Brown.

J. BROWN: Can we get an update on maintenance on the airstrips? I know some of the airstrips had a complete resurfacing, like the gravel strips on the North Coast. Can we get an update on those projects?

E. LOVELESS: I'll call on ADM Dan for that, please.

D. MICHELSEN: So those projects are moving forward. As you can see, this is in the Capital part of the airstrip piece in 2.4.03. This is a federal-provincial – a federal program where we receive 100 per cent funding from the federal government for the maintenance that's done on the airstrips. So those projects are proceeding as needed on the resurfacing of the airstrip and acquisition of equipment as needed.

J. BROWN: All right. Perfect, thank you.

That was my last question for this section.

Thank you so much, Chair.

CHAIR: Thank you.

Clerk.

CLERK: Operations, 2.1.01 to 2.4.03 inclusive.

CHAIR: Shall 2.1.01 to 2.4.03 inclusive, Operations, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subheads 2.1.01 through 2.4.03 carried.

CHAIR: Clerk.

CLERK: Infrastructure, 3.1.01 to 3.4.01 inclusive.

CHAIR: MHA O'Driscoll.

L. O'DRISCOLL: Under 3.1.01, Improvements - Provincial Roads, there's an increase of \$69 million. Can you explain that increase and how much of that work is really going to get done?

E. LOVELESS: So that's 3.1.01 under Operating Accounts? Is that where you're asking?

L. O'DRISCOLL: Purchased Services: There's an increase of \$69 million.

E. LOVELESS: It just represents an overall increase in the annual Roads Plan for that amount.

L. O'DRISCOLL: How much of that work do you think we're going to anticipate getting done?

E. LOVELESS: What's that?

L. O'DRISCOLL: How much of that do you anticipate is going to get done this year?

E. LOVELESS: Whatever the industry –

L. O'DRISCOLL: Whatever the industry allows? I was hoping a lot of it.

E. LOVELESS: Again, I mean we talked earlier about early tendering to kick-start their season. It's important, we're trying to achieve that and that's what they asked for and that's what we're attempting to do, and they're pleased with it.

L. O'DRISCOLL: I'm just asking this question for myself: When do tenders go out for the roadwork for this year? Like when is the deadline or are they all different dates? You are trying to get as much work in the

summer as you can, obviously, because it's a time period. When does that –?

E. LOVELESS: Yeah, like they don't all go out on one day.

L. O'DRISCOLL: No, no.

E. LOVELESS: We have Labrador. We have western parts of the province and Central, Avalon. The officials do their job in terms of what goes out in various parts of the province.

L. O'DRISCOLL: Okay.

Under 3.1.02, Federal-Provincial Cost-Shared Agreements, Purchased Services, there's a drop of \$1.8 million from the revised \$10.9 million.

E. LOVELESS: Projects are allocated to Current and Capital activities based on the nature and scope of the roads projects in accordance with public sector accounting standards. The variances are attributed to projects nearing its completion.

L. O'DRISCOLL: Okay.

Under Revenue - Federal, why the drop of \$2.9 million?

E. LOVELESS: Reduction in the federal revenues, it's due to eligible cost-shared projects, roads projects. Revenue received correlates to work completed in current and prior years.

L. O'DRISCOLL: Okay.

Seeing this is a short season, and we all know that here, any consideration done to nights and weekends?

E. LOVELESS: Well, we did pilot it before. While I'm not certain on the answer I'm going to give, but I believe – because I answered it this morning on CBC as well – that the results of the night, I think cost was a factor as well. So I don't think it was

achieved, what was hoping to be achieved by work being done in the nighttime. I don't know if there's anything else that can be added to that, Cory.

C. GRANDY: As the minister said, I think when we did that nighttime pilot several years ago, it was a 30 per cent increase in the cost of that work relative to projects that weren't in the pilot. It also comes down to what the industry can support and from a crewing perspective. I think the question we'd ask is was the 30 per cent increase worth the benefit received from it and I think, at the end of the day, the department chose not to pursue any further nighttime construction.

L. O'DRISCOLL: Yeah.

Some of these contractors that are out there, do they work 12-hour days in regard to being able to capture most of the daylight they can? I know that sometimes they start 7 in the morning and sometimes they're ready 4:30, 5 in the evening. I guess that's up to the contractor. But when you're putting out a tender, do you put in to say is there a factor for being able to do nighttime work?

E. LOVELESS: I mean, time is money for these contractors. But in terms of what's in the actual tender documents, are you asking do we require them to have a minimum of 12 hours per day?

L. O'DRISCOLL: No, no, I'm just wondering is it something that happens. They determine how long they're working sometimes. Obviously they're trying to get it done. You're right on the cost, but is that something that's given consideration in your tender documents going out? Do you ever ask if they can work in the nighttime? Is that a part of your tender request or is that something they decide on their own?

E. LOVELESS: I'll shift this over to the deputy minister to add to it.

C. GRANDY: I'm hearing two parts maybe to your question. I think, in the first instance, I'll say the contractors have full control over the execution of their work. On high-volume roads, I'll use the Outer Ring Road, and Route 2, Pitts Memorial Drive, as examples, on those types of roads, we will sometimes put hours of restrictions so that we don't allow contractors to work during the rush hour in the morning and the rush hour in the afternoon.

We don't do that for most roads. Again, we reserve that to high-volume roads. If a contractor wants to work nighttime construction, that is certainly something that they can do; we don't restrict that. If they did choose to do that, we would want to make sure that their site has specific safety plans that reflects the additional hazards that come with nighttime construction. Lightening is the obvious one of that and the other one that is sometimes less obvious but is perhaps even more important and that is fatigue management program. If contractors are going to work a nighttime shift, we're going to want to make sure that they have proper fatigue management in place so that the same worker is not working a 24-hour shift and that they are getting the appropriate breaks.

L. O'DRISCOLL: Sometimes you wonder, you go down in the States and you see them working nighttime only and not daytime. But the contractor probably around here it is hard to get workers to work in the nighttime rather than the daytime, but it's just an option sometimes. I can see lightening being one big issue for sure, there's no question.

E. LOVELESS: If I can just add a little piece to that. I think the results that you want to get from your question is working with the contractors. I know our department communicates well with the industry. It's not perfect, but we do try to help them whenever we possibly can and that can go from project to project. But I think, overall, that it works well between the relationship

between industry and the department, which is important.

L. O'DRISCOLL: Just in driving through some of the construction sites, and you offer a contract, do you have a government official at every one of those during the day? Am I right in saying that? I always see government vehicles there and I'm saying they're just there to make sure that the work is progressing as follows?

E. LOVELESS: Yeah. Well, I think every time I've driven, because I always stop and say hello to people and stuff, there are always government officials there.

L. O'DRISCOLL: No, I just noticed that in my travels, too.

3.1.03, Improvement and Construction-Provincial Roads, Purchased Services, an increase to \$123 million. Can we get an explanation for that?

E. LOVELESS: Purchased Services, correct?

L. O'DRISCOLL: Yes.

E. LOVELESS: The increase reflects the contractual requirements for the province's Road Plans. As per the Provincial Roads Plan, the department spends such-and-such on all road infrastructure and I'm happy to say the budget for 2023 is \$225 million.

L. O'DRISCOLL: You're bragging about that a bit.

E. LOVELESS: Hear, hear!

L. O'DRISCOLL: Again, every year there are carry-overs. What capacity exists to get this work done or do we see a reannouncement again next year and a reannouncement again the year after?

E. LOVELESS: Carry-overs is a reality and you wish that you didn't have carry-overs but, again, it goes back to the reality of our

short season, contractor capacity because there's only so much work can get done in that season. Again, we hope to see better results this year and I think it goes back to contractors have said that consistency is very important. We know we're going to buy new equipment. We're going to hire more people.

The early tendering is a part of that as well. So they're looking for labourers. They're look for flag persons and stuff. We've seen an increase in that already. I have contractors reaching out to me as well and saying it's a good thing and we look forward to it happening. So hopefully more work gets done.

L. O'DRISCOLL: Under Revenue – Federal, can the minister tell us what is happening there? You've got \$3.4 million as a new line item under Revenue - Federal.

E. LOVELESS: Yes, again, it comes down to the eligible cost-shared road projects. So revenue received correlates to the work completed in the current or prior years. So, as work gets done, we receive revenue.

CHAIR: Thank you.

MHA Brown.

J. BROWN: Under this section here, I have no further questions.

CHAIR: No further questions?

L. O'DRISCOLL: I got more on that section. Sorry, under Trans-Labrador Highway, both Purchased Services and Revenue - Federal dropped. Is the highway done now, totally? I know that you're up there with your white hat on. So I was wondering if it's done.

E. LOVELESS: Is your question, is the Trans-Labrador Highway done?

L. O'DRISCOLL: Yes.

E. LOVELESS: Yes, and I was there to walk the last kilometre with the contractor doing it, laying the pavement and I was walking with him. It was a good day for Labrador.

Hey, I'm the minister at the time and pleased to be a part.

L. O'DRISCOLL: You get the glory, that's right.

E. LOVELESS: A lot of money spent. I think the contractor was telling me the aggregate and all that stuff that was pumped into it would just flabbergast you in terms of the work that was done there and the employees. They took us then to their trailer where they do cooking. I'm telling you, there's no better restaurant in Newfoundland and Labrador than was down there. These ladies, they were coming from the Western part of the province, working there for years. It was a real family environment.

It's not just the pavement, those guys or ladies out there laying the pavement, there are other things, spinoffs, we'll say, that's a big part of it as well.

Thank you for asking that question.

L. O'DRISCOLL: Sure.

Under 3.1.05 under Federal-Provincial Cost-Shared Agreements, what is planned for this year?

E. LOVELESS: Under the –

L. O'DRISCOLL: 3.1.05.

E. LOVELESS: Yeah.

L. O'DRISCOLL: Just under Federal-Provincial Cost-Shared Agreements, what is planned for this year? I know you had an announcement yesterday for sure.

E. LOVELESS: Yeah, that's part of it, plus we have approvals in terms of municipal projects, whether they be water related and stuff. Am I headed in the right direction?

OFFICIAL: (Inaudible.)

E. LOVELESS: Are you referring to municipal projects?

L. O'DRISCOLL: Well, yes, what other announcements – have you got any more announcements that may be coming that we may hear of?

E. LOVELESS: Yeah, it's projects that are in the Roads Plan. But I don't know if you're mixing it up in terms of – or I am as well – if we are, that's fine, because it's all in the same discussion anyway in terms of infrastructure. We have cost-shared municipal infrastructure projects with the federal government and we have our own MCW cost-shared agreements.

Yeah, there will be more announcements coming and we look forward to those. Even the federal minister said yesterday there would be a new agreement coming forward in the next coming months. I look forward to that because that will be for municipalities and Newfoundland and Labrador in general.

L. O'DRISCOLL: All right.

On the announcement you had yesterday, the \$306 million, I know it's certainly a good announcement, no doubt, are there any time frames as to when this is going to all be done or close to being done? Where are we going to get the people to do it and what time – it's certainly a nice announcement, there's no question, but when are we going to expect to see some of this stuff done or get finished or completed?

E. LOVELESS: Yeah, again, I'd be in a better position to answer that once step one happens, that is the RFP that will go out for the consulting and the design work, because, I mean, this is not all written down

in stone as soon as it's announced. You have twinning of highways that's going to include – that's not just putting blacktop down, it's building roads, it's bridges included, culverts included and stuff.

So it's no different than the Canning Bridge in Marystown where people want a clear: oh, it's going to be done in three years. Well, if I say it's going to be done in three years and when three years comes and it's not, guess who's going to get the blame? Minister Loveless said it would be done in three years.

You can't, and I don't think it's fair for you to expect of me nor I expect of you, because I could say the window of opportunity hopefully within the next three to five years, we'll see lots of roadwork being done in the province from that announcement yesterday, but I don't have a define – I wish I did; I wish I could be able to tell you, but until that happens, that first step, then we'd be able to give you more. So, hopefully, next year I'll be able to give you that list that you're looking for.

L. O'DRISCOLL: No question.

My next question would be an RFP, how long does that take to get to the first step procedure to be done? That would be one question. The reason I ask this question is the Gushue Highway is on the go a long time now. So you make this announcement now, we're 10 or 12 years into the Gushue Highway and we're nowhere near completion.

So making these announcements is great. It's a good announcement, but we'd like to get to it and get it finished is the ideal reference.

E. LOVELESS: But, listen, that's our aim, let her go. I'm not interested in making this announcement for the sake of photo op. It's not about a photo op. We got the approval to move forward now. I get it where people are saying the work is over there, there are

piles of sand and stuff like that, but I think Cory explained very well earlier in terms of what needs to happen in order for us to – it's not just as simple as okay, the bridge stops here and now we'll continue on. Not only that, it's getting a better price for contract work is important as well, bundling things together and stuff.

That's all part of the process, but I don't have – I was asked on the interview this morning the same thing, but I don't have it.

So there's a lot of work from planning to be done yet. But, as you said, it's a good news story and when it rolls out, we'll see timelines. Again, soon as I'm in a position to give timelines, I'd be happy to give them to you or anybody else who wants to have that information.

L. O'DRISCOLL: I don't doubt that for a second, but when you look back at the Gushue Highway – and I'm using that as an example, that's all. But a big announcement comes, it's going to be finishing and here we sit today and we're another couple of years before that's going to get touched again by the sounds of it.

So we can make these announcements, but let's – again, there were ministers before you when this started, the Gushue Highway as an example, and you're sort of getting it there now. But that's where it's to.

E. LOVELESS: Yeah, I'm not speaking for the other ministers but this minister – I'm going to make sure it gets done.

L. O'DRISCOLL: That's why we're asking these questions.

E. LOVELESS: Listen, every attempt by the previous minister that was here, believe me, his foot was on the gas, too. At the end of the day, I always said – and, I mean, you asked the question many times in the House in terms of we do need federal support here in terms of completing this. There's no bones made about that.

Previous ministers, we all made the same attempt to get this work done. So, as I said, the foot is not on the break, it's on the gas peddle.

L. O'DRISCOLL: Okay.

Under 3.1.05, let's get back to that. Grants and Subsidies, there's nothing budgeted, can the minister explain that?

E. LOVELESS: Sorry, you got me –

L. O'DRISCOLL: 3.1.05.

E. LOVELESS: Yeah.

L. O'DRISCOLL: Under Grants and Subsidies.

E. LOVELESS: Okay.

L. O'DRISCOLL: There was nothing budgeted there. Could you just explain that?

E. LOVELESS: The decrease, there's no grant funding provided in '23-'24 for the Nain airstrip to Nunatsiavut Government. I think the ADM referenced that in the question from MHA Brown in terms of that's the cost share with the federal government, our portion of the \$3.5 million. This is the NG's responsibility in terms of moving this forward. But that's just our cost-shared arrangement on that.

L. O'DRISCOLL: Under 3.2.01, Administrative and Support Services, Purchased Services, why the increase from \$3 million to \$4.5 million last year?

E. LOVELESS: That's increase in property and liability insurance premiums.

L. O'DRISCOLL: Okay.

Under 3.2.02, under Health Care Infrastructure, can you explain what's happening there? It went from \$3.3 million to \$5.8 million under Purchased Services.

E. LOVELESS: That's funding for payments to contractors and other associated costs. The increase is we have monthly service payments for the Corner Brook hospital starting November 2023 upon completion, and that is an increase of \$2.4 million.

L. O'DRISCOLL: All right.

Can you provide projections for out-years to include all facilities, like Corner Brook hospital, the new mental health facility and addictions facility?

E. LOVELESS: Did you ask projected costs?

L. O'DRISCOLL: No, projections for the out-years, how far away are we from these being finished.

E. LOVELESS: Oh, I'll ask Cory to ...

C. GRANDY: Yes, I'll make sure I understand your question. So the projects that are currently under construction –

L. O'DRISCOLL: Yeah.

C. GRANDY: – are on the schedule that they were announced as. So the Corner Brook hospital completion, from a construction perspective, will be this fall. Then the payments, as part of the P3 project, are contemplated in the project agreement.

L. O'DRISCOLL: Okay. Under – oh, my time is up.

CHAIR: MHA Brown.

J. BROWN: Perfect, thank you.

I have a couple questions here for Building Infrastructure. How much has been allocated this year for upgrades to the mechanical ventilation and HVAC systems for schools this year?

C. GRANDY: So that activity is in the Alterations and Improvements line – I forget which – but specifically we didn't bring a breakdown of projects included in the Alterations and Improvements budget.

Dan, I don't know if you had a specific project breakdown but there are a number of projects that will be completed in core government buildings as well as schools. So if you'd like to see some information on the schools, we can provide that.

J. BROWN: Perfect. I'd appreciate that so much.

Also, can we get an update on the renovations and extension to Labrador Correctional Centre and the completion date for that?

G. CLARKE: Construction is ongoing on the extension; I don't have a time frame now for when completion is but construction is well under way. There have been some delays in the earlier part of the project but we're ramping it up now for a solid construction season this summer.

J. BROWN: Perfect, thank you so much.

Can we also have an update on the Northeast Avalon Health Care Infrastructure Committee and when would we expect to hear from the work undergoing with that?

C. GRANDY: So the Northeast Avalon Health Care Infrastructure Committee is chaired by Dr. Pat Parfrey; it's not an activity of TI. I do sit on that committee as the deputy of TI. So there are regular meetings of the committee and the focus of discussion has been on some of the announced projects, the replacement of St. Clare's Mercy Hospital, as well as the new cardiovascular and stroke institute that was announced for the Health Sciences Centre. So that has been the focus of the discussions of the committee.

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

With ferry operations, can we get a breakdown of costs for the North Coast run, the Strait of Bell Isle run, a year-over-year cost and also how much revenue is generated from fares on that as well?

E. LOVELESS: We can get into that; that's in the next section in terms of ferry operations.

CHAIR: In the next section.

J. BROWN: Oh, that is the next section. My apologies, sorry. No worries, we'll get into that in the next section.

Perfect, that's the questions in this section.

Thanks.

CHAIR: MHA O'Driscoll.

L. O'DRISCOLL: Under 3.2.03, Building Infrastructure, can the minister explain this revised increase to \$11 million under Professional Services?

E. LOVELESS: There are two increases, but I will attempt the one that you're referring to. The first one is a variance due mainly to requirement for professional engineering requirements for the Corner Brook acute. As the project advances to the next stage, operational readiness, transition consultant, et cetera.

L. O'DRISCOLL: Under Purchased Services, can the minister explain what's happening there? It's \$103 million to \$53 million and the \$513 million?

E. LOVELESS: That increase reflects planned expenditure for health care infrastructure, including project carry-overs on smaller projects and facilities service commitments payment for the Corner Brook Acute Care hospital.

L. O'DRISCOLL: That's a big number.

Under 3.3.02, Purchased Services –

E. LOVELESS: 3.3.02?

L. O'DRISCOLL: Yes, under Ferry Terminals. There's a decrease from \$5.4 million to \$2.9 million. Can you explain that, too?

E. LOVELESS: The decrease is funding return to historical level after carry-over for Nain wharf rehab project.

L. O'DRISCOLL: Okay.

Can we get a list of projects that are completed and scheduled, that you got coming up?

C. GRANDY: The active project has been the project in Nain.

L. O'DRISCOLL: That's completed?

OFFICIAL: It would be completed this summer, in July.

L. O'DRISCOLL: Under 3.4.01, Municipal Infrastructure, Grants and Subsidies, we left \$23 million on the table last year. Can you explain that?

E. LOVELESS: Grants and Subsidies, correct?

L. O'DRISCOLL: Yes.

E. LOVELESS: You're asking the increase, correct?

L. O'DRISCOLL: You had it budgeted for \$123 million and you had \$92 million. So you left \$23 million on the table. Is there any explanation for that?

E. LOVELESS: I'm not seeing \$123 million.

L. O'DRISCOLL: Twenty-three.

E. LOVELESS: So those are cash flow savings. You did reference the '22-'23 budget to the revised amount. Correct?

L. O'DRISCOLL: Yes.

E. LOVELESS: So it's \$115 million to \$92 million. Those reflect cash flow requirements for municipal infrastructure projects.

L. O'DRISCOLL: And this year you've got \$157 million that it is revised to. Do you expect to be able to spend that?

E. LOVELESS: We hope. Anticipated spending on MCW and MYCW programs and small-scale communities projects. We know this is town-led in terms of projects getting done, right?

So it's the capacity conversation that we have and stuff. So the quicker we can get it out to them, then – but we know municipalities are challenged. Again, we just hope that it can be done. It does require, no different than the industry, that the municipalities can get their work done.

L. O'DRISCOLL: All right.

So the Investing in Canada fund, is that all drawn down now?

E. LOVELESS: Oh, yeah, all funds have been – and as the federal minister said yesterday, there's a new program coming.

L. O'DRISCOLL: Okay.

Can we get a list of everything that's in that that's drawing down? Is that possible?

E. LOVELESS: In terms of the unallocated funding that's now allocated?

L. O'DRISCOLL: Yeah, like where it's to.

E. LOVELESS: The list was yesterday. That's been a discussion ongoing for the last year.

L. O'DRISCOLL: How to draw it down?

E. LOVELESS: Yeah.

Because it is important to note that the federal government moved the requirement from March 2025 to 2023, which is now. So the last year we spent in terms of what eligible project would fall under that funding and we landed on the announcement yesterday.

L. O'DRISCOLL: Under section 3.4.01, the last question for this section. What's going on there under Revenue - Federal?

E. LOVELESS: Increase in revenue tied to expenditures. There was an increase of \$10 million. There was a decrease in revenues in 2022 reflect cash flow savings on federal/provincial projects. Increased market prices have delayed construction as multiple tenders require.

L. O'DRISCOLL: That's it for that section.

CHAIR: Okay, thank you.

Clerk.

CLERK: Infrastructure, 3.1.01 to 3.4.01 inclusive.

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

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.4.01 carried.

CHAIR: Okay, Clerk.

CLERK: Air and Marine Services, 4.1.01 to 4.2.02 inclusive.

CHAIR: MHA, we're ready to go.

L. O'DRISCOLL: All right, thank you.

We've seen the AGs report on the Sunshine List where ferry crews continue to make over \$100,000 with many getting significant overtime. What is the department doing to address this and can we hire more staff?

E. LOVELESS: I'll ask ADM Baker behind me to comment on this, but we have seen a reduction in overtime hours. But I think this conversation, the question that you're asking, goes right to addressing the: not a lot of people on the ferries and in terms of trips where there are no people. I know it's been discussed and that's part of the discussion that needs to continue in terms of our decision-making process as well.

But I'll ask ADM Baker to comment on that.

J. BAKER: We've been coming up prior to the pandemic and a few years before that, we knocked about \$1.4 million out of overtime. Since the pandemic, we've been faced with a lack of professional crews for the vessels. It's not only a provincial problem or a national problem, it's globally. But we are mandated to put the same number of crews on the vessels. In order to make the vessels run or make them serviceable, we have to have callbacks. Sometimes we're able to do it by getting crew back on straight time and sometimes we have to do it on overtime. But it has been a difficult task to try and recruit the proper number.

We only have about 59 per cent of all of our crew who are permanent, the rest are casuals and it's a difficult task.

L. O'DRISCOLL: Is that your choice to be casual or they just don't want to have the permanent positions? Is that a choice of theirs?

J. BAKER: I didn't get the question.

L. O'DRISCOLL: Is that a choice of theirs to be casual rather than being permanent or is just not filling positions? I don't know, I'm just asking.

J. BAKER: We would appreciate having them permanent, but the casuals are coming from other services on their days off when they're on rotation.

L. O'DRISCOLL: Again, the same as every industry, it's hard to get people to fill these positions.

Okay, under Supplies under 4.1.01, \$9.6 million was budgeted, it went up to \$22 million, now budgeted at only \$13 million. Can you explain that?

E. LOVELESS: That's attributed to increase in fuel costs.

L. O'DRISCOLL: Okay.

Under Purchased Services, what was the nature of the \$3 million spent last year? Is this contractors? We've heard that contractors are called in without any supervision or an attempt by a crew to fix a given issue.

E. LOVELESS: No, the increase of \$3 million is due to increased repairs and maintenance and insurance premiums. Also, we had two additional runs on the North Coast service that were requested and provided.

L. O'DRISCOLL: Okay.

Under 4.1.02, Ferry Vessel Refits, Purchased Services, an extra \$5 million last year. I was just wondering how and why? How much was New Dock?

E. LOVELESS: On average, the department has \$13 million for vessel repairs and maintenance split between Current and Capital. At budget, the department was projecting a total of \$15 million, \$12 million Current and \$3 million

Capital. Vessel refits are demand driven and they're mandated by Transport Canada. So it's work that has to be done.

L. O'DRISCOLL: Minister, with that, are you satisfied that it's well managed and supervised for our value or perspective money? Are we writing a blank cheque for some of this stuff? What's your feeling on that there?

E. LOVELESS: No, I don't think we're writing a blank cheque. I think checks and balances are done. I don't know if Mr. Baker wants to add to that, but I think we're doing a good job with that.

J. BAKER: Yes, we have some five-year refits coming into play here, plus the fact that we plan out maintenance prior to what is regulated and what needs to be done as per certificates and whatever. But sometimes it's not guaranteed how much you have to do until the covers come off, then you're into the unexpected.

L. O'DRISCOLL: I can appreciate that for sure.

Which vessels are getting work now? There's an extra \$1.7 million budgeted.

J. BAKER: The vessels that are on maintenance now?

L. O'DRISCOLL: Yes.

J. BAKER: Right now, we have the *Beaumont* in on dry dock and having considerable amount of steel work done, underwater steel work.

L. O'DRISCOLL: Okay.

Under 4.2.01, Government - Operated Aircraft, under Supplies, \$1.7 million to \$4.5 million, back down to \$3.7 million. I'm just wondering what's happening there?

E. LOVELESS: Am I looking in the right area?

L. O'DRISCOLL: 4.2.01.

E. LOVELESS: Sorry, bear with me there.

L. O'DRISCOLL: Yes.

E. LOVELESS: You did ask under Purchased Services?

L. O'DRISCOLL: Under Supplies.

E. LOVELESS: Supplies, sorry.

I never licked my fingers so much before in my life as I did today.

That's attributed to increases in fuel, the \$2-million increase and, again, it's increasing cost of fuel and fire suppression activities.

L. O'DRISCOLL: It would be interesting what the increase in fuel would be for your whole department from one year to the next. We hear that in different projects. It would be certainly interesting to see what it costs the government in your department for fuel because it's certainly a big number, I would think.

E. LOVELESS: Too much.

L. O'DRISCOLL: Big number.

E. LOVELESS: Very big number.

L. O'DRISCOLL: Under Professional Services, why the under budget of \$15,000?

E. LOVELESS: That same section?

L. O'DRISCOLL: Yes, Professional Services.

E. LOVELESS: I don't see a Professional Services.

L. O'DRISCOLL: That's under Property, Furnishings and Equipment; sorry about that.

E. LOVELESS: That increase, if you're asking Property, Furnishings and Equipment for \$15,000 –

L. O'DRISCOLL: Yes, \$15,000.

E. LOVELESS: One-time purchase of office furnishings and equipment. This is demand driven and the department reallocates funding as required. I know some of it was for last year, the requirements for the command centre in Central for the forest fires.

L. O'DRISCOLL: In Purchased Services, an extra \$1 million was spent last year. Can we get an explanation of that?

E. LOVELESS: Same section, correct?

L. O'DRISCOLL: Yes, same section.

E. LOVELESS: New funding allocated in budget '23-'24 attributed to increases in repairs and maintenance of aircraft fleet to address Transport Canada regulatory requirements.

L. O'DRISCOLL: Okay.

Under 4.2.02, never spent any money last year and the same request this year. I'm just wondering why.

E. LOVELESS: That's a variance due to delays from supplier in avionics upgrades.

L. O'DRISCOLL: All right, that's it for me on that section.

Thank you.

CHAIR: Okay.

MHA Brown.

J. BROWN: Thank you, Chair.

I'll go back to my previous question on the ferry there. With the Ferry Operations, can we get a breakdown of costs for the North

Coast run and what was the cost last year, and the same for the Strait of Belle Isle crossing, the cost to government?

E. LOVELESS: We can provide that. A breakdown of the cost of the two services, correct?

J. BROWN: The two services operated by Woodwards.

J. BAKER: We can get that cost broken down for you. The only difference in breakdown from year to year would be the CPI and the fuel.

J. BROWN: Yes, what it would cost to government is what we're looking for.

J. BAKER: Yes.

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

And my second and last question there is: Can we get an update on the refits that were supposed to be done to the air ambulances? Have they been completed or when will they be completed?

J. BAKER: The air ambulances right now are both operational.

J. BROWN: Yes.

J. BAKER: We have one to come out this fiscal that they would be somewhere around June month, which will have both engines replaced. So those engines are coming complete and so it will only be an exchange out.

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

CHAIR: Okay.

Clerk.

CLERK: Air and Marine Services, 4.1.01 to 4.2.02 inclusive.

CHAIR: Shall 4.1.01 to 4.2.02 inclusive, Air and Marine Services, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.2.02 carried.

CLERK: The total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

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

CHAIR: Shall I report the Estimates of Department of Transportation and Infrastructure?

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: Okay, just to say thank you to everyone for a great Estimates meeting this morning and I'd just like to ask the minister if he would like to make some final comments.

E. LOVELESS: I would. Thank you for the opportunity and just thank everybody. It's not just us; it's the Chair and the gentlemen that assist us that's important as well. Thank you for your questions; good questions. I think the Members opposite would like to have a few words as well. And always the staff behind me, they make it all work. They make the engine well oiled and continue on going.

Thank you, Mr. Chair.

CHAIR: MHA O'Driscoll.

L. O'DRISCOLL: I'd like to thank everybody as well for coming. I'm sure there are more staff that are not here and I certainly appreciate your time. I know it's not easy coming here and everybody that showed up, again, thank you. It's certainly not my first experience in Transportation and Infrastructure, but it was interesting, I've got to say.

E. LOVELESS: You did a good job. You might be kept on.

CHAIR: MHA Brown.

J. BROWN: Yes, thank you so much, Chair.

I want to thank everyone in the staff over from TI for being here and I thank the minister for his answers. It was really appreciated and we'll all meet back here again next year.

CHAIR: Thank you, everyone.

Could I have a motion to adjourn?

K. HOWELL: So moved.

CHAIR: Moved by Minister Howell.

Thank you.

Carried.

On motion, the Committee adjourned sine die.