

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

**STANDING COMMITTEE ON  
NATURAL RESOURCES AND ECONOMIC DEVELOPMENT**

**Tuesday, September 29, 2020**

**LEGISLATIVE CHAMBER**

**Vital Work of the Forestry Transition Team - Update**

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**NATURAL RESOURCES AND  
ECONOMIC DEVELOPMENT COMMITTEE**

Suzanne Lohnes-Croft (Chair)  
Rafah DiCostanzo  
Keith Irving  
Brendan Maguire  
Bill Horne  
Hon. Pat Dunn  
Tory Rushton  
Claudia Chender  
Lisa Roberts

[Hon. Pat Dunn was replaced by Tim Houston.]  
[Brendan Maguire was replaced by Hon. Margaret Miller.]

**In Attendance:**

Judy Kavanagh  
Legislative Committee Clerk

Gordon Hebb  
Chief Legislative Counsel

**WITNESSES**

**Chair of the Forestry Transition Team**

Kelliann Dean - Deputy Minister,  
Intergovernmental Affairs

Julie Towers - Deputy Minister,  
Lands and Forestry

Ava Czapalay - Associate Deputy Minister,  
Labour and Advanced Education



House of Assembly  
*Nova Scotia*

**HALIFAX, TUESDAY, SEPTEMBER 29, 2020**

**STANDING COMMITTEE ON  
NATURAL RESOURCES AND ECONOMIC DEVELOPMENT**

1:00 P.M.

CHAIR  
Suzanne Lohnes-Croft

THE CHAIR: Order. I call this meeting of the Standing Committee on Natural Resources and Economic Development to order. It's Tuesday, September 29, 2020. My name is Suzanne Lohnes-Croft and I am the MLA for Lunenburg and Chair of the committee.

Today, members of the Forestry Transition Team will give us an update on their work. I ask that everyone in the Chamber please turn off your phones or put them on vibrate. In case of emergency, we will exit through the back door and walk down the hill to Hollis Street and gather in the courtyard of the Art Gallery of Nova Scotia.

We have some new procedures in place to help protect the health of everyone here today. We are holding this meeting in the Legislative Chamber instead of the usual committee room to allow for more spacing between people. We ask that you keep your masks on, except when you are speaking.

Should you have to leave the Chamber - which we are asking you not to if at all possible - please exit behind you through the side doors into the anterooms and down the stairs if you are going down the stairs. We'll also provide you with bottled water, and we ask that you leave the caps on your water when you are not drinking it to protect the microphones.

I'm suggesting - as in the Health Committee and the Public Accounts Committee - that we take a 15-minute break at 2:00 p.m. and add 15 minutes to the meeting, so we will adjourn at 3:15 p.m. rather than 3:00 p.m. Is everyone agreeable to that? I will stop you even if you're in the middle of your dialogue at 2:00 p.m. and then we will pick up where we left off.

I'm going to ask the committee members to introduce themselves, starting with the PC caucus.

[The committee members introduced themselves.]

THE CHAIR: I would like to welcome our witnesses. Ms. Dean, maybe you can introduce your team and do your opening remarks.

KELLIANN DEAN: Thank you for inviting us to update you on the work of the Forestry Transition Team. Today, I am joined by my colleagues: Lands and Forestry Deputy Minister, Julie Towers; and Labour and Advanced Education Associate Deputy Minister, Ava Czapalay.

Our team also includes Deputy Minister of Energy and Mines, Simon d'Entremont; Don Bureaux, President of the Nova Scotia Community College; and representation from the forestry community: Jeff Bishop, Executive Director of Forest Nova Scotia; Doug Ledwidge, President and CEO of Ledwidge Lumber; Debbie Reeves, Chair of the Large Private Non-Industrial Landowners of Nova Scotia; and Greg Watson, Manager at North Nova Forest Owners Co-op.

We have been working together since last January to inform and advise government on possible solutions to help the forestry sector following the closure of the Northern Pulp mill.

First, I would like to thank the members of the transition team for their active involvement and continued commitment to this sector. Although the terms of reference for our committee expired in June, I am pleased that team members have agreed to an extension until December so that we can continue our work together.

Today, I am pleased to share our progress since we last updated this committee on February 15<sup>th</sup>.

In the early days of our work, the transition team focused on the immediate needs of the sector. Our goal was to keep as many people working in the sector as possible so we worked quickly to put a number of programs in place to help. With input from people who worked in the sector, communities, experts, innovators, and other jurisdictions, the transition team endorsed spending of close to \$75 million in new training and funding

initiatives, and provided advice on adapting policies across government departments and agencies to support this important transition.

Shortly after our appearance before this committee, the COVID-19 global pandemic took hold, creating unprecedented health and economic challenges for individuals and businesses throughout our province. Fortunately, the forestry sector was able to adapt to public safety measures and continue to operate.

As well, the transition team stayed focused on its mandate and continued to meet virtually once or twice each month in order to hear from stakeholders, identify key priorities, and take action to support the sector. Here are the highlights of our work to date:

- The toll-free line was set up quickly in January to provide program advice and support to those experiencing job loss in the sector. Close to 650 people were helped, and call volume has declined significantly to only four calls between August 1<sup>st</sup> and September 28<sup>th</sup>.
- Through the emergency assistance program, 1,233 people accessed \$1.2 million in support. There have been no further applications for assistance since September 11<sup>th</sup>.
- The \$1.5 million Forestry Sector Apprenticeship Initiative has helped 108 people pursue an apprenticeship in a skilled trade. The \$7 million for silviculture and road programs on private and Crown land is fully allocated.
- The Credit Union Contractor Lending Program provided 26 loans totalling \$1.1 million to help contractors cover payments on forestry equipment.
- The Department of Lands and Forestry received 24 applications for its \$1.5 million land purchase program and will give priority to people in the forestry sector who wish to sell their land at fair market value.
- Trustees were appointed to the Forestry Innovation Transition Trust. The transition team has met with trustees to share our work and vision for the sector. The trust has completed its first call for applications for the \$50 million and is currently assessing 22 proposals.
- Nova Scotia Business Inc. established the \$10 million Forestry Innovation Rebate Program and recently announced its first rebate for the Eastern Embers wood pellet manufacturing facility. Equipment upgrades will help the facility meet increased demand for wood pellets for residential and commercial heating in local markets and throughout Canada.

- Construction is now starting on the first six provincial buildings, which will be converted from fossil fuel heating systems to new, efficient wood heating systems. Using local lower grade wood for heat creates new stable markets for wood chips and opportunities for private woodlot owners and sawmills to sell lower grade wood locally. An assessment of additional sites to expand this program is also under way.
- Changes to Nova Scotia Power's renewable energy standard are enabling the utility to generate more electricity from wood chips and sawmill residuals by operating two biomass plants at capacity until Muskrat Falls comes onstream. This is also providing a much-needed market for wood chips.
- A new forest sector council is being established with \$250,000 of support from the Department of Labour and Advanced Education in order to better understand immediate and future workforce needs and develop a workforce strategy.
- Lands and Forestry Minister Iain Rankin led three virtual missions to Sweden, Maine, and Finland to learn more about best practices in forestry management, innovation, and diversification. Nova Scotia's delegation included Forestry Transition Team members, trustees in the Forestry Innovation Transition Trust, as well as forestry sector, academic, and government representatives. We continue to ensure that any proposals being considered to help the sector did not jeopardize our exclusion in U.S. duties on our lumber.
- We finalized and communicated a framework for sector transition, including a new vision, guiding principles, and strategic priorities for forestry in Nova Scotia, something that the sector asked for.

So what does the sector look like today? Currently all existing sawmills are operating due to increased demand for lumber resulting from construction and home renovation activity during the pandemic. Sawmills are also reporting that they have chip and bark markets. Lumber exports are up 12 per cent year to date, and lumber prices are now nearly double the previous year's average price.

While this is providing some relief to the supply chain, the outlook is uncertain and we know there are still challenges to overcome. Meaningful change will take time. As we move forward, our work will be firmly based in the vision and strategic priorities while continuing to ensure that the building blocks are in place to support change.

The vision is a strong, sustainable, inclusive, diversified, and innovative forestry sector respected for its stewardship practices and successfully delivering high value for lower ecological impact. We identified four strategic priorities to achieve this.

First, innovation, diversification and entrepreneurship. The path forward requires us to add more value to our existing resource, lowering the ecological impact. We also need to encourage more research, productivity enhancement, product diversification and market diversification, as well as support new businesses with innovative ideas in the sector.

A second critical element in sector transformation is workforce development. Our partners in post-secondary institutions and professional associations have a key role to play in training, up-skilling, and creating a workforce that remains competitive and professional.

Another critical building block for transformation is woodlot owner leadership. We recognize the need to strengthen the network of landowners and better understand how their interests in managing their lands align with the overall vision of the sector, forest stewardship, and rural economic development. We plan to survey Nova Scotia landowners as a first step.

Fourth, supply chain viability continues to be an area of focus. The sector needs to pursue opportunities to reduce operating costs and improve competitiveness through technology and business process improvement. Achieving this vision requires collaboration among and within the sector, government, Indigenous groups, and others with interest, expertise, and perspectives to share.

Moving forward, the transition team will continue to identify opportunities for potential markets and trade, continue our work on understanding the motivations of woodlot owners, explore best practices from our virtual missions, and ensure our forestry workforce is well positioned to embrace change. We are confident that Nova Scotia will have an innovative, thriving forestry sector for future generations.

Thank you. My colleagues and I are now happy to take your questions.

THE CHAIR: Thank you, Ms. Dean. We will start with the PC caucus. Mr. Houston, you have one question and a supplementary.

TIM HOUSTON: Thank you for those introductory comments. I'm still trying to understand the mandate of the committee or the goal - the overall purpose of the committee. When I look at the province's website on the transition team, it lists a number of goals. It says, ". . . identifying longer-term approaches to support an ecologically sustainable and competitive forestry sector" and ". . . identify longer-term and innovative approaches for the forestry sector." The transition priorities are, "Invest in and nurture a portfolio of activities focused on adding more value to the existing resource." Longer-term, longer-term, value add - those are admirable goals.

Can you share a written list of criteria that your team uses to evaluate projects that are put before it that would satisfy the mandate of the team? In other words, I assume the minister has given you a written list of criteria to use when projects are evaluated. I'm

wondering if that list is still focused on identifying longer-term innovative projects and nurturing a portfolio of activities focusing on adding value or maybe the website is a bit out of date.

KELLIANN DEAN: Thank you for the question. What I would say is that the transition team's role - what we've done is, we've set the parameters and a framework and the guiding principles for moving forward. That's what the sector asked us to do. That is in line with what you've described.

The Transition Trust now has \$50 million and it will be the trust that will look at those proposals and assess whether they, in fact, are in line with the guiding principles and that framework. They will look at whether or not proposals are meeting those objectives and actually moving the sector forward.

We want to make sure that building blocks are in place, that we've articulated a framework, and that the private sector, government, the advisory committee to the minister for the implementation of Lahey - all of those groups that are working in the sector can be aligned and move in the same direction.

I don't anticipate that the transition team is going to receive proposals directly. That will be the trust. The trust may, in fact, ask us for our opinion or advice on certain ones. We've had conversations with them so that they understand where we may be able to help. They will be looking at the lion's share of proposals coming forward.

Julie, would you like to expand on that?

THE CHAIR: Ms. Towers.

JULIE TOWERS: Sure. Remember, everything about the transition team was designed to handle both the short-term, which is the viability of the supply chain - your contractors, trucking, roads, silviculture, harvesting, et cetera - but very much also looking at the longer-term.

[1:15 p.m.]

The innovation side is some of the projects that are in play now, but absolutely where we're going as a province and as a country in terms of the range of things that you can make from plant fibre. The transition team was to be just that - to help move things along the path that in many cases we were on, but in some cases to accelerate some aspects of that.

That's why there's the four areas that you heard Deputy Dean speak to - because you can't do one without the other. You absolutely need diversification in your products and your markets, but you need the workforce that's going to support it. You absolutely



have to keep a viable supply chain in place in order to help make sure those things can happen. So it's all those pieces.

TIM HOUSTON: I appreciate that because I know the government and the department had essentially ceded responsibility for this to your team. It sounds like your team has now ceded responsibility to another team, and so goes on the beat of governments.

I'll tell you where it matters though: It matters where the rubber hits the road. That's why I was particularly interested to see if there's a written list of criteria for evaluating projects. How is one project going to be selected over another and what's the guiding focus on that? I didn't hear that there is a written list of criteria for evaluating projects. I actually heard that it's probably someone else's job, which is a little unfortunate, as far as I'm concerned.

It matters to me and it matters to the industry. I only have to think of Groupe Savoie in Westville. Groupe Savoie is a forestry company that has been in Nova Scotia for quite some time. They've weathered many highs and many lows and still remain dedicated to Nova Scotia. Now Groupe Savoie is interested in and wants to expand their operations. They put forward what I believe is a very innovative initiative, and they put it forward to your team.

They're not seeking government funding or any special treatment. Rather, what they're looking for is your team's support in securing a guaranteed wood supply so they can assure the project is viable. It's a long-term project. It's value-added to our natural resources and it definitely would create markets for Nova Scotian products. It definitely ticks the boxes of the things that I listed from your website. It speaks to longevity of the industry. It's innovative. It's a homegrown approach. These are all good things and I believe that your team knows the specifics of the request that Groupe Savoie has put before you, but I'd be happy to provide it.

I guess what I'm curious about is that given that this is a value-added, innovative project that would create jobs and help to support and sustain the long-term nature of our forestry, it's not receiving the support of your team. I guess I'm interested to know, does Minister Rankin agree that this is a project that should not be supported? What criteria is he using?

Of course, it begs a bigger question. This is just a project that I happen to know about. It makes me wonder how many other companies or individuals have put forward proposals that have been met with a similar fate. I haven't seen many long-term projects supported by the team. Ms. Towers, does Minister Rankin agree with the assessment that this is not the type of project that should be supported?

KELLIANN DEAN: I'll start and then I'll punt it over to Julie. What I would like to assure you is that there are a number of companies and proposals that come forward, but

the transition team doesn't necessarily have the programming in place to help them. So while we may become aware of them, there are other organizations that are better placed to help them on the ground, like NSBI, Nova Scotia Lands, and the Department of Lands and Forestry.

Oftentimes, what will happen is that we may be aware of something - and we're working really closely with Nova Scotia Business Inc. as well on the pipeline of proposals and companies that are interested. I don't think it's appropriate for us at the transition table to necessarily discuss specifics of company proposals or detailed company information.

Having said that, the department has conversations with people all the time who are interested and they provide support as they can. I believe that's the case with this particular proposal.

**JULIE TOWERS:** Think of it as the province being the entire support system to resource sectors. The transition team as it was funded was the ideas and the framework i.e., the supports or barriers that need to be addressed, whatever they may be.

Then you have projects that may come through the Department of Lands and Forestry. Often they're predicated on whether there is available feed stock - i.e., is there wood that we can use for a project? They may come to the Department of Business. They may come to NSBI. It depends which aspect they're looking for.

Now we have the Forestry Innovation Transition Trust in place which is very helpful. Also, many of you may be aware of the Nova Scotia Innovation Hub which is another aspect. Whether it's coming in any of those routes, there are criteria that are consistently used and they're not just in Nova Scotia.

You may or may not be familiar with some of them. There are things like technology readiness levels. There's a scale that assesses: is that technology already proven? Is it only a demonstration scale? Is it a commercial scale? There's an investment readiness program. That's the financing end of things which generally the Department of Lands and Forestry wouldn't do. That would be NSBI.

That's why it's a shared collective input into those different aspects. The financing, the technology, the available feedstock - those are the chunks that get looked at and rated. Where there are specific funding sources, that's where programs get evaluated at that level as opposed to the transition team.

In Groupe Savoie, I couldn't say much because there's active negotiations with them, as with other companies because they typically, as I say, come to the department looking for available feedstock. It would be inappropriate to talk about exactly what we're discussing in terms of numbers, but we're always supportive of companies that are trying to do work in the province - particularly one that's using hardwood and Groupe Savoie is

a good example. We have a lot of mills that use softwood. They're one that uses hardwood. That balances some of the pressures on the available forest.

THE CHAIR: We'll move over to the NDP caucus. Ms. Roberts.

LISA ROBERTS: Good afternoon, it's nice to be in a room with people. The economic impact of the Northern Pulp closure was expected to be more wide-reaching or dramatic, I think, across the province. In April, for example, it seemed that Harry Freeman & Son Limited in Queens County was going to close its doors. However, as reported this month, with an increase in lumber prices, rates of harvest across Nova Scotia have actually not decreased. At the same time, we're two years into implementation in response to the Independent Review of Forest Practices in Nova Scotia by Bill Lahey.

Can you share how the transition team has been considering and incorporating the message of the Lahey report of the urgency of switching to ecological forestry so that both of these transitions are moving in the same direction?

KELLIANN DEAN: It's usually a two-part answer, so I'm glad I have my colleagues here.

The foundation of everything we're doing is predicated on the Lahey report. That's woven into our work and also the framework that we've set up. That's critical to the future of forestry. Our team would be working collaboratively with the Department of Lands and Forestry and with Julie, who's also Chair of the minister's advisory committee on Lahey.

JULIE TOWERS: First off, I'd like to be clear - despite a recent CBC article headline - that it would be incorrect to say that harvest levels have not changed. All you have to do is use the practical observation of the amount of wood that Northern Pulp used. There are markets for that pulpwood but not at that level.

What people often forget is a lot of the harvest - anywhere from 50 to 70 per cent of that coming off a site - went to sawmills as sawables like saw logs, stud wood, et cetera. Then it was the by-products that went other routes. That's one of the things I think we need to be able to make it easy for people to see the numbers of what gets harvested and where it ends up.

The reality is that most of that is reported on an annual basis. Businesses are busy doing their work; they're not turning numbers over to us every week. So we need a practical system. I think as we get more and more digital, it will be easier to do that, to share that information.

The harvest has gone down, but also the types of harvest have shifted. The government response in December 2018 was the introduction of the interim harvest guidelines. We do track this: for every Crown harvest - remember, you have to separate

Crown and private - for every Crown harvest, we track whether it's a variable retention at 10 per cent, 20 per cent, 30 per cent, is it shelter wood, an individual tree, a selection cut. We have the types of treatments and the data on that in terms of the areas.

So we can report on it by hectares but until someone actually cuts it, you don't know exactly what products are coming off it; it's just the nature of it. You can make an estimate from aerial photography or satellite, but until it's actually delivered product, it's harder to get the products, but we can certainly speak to the amount of area cut and what it's cut by.

As you shift to including greater levels of retention, and we have seen that, and those are the numbers that we can share with folks. We have it now for 2019 and part of 2020 to show that shift. The key is to also compare it to past, pre-receipt of Lahey.

To circle back to exactly what Deputy Dean spoke about, thinking about Lahey and the recommendations of Lahey and forest practices, that's embedded in all the thinking and the decision and how things are evaluated, because remember, we're looking at a whole series of things. We're looking at landscape planning, we're looking at old forests, we're looking at species at risk. All these elements are a part, it's not just what gets cut. It's about how something gets identified to be harvested and specifically how it's harvested and who's involved in the harvest.

Particularly the public participation and stakeholder process is the go-in place as they're evolving before something even gets identified for harvest. I know it's a lot of pieces, but I'm more than happy to talk about those any day.

LISA ROBERTS: We're coming up to two years on those interim retention guidelines. That was the immediate government response to the Lahey report, and I think across Nova Scotia many people are witnessing activities that feel like business as usual in terms of clear-cutting, and there hasn't been the next rollout of major implementation beyond those interim guidelines. In fact, there has been a resumption of spraying, or at least intention to spray glyphosate on Crown land.

I guess that's why at the level of somebody actually living adjacent to or witnessing forest practices, there's a sense of impatience, especially given that I think we're now about six months delayed in having the independent evaluation of the implementation of Lahey. Can you give us an update on when we can expect that independent evaluation?

JULIE TOWERS: As you know, that's being done again by Professor William Lahey with a team of expert evaluators - some of whom were involved in his original group of experts that did the initial review, but others that's what they live and breathe, this evaluation. So they've been working away on that - and don't let me forget to come back because it's related, the ministerial advisory committee. He has already come to the ministerial advisory committee, which is 14 people plus me and a secretariat, who come

from that range of backgrounds, bring a range of perspectives, whether they work in the industry or they work with an environmental NGO.

[1:30 p.m.]

They have those discussions all the time. Professor Lahey came and asked them very specific questions about what they see as changes on the ground. As well, the department provided updates to him based on work we've been doing and stakeholder consultations. He has all that information now. I know he's working away on it.

As I'm sure you're all aware, it has been pretty difficult for the president of the university in the COVID-19 situation to juggle everything he's juggling. He was hoping to have that in September, but realistically he says he's still aiming to get it out as quickly as he can. He can't guarantee the exact timing. It's probably weeks, I would hope. That's very much where he is today.

THE CHAIR: We'll switch over to the Liberal caucus. Mr. Irving.

KEITH IRVING: First of all, I want to thank our three guests here for the work they're doing on this important file.

I would also like to extend a thank you to the members of the private sector who are sitting on the transition team: Mr. Bishop, Mr. Ledwidge, Ms. Reeves, and Mr. Watson. Those in the private sector are busy folks and it's always encouraging when they find time to participate at this level on this important issue. Please extend that to your colleagues on the transition team.

Obviously, out of every crisis there are opportunities. I was particularly interested in hearing more about the virtual trade missions that you've participated in in Maine, Sweden and Finland. I was wondering if you could share with us some of the things that you've learned - the opportunities that might be out there that you're exploring.

KELLIANN DEAN: I'll give kind of a high-level overview of what we did and then I think I'd like to ask Julie to speak a little bit more about the bio-economy piece. Ava, I'd like you to talk about the workforce, the planning, the training, and those types of initiatives - so you'll have a chance to take your mask off for a moment. (Laughter)

We had originally planned to go in person in March, but of course that wasn't going to materialize. We were able to coordinate missions to Finland, Maine and Sweden through the embassy and through our contacts on the trade side, and also in concert with the Department of Lands and Forestry and NSBI.

We wanted to make sure that the organizations that we talked to touched on the four key areas - strategic priorities that we feel are necessary for moving the sector forward.

They were organizations that were involved in innovation, in the forestry associations, in working with industry and government, and in working with woodlot owners. We also looked at how organizations were communicating with the sector and employing new technology in order to advance the sector forward.

Finland and Sweden are actually recognized internationally as leaders in innovation and sustainable forestry, so there were a lot of interesting ideas there. We were also able to get a sense of how they partnered, what their forestry practices were like, and how they managed that within their context. There was a great deal of collaboration in those countries. There is also a different culture with respect to forestry, and probably a different attitude towards the forest and how every part of the tree is used.

Finland is actually a leader in sustainable energy in the bio-economy, which was an area that we think offers a particular opportunity for Nova Scotia. There is a huge reliance on wood heat there - more sophisticated wood heating systems as well in those countries, which is something that we're going to be exploring further.

One of the other areas that was of particular interest - and this came up in Maine - was the depth of knowledge that these jurisdictions have about woodlot owners' motivations. They're not all the same. People who own woodlots don't all want to make money or make a living from their woodlot. Some are more interested in the biodiversity values. Others are looking to diversify and create new products or do something very unique from their experience in owning a woodlot.

One of the opportunities for us is to learn from them how they survey their owners, what information they're able to glean, what their woodlot owners need and how they adapt and provide them what they need so they can manage their forests. There were some great examples of technology at play there, real-time apps where forest owners could understand through an app what the state of their forest growth was - what different species they had and how they were going to map out forest plans.

Again, there are some opportunities for us to follow up on, and we're going to do a deeper dive into markets as well. We'll do a higher level summary of what we have seen and learned, and look at it in the context of Nova Scotia to see what best practices we might be able to use here.

I'm sorry, I've talked long enough about that. Julie, maybe you can talk about the bioeconomy pieces and the innovation.

**JULIE TOWERS:** A couple of things to keep in mind, and I'll talk about Sweden and Finland in particular first. The Scandinavian countries have been held up for a lot of years, and a lot of folks who are in the sector here in Nova Scotia have often gone there and visited to see how practices function. They are very well-organized in terms of how

they interact with the woodlot owners, who again are a significant part of their land ownership and their supply.

Not only in their machinery that they use and how they use that, the data they use to track what's available and how it gets used. Particularly an example of this would be LUKE in Finland, which is a natural resources institute which focuses heavily on research and development. This is the area of biofuels, biochemicals, what are bioplastics, what are some of those opportunities. They have invested in those institutes.

In terms of bodies, research scientists, their connections with the government folks, and the number of projects. They've created these so that the research collaborative - some are staffed, some are just reaching out through their networks, to look at all the opportunities. So chemists, engineers - it's not just forestry because when you start getting into those areas of bioeconomy. You need all that broad depth of knowledge.

That's where you can see they've really made a difference because they've done that, and they talked about the reality of how you need 100 ideas to keep testing and narrowing it down until you get the few that can really commercialize. They already work with FPIInnovations, which is our Canadian institute that does a lot of detailed bioeconomy work, and with some of our academics.

In some cases, we are aware of some of the projects, but it was an opportunity to learn about more projects and to set up more connections that we are following up on to try to look at opportunities. In some cases, they may be testing a technology there but they may want to come here to test some of their technology.

The thing you should also be mindful of, particularly in Scandinavian countries, is they have a lot less tree species. They might have Norway spruce, Scots pine and silver birch, and that's it - whereas we have about 26 commercial tree species and 46 known tree species. So when you're starting to take a technology and test it on the feedstock that goes into it, it's critical. The people working on it have to test it with each species, almost, to find the best blend. Think of it as the chemical blend that we're trying to come up with. What goes in and what difference does that make to the end product?

That's one of the reasons why they want to also see what we have to work with, just as we want to see what technologies they have. A lot of good connections were made that we'll be following up on. So I guess I'll just pause there.

THE CHAIR: Ms. Czapalay, did you have anything you'd like to add?

AVA CZAPALAY: I wanted to just mention two quick highlights for me in the trade missions, and one relates to research and innovation. Those three jurisdictions for sure have identified ways to closely link their forestry sector with researchers, and in Nova Scotia there's a lot of opportunity to do that. I was really happy that Research Nova Scotia

participated in the trade mission, and Research Nova Scotia, I'm on that board along with Deputy Miller and Don Bureaux.

The opportunities are endless in Nova Scotia to innovate based on collaboration with the forestry sector. Things are already starting to happen. For example, a researcher at Saint Mary's University is working with a private sector partner to develop PPE based on pulp.

I also wanted to mention that the education and training sector supports the forestry sector with its programming. Here in Nova Scotia, we've already asked the Nova Scotia Apprenticeship Agency and the Department of Labour and Advanced Education to work with the Nova Scotia Community College to do an asset-mapping exercise of all the education and training - both formal and informal - in Atlantic Canada that relates to the forestry sector.

We have a lot there and you may have heard lately about micro-credentialing - giving recognition to some of those informal courses that happen outside of classrooms that can be formalized in terms of how students are assessed and how the credentials are recognized. I came away from those trade missions feeling pretty inspired about the assets that we have here in Nova Scotia to support our sector.

KEITH IRVING: My supplementary was going to be on how Finland and Sweden are different than here, but I think you've touched on that for us. I think that is helpful to understand that what we do has to reflect our ecology that's quite different. We probably have more parallels to Maine than we do to Finland and Sweden.

Ms. Dean, you mentioned the attitude towards forestry. I was intrigued by that, with 70 per cent of our forests being in private hands and not the Crown. Most of our clear-cutting or how our forests are being managed are being done privately in the province. I'm wondering if you see opportunities.

There are a lot of woodlot owners that are great stewards of the land. I've actually handed out Woodlot Owner of the Year awards on behalf of two different ministers over the years. Mike Oulton in Windsor, and there's a gentleman down in Annapolis - they care deeply about the forests that they have.

Are we able to bring Nova Scotia along in terms of changing attitudes about the long-term use of their forestry? Is there a role for us in terms of education and influencing good stewardship of forest lots by all those that own those forestry plots across the province? Did you see some things in your virtual trade missions around shifting attitudes to more ecological forestry?

KELLIANN DEAN: There are differences in attitudes for sure. I think there is an opportunity here to learn from some of that. I'll defer to Julie in a moment, but I think what



we would be looking for would be a balance and an understanding, and a way to balance the ecological with the economic. Other jurisdictions seem to have figured that out. That's what I think we're trying to do through the Lahey report.

I think there is a huge opportunity for public education about the value of the forests and how forests are managed, and the stewardship - starting at a very early age in the school system - so that it's not only about the forest itself, but it's about opportunities for young people in this sector, because there are many. It is changing and it needs more people to look at it in a way that embraces technology, for example, and looks at other innovative practices.

**JULIE TOWERS:** A couple of things stood out quite a bit. One was that there was a high comfort level with clear-cutting. It's actually a very high per cent to how they operate. Again, it speaks to the fact that we're lucky: we have a very biodiverse system in Canada and particularly here in Nova Scotia. We're very rich in that. Europe has been altered for a long time; they're trying to do it almost the other way around. They're trying to bring biodiversity back into their systems. In our case, we have rich biodiversity and we're trying to balance and maintain all the different uses and values.

[1:45 p.m.]

They have a huge number - I think it was 165,000 woodlot owners, for example, in Sweden that regularly participated in the forest sector. Some of the questions we were asking was "How do you communicate with everyone?" As simple as that in some cases. It comes back to that point where it was a societal value that forestry was a resource sector, it was part of what we all did on a regular basis, and that did not preclude trying to increase biodiversity, keeping recreation, all the other values there.

It was almost a bit of a different mindset, which was very valuable when we were speaking to the folks in Maine who of course have a much more similar forest to ours. Talking about what motivates woodlot owners, and how do you have supports in place so that whatever their priorities are, they can get good advice and support to think about, do I want to focus on habitat, do I want to focus on recreation, do I want to get a little bit of income, a lot of income, how do I juggle all those things.

The attitudes towards it is the reason why - and we can speak more about some of the work we're doing, a statement of work that just went out this week around trying to dig in. We haven't had a survey of woodlot owners for a number of years now, to try to get a handle on that. As you know, we have woodlot organizations in the province - about half a dozen - but they each work with a subset. It was the same in Finland and Sweden. They have a lot higher participation rates, so that was one of the questions we had: how to increase that participation in order to make sure there was good two-way communication. I'll leave it there.

THE CHAIR: Mr. Rushton for the PC caucus.

TORY RUSHTON: Thank you to you folks who are here this afternoon. Since November 2018, I've been the critic for the Department of Lands and Forestry, and I took the job very seriously. When I got elected, I wanted to educate myself on all the aspects of government within the province of Nova Scotia. With almost a quarter of the percentage of the wood fibre coming from my home area in Cumberland County, it was very easy to get out in the local woods, get out to the local people, and talk to the high-volume harvesters, if you will, to the small woodlot owners.

Athol Forestry, North Nova Forestry - I'm very proud of what they're doing. We lost a tremendous value in Ian Ripley when he left Athol Forestry just a few weeks ago, but he's still within the sector so we're still going to see him pop up. But as I promised after the December 20<sup>th</sup> announcement, I took advantage the last year to get my foot on the ground, if you will, and speak to many people.

I have travelled almost all the way around the province doing critic tours, and I've spoken to people who are landowners who are doing the right thing. They're following the Lahey report even without guidance from government right now, and they have been for years. I think it's a very easy step for us to get to where that Lahey report is, and I recall that was one of my very first announcements, the Lahey report that I took part in as critic. There wasn't a lot of negativity from all different triangles of that, if you will. It looked like a report that everybody could achieve and work towards.

I guess what I'm getting at is when the transition team was set up after the December 20<sup>th</sup> announcement, we were informed by the Premier and Minister Rankin at the time that the agendas would be open, information would be flowing. It seems after media stopped questioning what was going on, we had to do FOIPOP's to find out what the minutes were, and we've only been updated for the minutes up to February 15<sup>th</sup> I believe. I'm talking from different sectors of the forestry.

I heard that loud and clear since taking this tour in the Spring and in the Summer, and we were very lucky. COVID didn't really affect out in the forest. People could still go out in the forest. We wore masks, socially distanced, we could still do tours. But I heard it very loud and clear that they didn't know what was going on in the woods. We had to do FOIPOP's to find this information out.

I guess, as Opposition, we have to ask the tough questions at times. After the Forest Nova Scotia meeting, there was an update from the transition team and there were still a lot of questions that came back to my office about what the long-term goals were, short-term, medium-term goals. I appreciate your comments in your opening remarks, but what I failed to see was a solid plan on what that view is.

I guess my question is - for the sector to better understand - as a team, are you sitting in the boardroom waiting for the forestry sector to come to you or are you guys actually getting boots on the ground, if you will, to go out and see the sector and get their ideas?

KELLIANN DEAN: What I would say is that we've been very transparent with all the activities, the announcements and things that the committee has done. There have been numerous releases. We released a comprehensive report to the sector in June - which I think you actually have - that outlines the framework, which is what they asked for following the AGM. We have heard from numerous folks in the sector. The transition team has met over 22 times. Our agendas can be made public. That's not a problem, if that's what is requested.

We've met with various folks from throughout the sector. We've had conversations with people from Cumberland Forestry Group twice. They were very active and they had a lot of people come together. They developed a strategic plan, which we discussed with them, and also shared our thinking. We found a lot of parallels.

I believe that what has been set out as broad parameters is a great guidepost for the sector and for government and other organizations to come together. It's not for us to dictate to the sector exactly what has to be done. But if we can put the building blocks in place and ensure supports are there, and we can ensure that a framework and some strategic priorities are set, that would - if realized - move the sector forward into a diversified, sustainable sector.

I think there are brilliant people in the sector who can come together to put proposals for ways to achieve that in front of a trust or government or other agencies. I see this as a way to align people. This is a way that people can look to the framework and say, I see myself in that and I can see what I might need to do as a woodlot owner or as a co-op or as a contractor or an operator. What it's going to take, though, is collaboration and engagement of everybody. It is not one person's responsibility or one team's responsibility. It's going to take all of us together.

I think that the information that we've communicated to date sets the stage for that. We're open to continuing to have dialogue with various people who have ideas, absolutely. At some point I think the sector will need to take hold and move forward and use some of these supports to achieve its own future.

TORY RUSHTON: I appreciate hearing that you're willing to share the minutes and the agendas because the sector does not feel that information is flowing every time there is a meeting. I hear that loud and clear from all across the province.

I do appreciate that you've met. I'm involved with the Cumberland team very actively as an asset there to them - not necessarily as a committee member. I also hear from

different groups that maybe a timely response may not be there. You always get the cliché of government's slow response.

They're still feeling very much that they're a sector in transition. They're still feeling scared, many of them, about what is going to come out after COVID-19 - of people being at home, utilizing lumber and doing those projects. What is that going to look like in the future?

There is still a fear and not seeing those minutes or agendas on a regular basis, I can see where it would instill fear within them. I appreciate your responding that the team would be more than willing to share that information.

Something else that I heard very loud and clear when I did the two tours this year from the sector is that following the Forest Nova Scotia AGM, there was a letter that was sent to the Premier and copied to Minister Rankin, I believe. Of course, as you get with every FOIPOP, some of it's blacked out. We don't know who sent it, but it was a letter. I just want to quote the letter for a little bit to get a better understanding of what the sector may be looking for:

“Mr. Premier, at our first meeting of the transition team, it was made clear that the expectation was that the private sector, not Government, would be responsible for identifying the *Plan B* required as a result of the Northern decision. In fact, it was stated that bluntly at the table - bring the ideas forward.

Early on, it was communicated that short-term remedies with NS Power, Port Hawkesbury and Brooklyn Power were clearly not seen as politically accepted 'levers to pull'. That being said, it certainly seemed it should be desirable to have both entities running using NS-sourced renewable feedstock as much as possible as the Province strives to meet its green energy targets.”

I guess just quick and short, my question would be, was the transition team formed for the interest of the government of the day, or was it formed for the interest of the sector? Those people that represent the sector I'm assuming this came from didn't feel that their voice was heard by that team at that time.

I will table that letter.

THE CHAIR: You can send it to the clerk following the meeting, please.

KELLIANN DEAN: I can appreciate that in the early days of the transition team coming together, it was a very difficult time, and there were lots of ideas from people in

the sector about things that they felt the government should do or actions that should be taken immediately in order to support the sector.

What I will say is that government worked within its policy framework to do whatever it could. As you're probably aware, the renewable energy standard was modified so that it enabled Nova Scotia Power to increase the amount of indigenous renewables that it could use in order to achieve its standard. That enabled more wood chips and residuals to be burned in biomass plants, which has actually contributed quite significantly to the number of wood chips that were in the market, so they have a home now and that is supporting the sector at this time.

We're listening too, and we were using all of the levers that were at our disposal to do what we could to support the sector.

THE CHAIR: We'll move on to the NDP caucus, Ms. Roberts. I will probably interrupt you.

LISA ROBERTS: I will be interrupted, and that is alright. In order to address the Lahey recommendations, but also the economic potential of the forestry sector and the transition that we need, private woodlot owners are crucial. They own much of the forested land in Nova Scotia and many of them - as my colleague, Mr. Rushton just referenced - are actually practising sustainable forest practices or aspiring to, certainly. Yet right now, in this COVID-induced spike in demand for dimensional lumber and many construction materials, despite a significant increase in lumber prices, private woodlot owners are not seeing the benefit when they sell their wood.

In fact, you may have heard an interview on Information Morning on September 17<sup>th</sup> with woodlot owner Ken Gray who talked about receiving 1990s prices. I was also hearing that before COVID that consistently, woodlot owners are in a weakened position in the market. There's many of them less organized than a smaller number of buyers, and it's hard to get the value out for their labour and for the stewardship of their land.

I guess my question is, how has the transition team, and maybe also the department, been working to ensure that people do get paid sufficiently to do the sort of forestry that Nova Scotians want to see?

JULIE TOWERS: First and foremost, we always have to be mindful of the fact that it's not appropriate for government to interfere with market pricing. As soon as we do we're creating trade issues, whether it's softwood lumber agreement or countervail. Maybe it's top of mind because I spent yesterday with the trade lawyers. It's very important, absolutely, and you heard that reference about trying to increase value while lowering, all the time, ecological impact.

It's that back-and-forth in terms of pricing. Keep in mind that . . .

THE CHAIR: Order. We will take a 15-minute recess and everyone can stretch their legs and get themselves a beverage or freshen up.

[2:00 p.m. The committee recessed.]

[2:15 p.m. The committee reconvened.]

THE CHAIR: Order. We will continue with Ms. Tower's response to the question by Ms. Roberts.

JULIE TOWERS: We talked about the sensitivities around trade issues. The other thing I wanted to raise is as with any area that someone goes in to harvest, you're going to get a mix of products. Generally, on average in Nova Scotia you might have, say, 20 to 25 per cent of the stand are saw logs that grow there. They're of course the highest value. Then you're going to have a mix of other products.

One of the things that the department received a request early on about - remember, a lot of groups and individuals wrote or met with us and brought ideas forward and we were happy to look at all of them. One of them was around what's called a millwood grade. Think of that as a size and a species that is sort of the lower end of the grades of sawables, but the upper end of the pulpwood grade, so it starts to overlap.

They said the Province doesn't have a grade that it recognizes and a stumpage price. Can you do that? No problem. We did the analysis and put that in place so that some of the sawmills could now use a product that before they hadn't been. Ledwidge Lumber was very quick to do that and some of the others have as well.

The price people are going to get is varied by what they have in their forest to start with: the species, the sizes, the qualities. Remember, the total amount someone would have made - I know this just even from the past - you might have anything from the very small generally present in Nova Scotia - that's not our forest. Veneer to different grades of saw logs, which tend to go to construction for the most part.

Then you start getting into the other grades that you use for different things. They could be pallets, for example. They could be pellets, they could be pulp, they could be firewood - whatever. As I'm sure many of you know with your constituencies, sometimes firewood goes for quite a high price. That's where you start to see that shift, as well.

People will adapt. Those that are harvesting and/or the buyers will adapt to get the most value. That's what gets underestimated. They're always going to look for what's the most value I can get out of that just as a woodlot owner would, but any site is going to have that full range of things. That's going to affect the end price of what they get.

LISA ROBERTS: The challenge of markets, particularly for private woodlot owners in the southwest, was discussed at some length in the Lahey report. I understand

that the district heating projects - which we've been supportive of - were recommended in the Lahey report, that the province look at how we can create a market, essentially, without interfering with trade by looking to wood heat, which is much more efficient and much more sort of justifiable use of wood chips than trying to turn chips into energy at public buildings across the province.

Four contracts for six projects have now been awarded. I'm frustrated to hear that reporters have been told by the department, I understand - I'm not sure if by the minister or not - that reporters should go through access to information to get details about the contract. I'm hoping maybe I can find out here.

Given that that recommendation came out of the Lahey report with its emphasis on ecological forestry, can you share how, or if - in the evaluation of the proposals for those district energy projects - you've considered or contemplated the forestry practices on the woodlots that are supplying those chips for those district energy projects?

JULIE TOWERS: I'll go back and check at the office, but the criteria that were used to evaluate, as with most procurement, are set up - you may remember there were two steps in there. One was to look at RFSQ - Request for Qualified Suppliers - was done first to make sure that they have the qualifications. Then the request for proposals.

In those documents, it included where they were going to source wood from. They had to demonstrate that they could source wood, how they were going to get it, where they were going to get it from, if there was any certification behind it - those types of things. That was absolutely part of the evaluation.

To your point, the media inquiries we've had in the last couple days around why won't you share the contract - it's very simple. It's the fact that we're not done. Those were just the first projects. We had a team. There were 11 departments that worked together, including a representative from ACOA that worked on the Interdepartmental Wood Heat Working Group.

Then there was a team that worked on the contract once we had the RFPs. The work that they did was very intense, to try to get the prices down as low as possible. But also, where possible, look for those opportunities to expand district heat, which is what they were able to do in some cases by adding - for example, Perennia started as one building and now there's going to be three. It becomes more efficient for the supplier, but it's also more efficient as a district heating complex. There was a lot of work on that.

As we move into the next group of buildings, it's the same thing. We're happy to share the types of things we're looking for, but we didn't want to get into the price per tonne because we're going to be having that same negotiation to try to get the best benefit for the province as we move into the next buildings.

THE CHAIR: We will move on to the Liberal caucus. Ms. Miller.

HON. MARGARET MILLER: What a pleasure it is to be here today. I haven't heard Julie speak about the department since I was there. It just brings back so many wonderful memories, talking about the complexity of the assessments of the forestry standards - about assessing different woodlots to be cut and the different practices that there are.

It brought to mind three interesting points that I found when I was in the department right away. One of them was that one per cent of the forest land in Nova Scotia each year is harvested. More interesting, three per cent is the regrowth rate.

If you look at those numbers and you look at how much forested land there is now compared to a hundred years ago, we actually have more forested land now than we had a hundred years ago. I found that very interesting, so I just wanted to bring that forward today because it's a little tidbit that I always found quite interesting.

Anyway, one of my colleagues mentioned before about the transition team not making decisions about projects that were coming forward. I have to say, I found right away looking at the team members, they're all very ethical and very moral - great representatives of their industry. But I don't think I would want them to have to make those decisions on different projects coming forward because for some of them it would be perceived conflict.

I think placing that out of their hands is certainly the best way to go. Even if there was never a perception of conflict, it would have been brought up at some point. That would have done more harm to the team. I want to thank you for seeing that forward to make sure that didn't take place.

Also, I was really happy to see about the wood heat projects. Certainly, that was something we brought to the Premier during my time there. I was really pleased to see that move forward. I want to ask, what is the potential for the wood heat usage in the province? How far do you see this going?

JULIE TOWERS: Remember, we started with provincial buildings first. One of the reasons we invited the ACOA rep - we had met with the federal government as well, both Natural Resources Canada and ACOA - was because they were also looking at opportunities in the federal buildings. We've also been having some conversations with the municipal governments, private sector - absolutely - whatever they choose to do.

The idea is for government to basically show the practice, show the opportunities. As many of you know, that's what we modelled on what Prince Edward Island had done. They did the exact same thing. They started with provincial government buildings, but it



has expanded quite a bit to bring in municipal, private sector buildings. What you're looking for are clusters.

The interdepartmental group has already been working for a while now on what I would call the next big tranche. There are all kinds of opportunities. The biggest opportunities are district heating and areas such as where you need a lot of warmth, and you need it year-round. Schools don't generally need it for part of the season, but when you're talking about hospitals and nursing homes or any other sites like that, that's absolutely part of it.

We have assessments done now on probably two dozen more, and we know of 212 provincial buildings, there are 100 that are potential, and we've got assessments done on at least three dozen, and it's continual work. That interdepartmental group is continuing to work through all the criteria that they're using to assess which would be good sites or not.

There's all kinds of potential, and that's just the provincial. When you start expanding just even in the government buildings, federal and municipal, it's significant. It's very significant.

MARGARET MILLER: I'll pass my supplementary on to my colleague.

THE CHAIR: Ms. DiCostanzo.

RAFAH DICOSTANZO: I do have two questions, so maybe I'll wrap them up . . .

THE CHAIR: You only have one.

RAFAH DICOSTANZO: Maybe I'll come back to that one. My question is probably to Ms. Czapalay: What about the training and how many people have lost jobs, and if you can give us more of a picture of what has happened in the last four months, and how have you dealt with COVID-19 added to it? If you can give us numbers, who is training, what age group you're dealing with most of the time.

AVA CZAPALAY: We've taken a multipronged approach at the Department of Labour and Advanced Education. First, I'll give you the numbers that we have at our fingertips. From December 23<sup>rd</sup>, which was the date that the Northern Pulp closure was announced, to March 10<sup>th</sup>, we had 220 people receive EI who were directly associated with the forestry sector. To just give you a comparison, it was 174 for the same period the year before.

Then we know what happened around March 10<sup>th</sup>, and we've been anxiously waiting for the CERB data, because we felt like that might give us a lot of information on all the sectors and all Nova Scotians who found themselves out of work due to the global

pandemic. Unfortunately, CERB did not collect a lot of job-related data - what occupations people had before they went on CERB - so we don't have that information.

However, there's no question that workers are out of work in the forestry sector, and it's a result of changes in the sector associated with the Northern Pulp closure and then associated businesses having to reconfigure, and then with COVID as well. We have really concentrated our efforts in three areas. One is directly concentrating our efforts on employees, people who were working who found themselves suddenly out of work, either because of changes to their job related to forestry or because of CERB.

For those people, we have numerous programs within the Department of Labour and Advanced Education that are funded with federal money to help unemployed workers find work. The supports range from everything starting with counselling and career discussions right through to helping people get the training and the wraparound supports that they need to access the training.

You asked about age range. A typical worker in the forestry sector is in their late 40s, and quite often they have other responsibilities at home, and so wraparound supports are really important to ensure that people can access the training that they need: how do you pay for child care, how do you pay for transportation, how do you just get to the training.

We have done a lot of work in terms of raising the profile of the programming that we have available directly to people who require support, and that's ongoing. We also have at our disposal the Nova Scotia Apprenticeship Agency, and members may recall when we met in February we mentioned the Forestry Sector Apprenticeship Initiative. That's where the Apprenticeship Agency has been partnering with the Nova Scotia Community College to directly target forestry workers who have found themselves negatively impacted.

To date, we've had 108 people participate in that particular initiative, and it's customized support, depending on what their identified needs are. One thing that struck us when we went to visit Northern Pulp on January 2<sup>nd</sup> was that a lot of the people who had worked there - working equipment and doing fairly complex jobs - felt they had no training and felt they had no applicable skills to any other work. We've been working with the 108 who've come forward to show them that, in fact, there may be a transferable skill that they have or that they could quickly get.

We've helped them with customized advice depending on what they want to do with their career. It might include getting their GED - their Nova Scotia Grade 12 equivalency, attending the community college, doing a trade qualifier, writing their Red Seal exam, or doing a refresher so that they can write their Red Seal exam. I did want to mention that we've recently had our first heavy equipment operators in Nova Scotia receive their Red Seal and they're former Northern Pulp employees; people who weren't sure if they had a transferable skill.

I wanted to mention working with the Forestry Sector Council. The sector councils are made up of businesses in the particular sector. We have been working with the forestry sector to help them establish a Forestry HR Sector Council. Deputy Dean mentioned in her opening remarks a workforce strategy.

[2:30 p.m.]

So, how do we attract the right types of talent, and retain the talent, in the forestry sector here in Nova Scotia? Through a program at the Department of Labour and Advanced Education, we were able to provide the forestry HR Sector Council with \$250,000 to set up, to hire a coordinator, and to get that workforce strategy done. We're really excited about that. We feel like that will really help people in the forestry sector who want to build their future in that sector and grow their career to get the right types of training here in Nova Scotia and also attract new people to the sector. There are some promising jobs in the sector.

I also wanted to mention that we've worked with the Trucking Human Resource Sector Council Atlantic - an important sector council associated with the forestry sector - that was impacted with the closure of Northern Pulp. We were able to provide the Trucking Human Resource Sector Council Atlantic with \$350,000 from a program that we have in order to support people in the trucking industry who had formerly worked in forestry to help them develop new skills and acquire upgrades to licence and so on so that they can expand their career opportunities. That's ongoing.

I think there was an earlier question about working directly with businesses. This is just one example, but it kind of illustrates the point that the Nova Scotia Apprenticeship Agency is working directly with Dexter Construction through the Dexter Institute to train former forestry workers to support the Antigonish highway project. Once again, some transferable skills.

A common profile of the forestry sector workers is that there is a high number of workers that do seasonal work in the forestry sector. There is that relationship with other sectors. What we're trying to do is work with the labour market to help people obtain skills that do transfer to other sectors and can keep them employed year-round and possibly in less precarious work.

THE CHAIR: Thank you. We will turn it over to Mr. Houston with the PC caucus.

TIM HOUSTON: I appreciate the discussion today - the topic around the vital work of the Forestry Transition Team. Obviously, we're interested in understanding the team's work towards the long-term, innovative, value-added solutions. There's been a lot of interesting discussion here today, but I do think that people relying on the forest - those

private landowners, those forest technicians, harvesters, truckers, scalers, and biologists - there are a lot of people that are impacted by this.

I think that they would probably be watching what's happening and be very confused. There are a lot of inconsistencies, even today. In Deputy Dean's introduction - deputy, you stated that the team is assessing 22 projects. Then in the first response to my question, you seemed to turn that around a little bit and suggest maybe the transition team's not responsible for doing that, but somebody else is assessing these individual projects - it was the trust.

There's also a lot of talk about the minister's advisory team, and committees for this and committees for that. I'm still left wondering whose role it is to look at the long-term nature of the forestry. Whose role is it to actually make sure that we're being innovative and value-added? I don't know. All these people who are watching all this unfold, they're just worried about their future.

This Spring, a letter was penned to the Premier. My colleague, MLA Rushton, referenced it. I believe the letter was written by two members of your team. It was redacted, but I believe that's where that letter came from. It was a scathing account of what is not happening with the transition team - that the transition team is not listening to the industry. Yet today we hear this is just a big listening exercise. You can see how these types of inconsistencies cause a lot of concern for people.

Today, I heard that there is a lot of transparency around this team. Yet to get any information at all, we have to rely on the FOIPOP process, and we know how the FOIPOP process is operated under this government - not very good. It's not transparent to the average person who's watching.

It doesn't give the industry confidence that the people with their hands on the levers of government - to quote Alexa McDonough - are actually pointed in the direction of long-term, innovative, value-added. Maybe there's a big exercise going on to deflect and protect the government. That's the way I feel. I hear that all the time from people I'm talking to as well.

I want to put a fine point on this because today at this committee, probably the most obvious inconsistency of all came out. When Deputy Towers - you made an absolute point of correcting a CBC story that quoted Minister Rankin. The story was based on Mr. Rankin. The headline says, "Why forest harvests did not decline after Northern Pulp closed." He made a point to say that was not an accurate headline.

Coupled with all the inconsistencies, I guess my question would be for Deputy Towers: Did Minister Rankin misrepresent what's actually happening in the forestry or did the CBC in a Michael Gorman article from September 24, 2020 - I believe we're talking

about the same story - or did Michael Gorman and the CBC misrepresent Minister Rankin's comments to them? Which one would you say it is?

JULIE TOWERS: To be clear, when I said there was an issue with the headline - and I certainly can't speak for CBC about who writes which part - in my interactions with Mike Gorman, he's a very good investigative reporter and asks good questions. He certainly wrote the article. I do not know who wrote the headline, but it absolutely wasn't what Minister Rankin said. He was trying to make it clear when there were questions coming about why Northern Pulp was still operating.

It's important for people to understand that Northern Pulp is operating under the Scott Maritimes Limited Agreement (1965) Act, the act that was put in place in the 1960s. There are legislative rights under that act to the timber in the central region. It's a volume-based agreement.

What happened after the pulp mill itself was not operating - again, remember, a large part of that material went to the sawmills. The idea was that it wasn't for pulp wood to go to the pulp mill; it was for our operations to continue happening in the woods - harvest and silviculture - and that the sawables would go to the sawmills because that was a critical feedstock for them.

When the suggestion was made that the harvesting levels hadn't changed, that's why I wanted to be clear. Pulp wood harvest has absolutely changed, but the level of saw logs and sawables are still flowing to the sawmills. Considering the lumber market right now, it's absolutely beneficial to the Nova Scotia economy and to those companies. That's the critical part - to be clear about what's happening. It's about total level of harvest and what the products are.

As MLA Miller said, there are a lot of complexities in the forestry sector about all the players and all the products, which you've all come to learn. Often, as you can imagine, that gets confusing for folks. The critical part is to understand exactly what it is we're talking about, and if we're talking about total harvest levels, they are going down. But there is still wood moving so that companies can function.

TIM HOUSTON: I never underestimate the ability of Nova Scotians to comprehend an issue that impacts them, so I don't accept that this is all just too confusing for everyone to understand. The headline was very clear. Maybe somebody who's doing headlines misrepresented the story as opposed to Michael Gorman, who wrote it. Maybe the minister misrepresented what's happening in the forest or could have been more specific. I didn't get an answer to that in my question.

It all points to the same thing. Now we have just another level of inconsistency, when all people want to know is that somebody is thinking about where all this is going. A landowner just wants to know that the land they've invested in and are counting on for their

retirement is going to be worth something. Somebody working in the woods just wants to know that there's value in what they're doing and contributing to the province, and I believe there is.

This is a province that was built on shipbuilding and fishing and agriculture and forestry, and I believe that we can be leaders in all of those things done properly, but with good leadership at the top. I don't think people have the confidence when they're standing back and hearing about this committee and that group and this department. They just want to know that somebody's figuring it out.

I had been led to believe that it was your team, the transition team, that was figuring this out. Now I don't know if that's the case anymore. It sounds like it's maybe the trust, possibly the department, maybe somebody else. We can talk about all kinds of wonderful things happening in Scandinavian countries and sum it all up by saying, it doesn't really matter because Maine is more applicable. It just doesn't help.

I guess what I would say is, I was optimistic that this committee would provide some answers for those people that are reaching out seeking answers. I don't know if it has. Instead of making that assumption, I think I would just leave it to each of you in your own words, what would you say to all of those people that are wondering about the future of the industry in this province? What do you have to say to them about the future of their ability to make a livelihood in this province if they're relying on your team to provide some leadership to make sure that happens at this stage?

You were asked to do a lot. It was a big ask that the Premier laid at your feet. People are confused. What do you have to say to all those landowners and people relying on the forestry about what the future of forestry looks like in this province based on your work and your contribution to the effort?

KELLIANN DEAN: I think as I said at the outset, we have communicated all the things that the transition team has done from the very beginning, and most recently provided an update to the sector. We have a member, the executive director of Forest Nova Scotia on our transition team, and that person knows exactly what's going on at the transition table and is free to share that information. To the extent that people are engaged in different associations and groups that are plugged into the work that's going on, they would be able to get that information.

We also asked the folks on our transition team to spread the word and to ensure that they were communicating more broadly, and those that we have had meetings with certainly understand the role of the transition team. As you pointed out, we were there and we are still here to put short-term solutions in play, and I listed the accomplishments and the number of programs that we have put in place to help the sector since we came into being in January. I'm very proud of that record.

Those programs specifically responded to needs that were brought to our attention, and we did our best to fulfill those needs. I will also remind you that the reason we developed a very clear vision with guiding principles and four key strategic priorities was to provide exactly what you're asking for: a road map for the sector. People could look at that and say, okay, this is where we're going, this is what it's going to look like. Then, again, we put some building blocks in place to help with that.

[2:45 p.m.]

The \$50 million trust is a key building block, and I would say, a key partner. We are here to try to establish the vision, establish the path forward, but alone, we can't do it. We are a small team of people, and while we have departments behind us and associations and private sector members to advise, it will take more than that. That's why what's very clear to me is in the update that we provided in June.

That, as a launching point, has actually had members of the private sector, academia, and others coming together to identify proposals that fit within those broad, strategic priorities. It is the role of the trust to assess those and to make decisions and to look at how those align with the future that has been set out.

I don't believe that it is any one person or one group's responsibility, but collectively we have to work together and align according to the priorities that this transition team has agreed are important for the future of the sector. I firmly believe that anybody that's looking for information, they can reach out, they can go to the 1-800, 1-888 line. We would direct them to the right source for assistance. If there's confusion about what's going to happen or what we think the sector should look like in the future, I'm happy to share the information again, but it's on our website.

I think collaboratively, that's the way we're going to have to move forward, and the sector is going to be part of that. They're going to come up with ideas because they're resilient, and they're innovative and creative. We've seen that in the past and we've seen how they've adapted. I have no doubt that's going to continue to happen. I think the framework in place provides that guideline for them.

THE CHAIR: We will move on to Ms. Chender for the NDP caucus.

CLAUDIA CHENDER: Thank you for being here today. In April, Minister Rankin said that despite the challenges, he believed that the forestry sector could be part of the COVID-19 recovery. I think in some ways we've seen that. We're talking about the increase in prices. We're talking about being able to have averted some of the closures.

One of the commitments that our caucus has made - when we look at what we're calling a COVID-19 recovery - is to always be viewing this through the lens of the climate emergency we're facing. We've gone around and around on a lot of topics today, but we

haven't actually talked about the major uncertainty in the natural resource sector, which I would argue is climate change.

I guess my question is: In your work, which has been laid out - meant to address the long-term sustainability of the industry - have you been specifically directed or are you directing yourselves to take into consideration the climate resiliency of our forests? We've talked about the delay in Lahey. We know this is discussed in Lahey, but specifically in terms of the transition fund investments, can you give some examples - maybe beyond the district heating - of where you're taking into account that climate resiliency, that carbon sync that we so much need as we move forward?

KELLIANN DEAN: Yes, we have had conversation about that, as well as carbon sequestering and what that would mean for the industry and for the sector at large. I'm going to ask Julie to provide some further comments on that.

JULIE TOWERS: We've discussed the broad issues around climate change, but also the resiliency and the anticipated changes in our forests over decades. We do know there will be changes as you get that shift of southern species and northern species going on.

A couple of things. One is that the good aspect of a lot of the bioeconomy projects, the technology projects, they're species-agnostic, so it doesn't matter. A lot of our forestry in Nova Scotia has been focused on our three spruce species and fir. As I said, we have a couple of dozen commercial tree species. A lot of those technologies, once they figure out the best blend for that particular product - it could be red maple, it could be poplar, it could be a lot of things. That's a major advantage not only because it's flexible and uses more adaptability in terms of the different uses, but very much as species change, the technologies can move with them.

Another aspect I would touch on is the work we're doing through the Nova Scotia Innovation Hub. There's a lot of life cycle analysis that we're doing right now on different aspects of products and systems and looking at it in that low-carbon framework of the different things - whether you're talking about bioplastics, biofuels, whatever.

Fuels, in particular, that's a big aspect - getting a handle on the emissions associated with it and the carbon cycles. It's interwoven in how we're looking at doing things now and the studies that we're doing to help make those choices. Hopefully, that helps. Before I forget, we also have a dedicated carbon modelling specialist in the department who's also working as we look at some of those aspects.

CLAUDIA CHENDER: I'm still interested in investments that have been made. I understand that you're evaluating these types of projects, which is great. In terms of the kind of ecological forestry piece, which is slightly separate from the technology piece -



how we maintain our forests. In many cases, that would be species diversification, I understand, which would lend itself to some of the projects you're talking about.

We anticipate that the Lahey report will be implemented. When that happens, we are going to need a bigger workforce in ecological forestry. I think we've discussed this in the past, actually, when you were here before us last time.

Back to Ms. Czapalay, perhaps, in speaking about those training and partnerships and work, I'm wondering if there's specific retraining or job placement work being done in this regard, in terms of either helping to launch and generate those programs or directing folks to those programs around ecological forestry specifically.

JULIE TOWERS: I'll start and then we'll tag team on this.

The understanding in the professionals, whatever their background - ecology, forestry, biology, et cetera - is one of the excellent things. For most of our young workforce, that's top of the list for them. It is incorporated in our discussions and our planning, whether we're talking about flood risk or tree species, the modelling that's underway - not only carbon modelling but a lot of the work we're doing on soil and soil nutrients. People probably realize that a lot of the carbon is soil-based, actually, even more than the trees in many cases.

It's understanding the whole systems and how things are moving in there. We're doing work in the department and with our research partners at different universities, both within the province and outside the province, on that so that we have good data. We absolutely are working with our counterparts at the Departments of Energy and Mines and Environment on things like the green infrastructure and building with wood, for example.

It's a combination of those things and the training, not only for the professionals that work with the department or work within the sector that I would say are the sort of traditional forest sector professionals, but also going beyond that. It ranges from small-scale to large-scale research projects to modelling that we're doing, and the sampling that we're doing to the actual training around it and the work we're doing. I'll turn it over to Ava.

AVA CZAPALAY: Just to add to that, I had mentioned the asset mapping exercise that we've undertaken. We're right at the stage now in the asset mapping where we've taken a look at all of the programming available in Atlantic Canada, both informal and formal, that supports forestry workers to do their jobs. Also, we're taking a look forward at where the gaps are, what's needed, how we formalize some of the training, and how we can help workers in the sector stack it into some sort of a credential.

We're at the stage now where we're reaching out to the sector associations and the organizations that have a relationship with the forestry sector to ask if they see any gaps

or needs looking at their workforce today and in the future, and what kinds of programming they would like to have available. We'll be ready to report that back to the Forestry Transition Team in probably another month. We're just in the home stretch of that.

THE CHAIR: We'll move on to the Liberal caucus - we're getting close to the end.

Mr. Horne.

BILL HORNE: First of all, an observation on the wood heat projects. A couple of years ago, I and another MLA went to Charlottetown and saw the operation of two different plants that were supplying heat to a senior citizens home and to a school. Anyway, the technology was very good there. You could use an app on your phone and you could run the whole operation producing that heat and moving it on to the hospital and the seniors home.

These wood heat projects are good. I think you're only going to increase the technology and the sustainability of those projects. They're small projects compared to Northern Pulp, but you are helping the environment also.

My question today is, why is it important for the sector to take over and lead for their own future? Is government stepping back or is it going to go in partnership with the sector?

KELLIANN DEAN: Government has a role to play in enabling. We have policy levers, as I said earlier. We have programming. What we can do is adapt that to support the sector to help move forward. That's what we've been doing all along, actually.

As part of the transition team, we've seen - through feedback from the sector - some programs that are working, some that aren't. We've adapted some of them specifically because we know that they need additional support, like silviculture and road programming.

As an example, an existing program that the department had for land purchases was prioritized for the forestry sector. So we can adapt. What we can do as well is support through research, and that's another area that we're working on. We can look at different markets and opportunities based on research that we can do with our colleagues at NSBI and others.

Again, it's about setting the stage, providing information, and setting direction. The private sector, though, has to determine what it's ready to do, capable of doing, and deal with things on a business-to-business basis. We can't decide for a business what it wants to do, but what we can do is enable, put the right policies in place, and hopefully provide some information that may be helpful along the way.

I really do believe in the ability of this sector to innovate. The sawmills now are operating, and I know they're also innovating at the same time. They've improved their production methods. They optimize their wood, they look for new potential products, they've looked for new markets, and they're considering the addition of pellet mills.

We know that there are other products that can be exported where there are greater opportunities, and they're looking at that. They're looking at opportunities for mass timber. Where can government play a role? Perhaps in financing, perhaps in supporting them by connecting them with other opportunities or other government agencies that may provide support. The private sector can fund.

Again, it does take collaboration and a willingness to move in a new direction.

BILL HORNE: I just wanted to ask for your comments on the woodlot owners' leadership and how government is participating in that and trying to improve the lot of the woodlots as well as the owners, coming up with better educational programs.

KELLIANN DEAN: I'll defer to Julie on that one. One of the things that we were hearing loud and clear at the transition team was that some of the woodlot owners weren't necessarily feeling like they were being heard. They in the private sector have - well, you said the lion's share of the supply is under their control, so it's important for them to look at how some of them can maximize the value from their lands. It's important to realize that they don't all have the same desire for economic return or the same level of economic return, and some no economic return at all.

[3:00 p.m.]

In order to really understand what's possible with the supply, it's important to get at their motivations - that's why we wanted to do a survey. As Julie indicated, there had been one done before, but it needs to be updated. We also want to use that opportunity just to dig in a little deeper and understand what some of their challenges might be, where some opportunities are for them, what additional information they might need, what training they might need.

That's also an opportunity to help them understand what is meant by ecological forestry and how perhaps that could be done on their lands if they wish to do that. We felt it was important to do that work to set the stage and to provide a basis for the further development of the sector.

THE CHAIR: Ms. Towers, you wanted to make a few remarks?

JULIE TOWERS: I'll keep it brief knowing you're starting to run out of time. In Nova Scotia, and I know many of you are aware, there are woodlot owner organizations. The best estimate is 30,000 woodlot owners and of the half dozen, woodlot owner organizations might represent 10 per cent of those owners.

The biggest issue is always getting that sense of what people need, and we heard loud and clear a transition team. In many cases it's about advice. Where do they go for advice? There's no one window. They're not sure which organization is the best fit, and what we saw is that discussion around how can they co-operate in some way.

We have been setting up through the department, and we had meetings with some of the existing woodlot co-operatives around how they function, how they could help each other, how they can help woodlot owners, and we absolutely saw that when we looked at some of the Scandinavian countries, where in many cases either they have one woodlot owner organization, or they had a coalition.

That's part of the discussion that's going on about how to make it easy for folks to get the information and the advice that they want.

THE CHAIR: Thank you, and I'll ask Deputy Dean for some closing remarks, and they may be brief.

KELLIANN DEAN: Thank you very much for your questions today. These are certainly unprecedented times, and the global pandemic has affected every sector in this province. I have no doubt that forestry will continue to be a driving force of our economy as we look for new opportunities and rebuild. I will commit to you that the transition team will continue to work with our partners to support a strong future in forestry in Nova Scotia. Thank you very much.

THE CHAIR: You may be excused, but thank you very much for taking part in updating us in what's going on with the forestry sector. We're all affected by it; some of us more so who are in a rural constituency. Thank you for your work.

We will go on to our business meeting. We will go with correspondences first. On February 24<sup>th</sup> there was a letter from Simon d'Entremont, the Deputy Minister of Energy and Mines. You all received that. On May 13<sup>th</sup>, there was an email from Ella Arruda Kyriakidis, a youth letter to ban plastics - you all received that as well. On June 2, 2020, there was a letter from the NDP committee members, Claudia Chender, MLA, and Lisa Roberts, MLA, asking the Chair to reconvene the meeting. You all have that.

From June 15<sup>th</sup>, there was a letter from the PC committee member, The Honourable Pat Dunn, MLA, asking the Chair to reconvene the committee. You all have a copy of that.

Under other business, we sort of sorted this out at our morning meeting of HR. There was a bit of conflict in our times, but the members of the HR Committee have decided to meet at 9 o'clock rather than 10 o'clock to allow for the deep cleaning between the two meetings. There will be no change of the time of our meeting next month, it will happen 1:00 p.m. - 3:00 p.m.

We also have the annual report, which was sent out to each of us electronically. Is there any discussion about that report anyone would like to bring up at this time?

Hearing none, I would ask for a motion to approve followed by a vote. Is there anyone who would like to move the acceptance of the report as presented by the Clerk?

Ms. DiCostanzo.

RAFAH DICOSTANZO: I move that we approve all the correspondence that has been submitted to the committee.

THE CHAIR: Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Our next meeting will be Tuesday, October 27, 2020 from 1:00 p.m. to 3:00 p.m. We will see you then. Thank you all for participating in this meeting. Welcome back to committee work.

[The committee adjourned at 3:06 p.m.]