

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

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

**Tuesday, October 27, 2020**

**LEGISLATIVE CHAMBER**

**Future of the Port**

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**NATURAL RESOURCES AND  
ECONOMIC DEVELOPMENT COMMITTEE**

Suzanne Lohnes-Croft (Chair)

Keith Irving (Vice-Chair)

Brendan Maguire

Rafah DiCostanzo

Bill Horne

Hon. Pat Dunn

Tory Rushton

Claudia Chender

Lisa Roberts

[Suzanne Lohnes-Croft was replaced by Ben Jessome.]

**In Attendance:**

Judy Kavanagh  
Legislative Committee Clerk

Gordon Hebb  
Chief Legislative Counsel

**WITNESSES**

Halifax Port Authority

Captain Allan Gray,  
President and CEO

Thomas Hayes,  
Chair, Board of Directors



House of Assembly  
*Nova Scotia*

**HALIFAX, TUESDAY, OCTOBER 27, 2020**

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

1:00 P.M.

CHAIR  
Suzanne Lohnes-Croft

VICE-CHAIR:  
Keith Irving

THE CHAIR: I'd like to call the Standing Committee on Natural Resources and Economic Development to order here today. My name is Keith Irving, MLA for Kings South and I am the Vice-Chair of this committee. Today we are meeting to hear from the Halifax Port Authority regarding the future of the Port of Halifax.

A reminder to everyone in the Chamber here today to turn off your phones or put them to vibrate so that we don't interrupt proceedings. In case of emergency, please exit through the back door down the hill to Hollis Street and we'll meet at the courtyard of the Art Gallery of Nova Scotia.

Again, with COVID-19 protocols, we ask everyone to wear their masks during the meeting unless they are speaking. We continue to try to enforce a bit of a one-way flow through the Chamber, so we will enter through those doors and exit over the wings here to my left and right.

Please try not to leave your seat during the meeting. To achieve that, I'm going to ask if it's acceptable to the committee members that we take a 15-minute break after one hour at the appointed hour of 2 o'clock and then extend the meeting to 3:15 p.m. Is everybody in agreement? Great. Thank you very much.

I'd like to ask my colleagues on the committee to introduce themselves and perhaps we'll start with Ms. Roberts.

[The committee members introduced themselves.]

THE CHAIR: Thank you. I'm going to turn it over to our witnesses today: Captain Allan Gray, President and CEO and Mr. Thomas Hayes, Chair of the Board of Directors, to make some opening remarks.

Following that, we'll move into questions and I'll ask the members to indicate if they would like to ask a question by raising their hand. We'll do one question and one supplementary. Hopefully, we can get all nine members of the committee an opportunity to ask questions. If we're running out of time, we may have to forgo the supplementary questions.

I'd like to now turn it over to Mr. Thomas Hayes, Chair of the Board of Directors.

THOMAS HAYES: First, I would like to say thank you to your committee for inviting us here today. Captain Gray and I are pleased to be able to share with you more information about the positive developments happening at the Port of Halifax.

As the provincial nominee to the board of the Halifax Port Authority, I also have the privilege to serve as the current Chair of the board as well. We were initially scheduled to appear before the committee back in April, but COVID-19 made that impossible. I think in many ways we have a better visibility than we did then on how the pandemic will affect our business going forward.

It's also my pleasure to introduce to you Captain Allan Gray, our President and CEO of the Port Authority, who joined us last November from his duties at the Fremantle Ports in Australia. It's been an interesting year, to say the least, for Allan. He arrived here in November and shortly thereafter, CN had a rail strike. Then early in the new year, he had to deal with the rail blockades. Following that, we had the announcement of Northern Pulp and how that impacted the port. Then, of course, we had the pandemic arrive and shortly thereafter the cancellation of the cruise season. The most recent - I guess it was a challenge and an opportunity - was the Montreal port strike.

He has said to me on a number of occasions, you didn't tell me about any of these tests during the interview process. He's weathered it well and I'm sure he's happy to be here with you today. He's going to make some opening remarks after the introduction by the Chair.

THE CHAIR: Thank you very much, Mr. Hayes. Captain Gray, welcome and please tell us about your exciting year.

CAPT. ALLAN GRAY: Thank you very much. It has been a whirlwind since November. Coming from 32 degrees in Australia to Winter in Halifax was the first of the opening; 2020 has been a challenging year for the Port Authority, as it has been for many people with the COVID-19 environment. All in all, we originally thought our cargo volumes would drop about 20 per cent. In the end, it looks like we'll probably only drop about 10 per cent over the year, so that's a good improvement. Part of that's a lift in our quarter three with re-opening some of the major manufacturing areas, which is increasing trade and, of course, the Montreal diversion lifted some of our cargo.

At the same time, we're continuing to support the larger ships. Port of Halifax has always had its brand as the ultra class port in the Atlantic. We're seeing 15,000-plus vessels turning up to the port at this stage. Not only that series, but the other terminal up above the bridges there at Fairview has also had record-sized vessels at 8,600 TEU. Both terminals are working at optimum level.

Fortunately, we came into 2020 with a good financial position from 2019, so that's helped us weather the storm. We've had good expenditure control over the year and some diversified revenue, which has also assisted in getting a good financial position for this year.

The diverted cargo is virtually clear now. We're current again. That put continual strain on our dwell times, but that cargo has cleared and we're back to normal dwell times, which the port is quite proud of.

The South End container terminal expansion - the extension of the pier line to 800 metres was officially opened last Friday with the first vessel going on to use that service. We also saw the arrival of the super post-Panamax crane from PSA, which is a great investment by them, which allows us to continue to operate for these ultra class vessels.

Cruise has been the biggest challenge. We came into cruise from the previous year with a record year and 179 vessel calls. We were expecting over 200 vessel calls this year and we've had zero, so it's a significant impact. While it's an impact on the port, we're obviously aware of the broader impact on the economy for Nova Scotia and Atlantic Canada. We're doing what we can to work with partners in trying to get that return of cruise.

Fundamental to that is what's happening in Europe and the Mediterranean with the slow resumption of cruise. There's a lot of testing going on and seeing how that will work. There are some concerns around the U.S. and U.S.-based passengers. We're still waiting to see how that pans out. Critical to us succeeding will be where Canada sits from a Transport Canada and Public Health position, but also the fact that the provincial governments and the federal government are going to need to be aligned in their positions with the return of cruise. That will be a critical part for us.

As far as the question of what's the new direction with the new CEO in the port, one of my key platforms has been a one port city. It's important for me that the Port of Halifax is seen as Port City Halifax and not the Port of Halifax and the City of Halifax. So I've set out to get greater collaboration with various stakeholder partners - with the city and the Province - in seeking to making sure that what the port does is sustainable into the future and that we can work together to get improved decision making. That started out with working with the government on setting up a collaborative transport forum where we could talk about some of the work that we're doing.

The collaborative decision-making platform we're working on is an Apex software platform to allow stakeholders to come together and share their planning processes and what they're doing and allow us to visualize to stakeholders improved decision making as we go forward. It's a key platform for us as we move forward.

From a community point of view, I established the Port Community Liaison Committee. That was an outreach to community people that aren't normally touched by the umbrella of a port. There are a lot of port users that normally come under our stakeholder umbrella. This was about getting a diverse opinion and insight as to the impacts of the port's operation on the community. Quite often, these are set up mainly around projects, but this is about the port's day to day operations.

You have may have seen that we signed a contract with Saab for a new port management information system. This forms the foundation of our digital platform going forward and our roadmap for digital and innovation. It's significant.

Current infrastructure projects: you'll be aware that we were provided funding to find a solution to the trucks that are moving through downtown. Planning is almost complete on that, so the year has been spent with our partners ensuring that we've got an appropriate plan that everyone can sign on to for the construction, and we will commence work on the Fairview truck gate and some of the road realignment down at the south end early next year, moving on to the rail layout in the following years after that. Already, some of that road traffic is being reduced by other initiatives that we've done with CN and PSA in the meantime.

The other is a marine container examination facility which is for the Canadian border force to do their examination of containers. Currently that's done away from the port environment, and we're bringing that into the Fairview area so that we can get more efficient processing of containers for border force.

They're the main infrastructure projects that are currently on the way. We're also into detailed master planning, bringing together the work that had been in the port previously into one single master plan.

THE CHAIR: We'll move to questions now from committee members. Mr. Maguire, you're first up.

BRENDAN MAGUIRE: Thank you for being here today. I guess we know who to blame for 2020 now. It's all been terrible since you moved here to Canada, so we'll just blame you for everything. (Laughter)

I just was wondering with the cruise ships, for example - it's a big industry for tourism and our local restaurant owners and tourism industry. Obviously, for anyone that has had their eyes open, there's a terrible impact on our local economy. Downtown Halifax on a sunny day - I remember this summer taking the kids down here and there was a place to park, which is usually rare. What kind of impact has this had on our cruise industry and how do we bounce back, and what's the plan to bounce back from that?

ALLAN GRAY: For the port itself, the loss of cruise obviously has a bottom-line impact, but the impact is greater to the small operators, and we're seeing a lot of operators either going out of business or struggling to survive.

There's a lot of nervousness about the return of cruise, and part of that - it's two-fold. One is a community nervousness about bringing cruise into their community, but also from the cruise lines it's about having a safe destination to go to.

One of the fortunate things I think we have in Atlantic Canada is we have an appealing destination, we have a friendly destination, and a safe destination which has been shown with the low numbers of COVID events. From a point of view that cruise wants to come back, that's there. When they do come back, it's going to be around how can they control the movement of passengers off the vessels. The experiences we're seeing at the moment through Europe and Asia and Italy is that it's restricted tour operations, so it's not free walking off the vessel, so we won't have passengers that will just walk down.

In the early stages of the return of cruise, I don't think you'll see the same busy waterfront environment because you won't have the passengers just wandering along the waterfront; it will be very controlled. Cruise ships will be at about 60 per cent capacity in numbers. We'll probably see a similar number of vessels and size of vessels, but we'll see less people coming off, though.

The return for the people that are in the industry will be slow. We don't expect that next year we'll see an instant return. It will be a slow return and it will take two to three years before we believe it will get back to the numbers that we saw in 2019.

BRENDAN MAGUIRE: Just a quick question on another topic. You touched on it in your opening statement about Friday's announcement. Can you go into a little bit of detail on the announcement and the impact this is going to have on our ports and our local communities?

ALLAN GRAY: The extension is significant in any future-proofing for the port into remaining Australia's ultra-class gateway. The ultra-class vessels are 366 metres in length, so to be able to successfully handle two of those we need that 800 metres of quay line and we need the deep water. We're the only Atlantic port that can handle that size of vessel.

Ensuring that that extension was done so that we can handle vessels efficiently and reliably was critical for us. That announcement of saying that was finally finished was a confidence boost to the shipping community to say the Port's there for the long haul, it's able to service our vessels successfully, and it's a safe destination for them to come to as a supply chain route.

[1:15 p.m.]

The important thing now is that gives about 800,000 TU capacity along the quay line. Work being done now with PSA and CN is about lifting the capacity of the rail and the terminal layout to equal the berth capacity. That work is in the planning stages and will go along. It's a significant confidence boost for the industry.

THE CHAIR: Mr. Dunn.

HON. PAT DUNN: Welcome to Nova Scotia, and I'm sure your colleague has mentioned to you that the next year is going to be even rougher than this year, so hang in there. (Laughter)

Just want to mention a couple things with Northern Pulp with regard to the port. Fundamentally in Nova Scotia, it's a resource-based economy, and we see through the data that over \$1 billion worth of seafood, for example, and I believe forestry products were number two at the Port. Unfortunately, late last Fall, the present government made an announcement that sent some negative ripples across the province from one end to the other with the closure of Northern Pulp.

At the time, I believe Northern Pulp manufactured 280,000 tonnes of kraft pulp, which I think it related to somewhere in the vicinity of between 12 and 13 per cent going through the port for export. My question is: How much has the closure of Northern Pulp contributed to the overall decline in exports leaving here?

ALLAN GRAY: Northern Pulp was about four per cent of our export market, so it was one of our largest customers for the port as a single customer, so we knew that this year was four per cent down on budget before we started. We've recovered some of that, but it had a certain impact at the start.

PAT DUNN: Just a quick supplementary. Is there anything that you're presently working towards in the near future to make up for that decline?



ALLAN GRAY: For the port, it's about keeping capacity there for exporters and importers, less so than us creating the market, but we are working with the forestry market in looking at alternative ways of getting product to market for them, to see if there are other ways of treating it and shipping it. We're working closely with them to see if there's other methodologies or other markets out there that we can get them access to.

For example, we're looking at trying to get a service through to India or from India. Now whether that directly relates to their market - it's an opportunity, and that's our role, is to open up those markets.

THE CHAIR: Ms. Roberts.

LISA ROBERTS: We have a number of questions for you today, but I want to ensure that I have time to get to a question that's related to my constituency, which is Halifax Needham.

Halifax Needham includes the historic site of Africville as well as the homes of many descendants of Africville today. A number of constituents have raised concerns about the significant infilling and alteration of Fairview Cove, immediately adjacent to Africville and to the Africville Museum.

I'm wondering if you can please share the extent of the infilling to date and what we're looking at. What is the extent of this alteration going to be into the future as well?

ALLAN GRAY: Since I've arrived, I've been working with the Africville Heritage Trust and discussing the land and the future uses of the land. The land infill, which is a result of putting down pyritic slate and burying it subsea, is about 50 per cent of the approved area. That doesn't mean it has to be fully filled. It's just the approved area that we have at the moment.

All of it isn't for our industrial use - a portion of it is for the marine container examination facility. There will be some of that existing land that's already filled in, which will be used for that. The balance of it, we don't require for industrial purposes, so we've been working with HRM and the Africville Heritage Trust about the future uses that are consistent with the existing uses for Seaview Park and the Heritage Trust area there. We're working with them collaboratively to say what the end design will look like and how it can be used to assist them as opposed to being used for industrial purposes.

LISA ROBERTS: I appreciate that those conversations are ongoing. At the same time, the most recent constituent who contacted me about this described the infilling site at this moment as an eyesore. It is very close. It's sort of directly in your view when you're on the front porch of the Africville church.

I appreciate that you're relatively newly arrived in Nova Scotia, I'm wondering if you can shed any light on how Africville descendants and the Africville Heritage Trust was consulted about the infilling before it began and what consideration is being given to restitution or compensation for the impact on what is a national historic site.

ALLAN GRAY: I'm unable to answer before I arrived exactly what was said, but I am aware that there was consultation and I've seen evidence of meetings with that. As to the specifics, I can't answer that.

We have been working closely with Africville Heritage Trust since I've arrived and we've discussed the uses of it. They're comfortable with the planned use - the height - not going to go above and block out views. We've discussed with our board that the use will be for the Heritage Trust in whatever form it can be best used for them in the sense of park lands or interpretation or that sort of thing.

It's an eyesore at the moment, I suppose, because it's just capped rock. It hasn't been capped with soil or grass seeding or anything like that, so it's in its development phase. They're aware that the concern of the Heritage Trust was primarily around that of whether there was going to be anything built on that site and therefore block out views. When I explained that's not the intent and that we would work with them on the future use, they have been comfortable to continue to work with us on that basis.

I'm aware that Africville Heritage Trust wants to use the bay-like area for some purposes. They've talked about getting tool boats to be able to access there, so we're making sure that any design work and infill work is compatible with those uses. I can't say - with me here now, there's a lot of collaboration with the Heritage Trust in trying to make sure that the end use is compatible for them.

THE CHAIR: Mr. Horne.

BILL HORNE: Good afternoon, glad you're here. The Port of Halifax is very important, of course as you know, for Nova Scotians and Canada. Are some of your suppliers or even CN trying to do some developments that would even take more product with your ultra large vessels?

ALLAN GRAY: The port with its partners, CN and PSA, we're constantly in conversations with various existing shipping lines - and the new ones that we don't have here yet - to try to open new services and get new cargo through. What's important for Nova Scotia - if you looked at the volume of cargo that's specifically Nova Scotia, it's a small volume. It's about 40 per cent of what we move through the port.

To ensure that we can give the best export markets and import markets for the Nova Scotia region, we need to be able to get direct services - we currently have indirect services. We do that by reaching out to the hinterlands or the mid-west - inland Canada,

U.S. cargoes - and facilitating those so that we open more direct routes so that Nova Scotian exporters and importers can find new routes and new markets. That's critical for us.

The outreach of PSA and CN significantly helps us with that. PSA is a global partner. They have a very long outreach in the shipping line and in the trade partners. So we're able to talk to more partners in the global sphere to see if we can bring new direct services. As I said, one of those we're trying to get is an India service in here, but to do that, we do that by facilitating the U.S. cargoes and the hinterland cargoes. Otherwise, we would be back to a small port just dealing with Nova Scotia-only cargo.

BILL HORNE: What is the Port Authority's main function in the Port of Halifax?

ALLAN GRAY: Our role really is to ensure the efficient movement of cargo and shipping in the port, and to make sure that we coordinate partners to facilitate trade and provide economic benefit to the community. That doesn't mean we have to do every single function. It means we have to make sure the functions are properly provided. We do that by a combination of private and public sector partnerships through the way.

We lease our terminals, and therefore we have private partners operating that. We have private operators in the Atlantic towage operation, but there are other areas of the operation where we have a greater play in what's going on. It's about coordinating and facilitating, and ensuring that we market the port the best we can, highlighting the benefits that we have in the port with our port partners.

THE CHAIR: Ms. DiCostanzo.

RAFAH DICOSTANZO: I have a couple of quick questions. I remember clearly that I used to be a distributor for a product that I brought from Spain and my product had to come to Halifax, be shipped to Montreal, dismantled there, then it shipped. It was almost a week extra for my product to arrive back to Halifax. Was that because the port wasn't able to meet the demand? Why did it go to Montreal? Now that we had the strike in Montreal, are we getting a lot of our Halifax products dismantled here first?

ALLAN GRAY: That's an interesting scenario. I suspect it has something to do with the distribution centre and a value-add. You see quite often in some countries where there's a requirement for a value-add to be done to the product somewhere. Perhaps those distribution centres didn't exist directly in Halifax.

What would be key was to look at how we could encourage the distribution outlet to move from Montreal to Halifax. That would be the key. The port's got the capacity to pass it through. We have the capacity to deliver direct to customer, but if the primary distribution point is from Montreal, I'd say we were fortunate that it went through here. It's a long-winded supply chain, is what I'd say.

I think from an economic point of view and an opportunity point of view is, how do we encourage distributors to operate out of Nova Scotia - Amazon and people like that. What would encourage them to come here? We're aware that organizations like that do look at the airport system and the seaport systems on how reliable they are, but also how far are they into the innovation and digital strategies that complement what Amazon and companies like Amazon are doing.

[1:30 p.m.]

You have a good cost of living and lifestyle in Nova Scotia so getting people to come here from an employment prospect is good. You just may need to be looking at how we incentivize companies to shift their distribution centres here.

RAFAH DICOSTANZO: I was also thinking about COVID-19. How did COVID-19 affect your operation? Have you learned something from it that will last for after COVID-19?

ALLAN GRAY: COVID-19 had an impact on everyone and probably more so to the point that there was an expectation from government and community that the port continue to operate. Where some companies, fortunately or unfortunately, had to shut down because of the nature of operations, we were asked to continue and to continue with the supply chain to keep it operating.

We had to work with our partners to find ways for us to continue to operate in a COVID-19 environment when people were quite nervous about what the impacts were going to be. Fortunately, in the nature of stevedoring, our labour works in individual trucks, not like the old days where they're on top of each other, so it came down to cleaning regimes and screening processes.

A lot of confidence-building was necessary across the supply chain. It was successfully done. I'm thankful to a labour force in Halifax which is forward thinking. I think we're very fortunate to have a labour force here that understands the need for growth and the importance of the port. They worked collaboratively with their partners and employees to achieve that.

The biggest learning is the need to speed up our digital path to keep track of critical cargo. One of the things we did was open up a fast lane to get COVID-19 equipment through quicker, but a lot of that was done by manual screening. We need to move faster. We just signed and were successful in a bid to do an innovation project which cleans up our manifest data so we can identify these sorts of cargo easier. You would have seen that Montreal has also brought out a new AI program which identifies COVID-19 cargoes quicker. The digital path is something we need to move quicker on.

THE CHAIR: Ms. Chender.

CLAUDIA CHENDER: Thank you for these answers. A lot of this is more in the federal realm, so we don't hear about it as much here. I think I'll leapfrog off my colleague and sort of pay attention to the port as an outsize corporate presence here in HRM. As an urban councillor, I guess I wanted to ask a little bit about the port as a landlord, of which you are big and small.

To start with, I know the Seaport Market has struggled somewhat. I think there was an announcement to develop an urban market hall to make that a more permanent situation. I also know that there was some kind of call for proposals for a group that might manage the market. I'd like to hear what, if anything, has happened.

I had heard from a number of vendors that in fact they weren't able to access any of the tenant relief that some other organizations were able to avail themselves of during the pandemic. I know many of the permanent vendors have closed there. I'm wondering if you could speak to that a little bit.

ALLAN GRAY: The RFP that went out - or expression of interest - to run an urban market didn't return a successful proponent. In the end there were two proponents that went through and one we had a lengthy discussion with, but it wasn't successful.

COVID-19 is certainly at play in that, but also the view of most of the market that we talked to is that Halifax at this time is not at the level to support that style of urban market. It doesn't have the foot traffic of, say, Montreal or Toronto where they're putting them right in the city centre. They get a lot of office block foot traffic past them all the time. We're not quite at that maturity and perhaps the Seaport Market a little bit further away to be able to achieve that foot traffic.

We continue to work with looking for the right solution. COVID-19 obviously has made it difficult this year for the farmers' market where, for a while there, we had to close completely until we could find ways to open with reduced capacity or outdoors. A learning, certainly, is that the outdoor component of it was extremely successful. A lot of feedback from the public was how much more they enjoyed wandering around the outdoor market and experiencing that. That was an excellent learning factor for us.

As far as the relief, at one stage the port had been told that we weren't eligible for any of the relief components from the federal government. The ports were excluded from that mainly because the initial component of the relief relied on you having a mortgage over the land, and the ports own their land or it's gazetted to them. That was later changed through lobbying from the Canadian Ports Association to say, look, we want to assist these people but we can't do that if you restrict the industry in this way.

There are a number of tenants that have got relief down there, but the Seaport Market vendors who are the table tops weren't eligible in that sense. The ones that had true

leases with us have applied, I think four of them were successful in getting relief. Once we were able to we applied and some got it but some couldn't.

Obviously, we didn't charge fees to the farmers' market proponents to when we couldn't open, and we've got a reduced value at the moment.

CLADIA CHENDER: Thank you, that's helpful. I certainly hope that through some creative collaborations that market is able to continue.

I guess my second question is about NSCAD. The Nova Scotia College of Art and Design has kind of a funny history down there, but down there is it nonetheless on a long lease with poor conditions for them - but they signed it, I suppose.

I guess my question is whether there's any conversation about the future of that port campus that you could disclose to us, just in terms of thinking about the future viability of the whole site. Obviously it does feel right now like the Seaport Market is a bit tenuous. That's a big piece of publicly enjoyed and available land, and the other big anchor tenant of course is the Nova Scotia College of Art and Design.

ALLAN GRAY: I haven't had any conversations for any change for NSCAD, although they've requested a meeting soon, but there's been no discussion as to what that meeting is about. But they are on a long lease there.

We are looking at the whole area and the Seaport district and what we can do with it to keep it activated. It's important for us to keep it as a public-access environment, so the port's not seeking to turn it over to industrial or anything else. It's an important buffer zone, I would call it, for us between what's operational and what's community and waterfront, so a transition area of land.

What uses we have in there have to be consistent knowing there's operational components with the cruising and that sort of thing, but it needs to be transitional to the waterfront. We work closely with Develop Nova Scotia to look at what things we can do in the Seaport that are compatible and encourage people to move all the way along.

One of the things we're also working with them in is a project for urban planning, a bit like a hackathon, to look at how we get connectivity between the waterfront and Point Pleasant Park. With an operational area in the middle, how do we get continuity of connection? I can say that the work we're doing with the rail solution for removing trucks - we're looking at overpasses so that coming down that Marginal Road that we can overpass the primary rail areas and people can get access to the park without disruption.

We're constantly looking in our planning process as to how we can do that better and make it sustainable and engage with the community so that there's still public use and port-related use. We're actively looking at solutions for the farmers' market. We know it's

successful on a weekend. We think maybe we're beating against a tree a little bit trying to make it seven days when maybe that's not what it's really about. Let's focus on how to make it really good on the weekends and promote it as a weekend market and look at what we can do for the rest of the week.

THOMAS HAYES: I just wanted to add to what Allan said from a governance perspective. The Seaport district is very important, and we've created a separate committee at the board to deal with the variety of options that our management team is presenting to us.

We were disappointed, as Allan referenced, in terms of the response we got to the RFP, but frankly, some of the ideas that are floating around now are even more interesting than, say, where we were about a year ago, so stay tuned. I'm very optimistic that will remain a very vibrant part of the community. Of course, with the return to cruise, that's also important to us.

THE CHAIR: Mr. Jessome.

BEN JESSOME: Perhaps not your specific wheelhouse, but I'm curious. In hearing you talk about the conversations with the Province and the city related to the truck traffic getting where it needs to go, what, if any, presence of dialogue related to public transit has been included as part of that overall planning? I'm thinking commuter rail specifically, but has there been any type of injection of that element to the planning procedure through your experiences so far?

ALLAN GRAY: With regard to the rail solution, which is to remove trucks off the road, it has been aimed at a shuttle type of arrangement through the cut. There has been no discussion in that about transit rail and where that is. If that were to come about, we would have to work that in with the rail pass to see how that could function effectively.

What I can assure you is that where we're going with this collaborative transport forum is to bring those sorts of things forward that are perhaps on the cards or in the backlots, and say, if we're going to go down this path at the moment, are these things there and can we take them into account? Can we do something now that would improve the outcome of what we're doing or can we make sure that we don't have an ongoing consequence in the future by making a solution now that is incorrect?

We spend a lot of time in the rail solution. Some people are asking, when is it going to happen, but I wanted to make sure that what we put in there is sustainable and workable. It has to be not only successful from an operational point of view, but it has to be commercially wise. Otherwise we put too many dollars on the bottom line of the supply chain and there's a cost and people start to move away.

We think we've done that successfully at looking at how it can be sustained. One of those things is looking at - we've taken trucks off the road, but we're going to run more trains, is that an emissions problem? We're saying we've talked to CN and we know that the size of the shuttle is such that we can run an electric locomotive instead of a diesel locomotive. So not only will the solution remove trucks off the road, but our long-term sustainability plan also says we can reduce emissions as a result and have a quieter service as well. Directly to the transit, it hasn't come into question at this stage.

BEN JESSOME: Captain, you've come to join us from another part of the world, which is kind of a wonderful thing. Sorry about the winters in advance. The question that I had for you is related to your relationship with the relatively newly constructed COVE facility. I know that the port is a partner. Intimately, to what extent, I don't know. I'm just kind of curious if you could give us some background on that relationship and how that type of facility helps encourage you to do what you need to do.

[1:45 p.m.]

ALLAN GRAY: I suppose the relationship strengthened a little bit because I've recently been appointed to their board at COVE. That's only new in September.

For us, COVE, being a centre of entrepreneurship and ventures, it's the fact that from a tech point of view, there's a lot of innovation coming on, which may have a direct implication on what the port's doing. In broader terms, the port has its own innovation strategy and framework to go on, and leveraging off what is a very solid ocean cluster here of technology and innovation gives us the opportunity to be a leader and a living lab effectively for a lot of these innovators and start-ups.

I don't see us so much as the incubators, but we're the people that are putting the challenge statement out there to say this is a supply chain problem, or here's a Maritime situation problem: are there people within the larger ecosystem that can solve it? Our close relationship with COVE is a direct support for that, and we're hoping to do more in partnership with them as we move forward and hopefully there will be announcements about that later.

The key is not only COVE, but DeepSense from Dalhousie and Volta and others. We work with them all to make sure we can get access to the latest innovators, young people. For me also, these sorts of things are an opportunity for talent development, so using our internal staff on projects like this gives us a chance to develop new talent, but also it's an ability for us to observe new talent out there.

One of our strategies around diversity and inclusion is seeking to do more in that innovation space with diverse communities and groups so that we can encourage more people in Nova Scotia to take up that mantle of the industry, understanding that perhaps some of the questions around the high-resource type of jobs are disappearing, so how do



we keep our young people here? By being a living lab for some of this work, that should encourage more kids into that environment.

THOMAS HAYES: Again, I just wanted to add to what he said. We had a recent board meeting and we had a really interesting conversation about some of the initiatives that he wants to introduce around innovation related to marine transportation. I've spent half my life in the venture capital business, and there are other members of the board who are very supportive of the Creative Destruction Lab and other organizations that are wanting to add to the great developments that have taken place over the last 10 years, particularly in Halifax, but beyond that throughout the province.

Again, we're very supportive in seeing a role for the Halifax Port Authority in that area in addition to our more traditional areas of business.

THE CHAIR: Let's move back to Ms. Roberts.

LISA ROBERTS: In your annual sustainability report released this year, it explains that the Halifax Port Authority in 2017 set a greenhouse gas reduction target of 10 per cent over 10 years, so an average of 1 per cent per year. It also shows that your carbon dioxide emissions actually increased from 2018 until 2019. I'm wondering if you can broadly speak about how you're tackling those goals, and what explains the direction that things moved in 2018-2019 and what you anticipate for 2020.

ALLAN GRAY: Some of that increase will be as a result of an increase in shipping movements, so we had an increase there. How we're trying to tackle that is looking at incentivizing the shipping industry to have reduced emissions. We do bring shore power in for cruise, but not all cruise ships are using shore power at the moment. Some of them are set up to deal with that but not all of them are at this point, so it's encouraging them over.

We have very good partners in CMA CGM. You may have seen that they've got their first LNG-powered container vessel moving around the world, and it's a prototype in the container site. How do we incentivize those lines to come to Halifax and use alternate fuels? How do we facilitate in Halifax that LNG bunkering is an availability? Again, I've just signed with a support for a supercluster proposal to look at hydrogen fuel cell production here. I'm looking at how we can move - not so much my equipment, but terminal equipment over to hydrogen or alternate diesel.

We're trying to work with partners in shipping lines and say, how do we as a group reduce our emissions in the city, which not only reduces overall emissions but also looks at reducing the particular matter of noise at the same time? It's about how do we incentivize those people that are coming to the port and utilize - we can do things in our leases for terminals, so we can encourage the terminal players to do stuff.

LISA ROBERTS: I appreciate that the goals are as I read it. I understand your goals to be related to the Port of Halifax activities, which are onshore or while ships are tied up. But of course you are part of a global industry that relies on globalized movement of goods and also people. I wonder if you can shed any light on the bigger global conversation about the reality of the climate emergency.

I was just quickly reading that I guess when a person is on a cruise ship, their carbon footprint is three times greater than when they're on land. Of course, the cruise industry really has exploded in the last 15 years, and I understand that there are short- and medium-term outcomes that might be beneficial for the Port Authority as we just talked about in post-COVID recovery. But I'm also very aware of what that means at a global scale for my children and their future. Sometimes when we're chatting at night these days they say, "Mummy, pollution's gone down during COVID, right?" And they're taking some reassurance from that.

Can you please just share your thoughts on how you wrap your head around - and how you as part of an industry wrap your head around - what the pathway forward is?

ALLAN GRAY: Fortunately, at the International Maritime Organization, there's a significant effort to reduce emissions across the supply chain. They're not talking just on the ships, but across the maritime supply chain because they understand the significance of what they're doing from a volume.

It's one of those difficult ones in the sense of saying that ships in an actual sense are the most efficient form of transporting cargo in the sense that on a per-tonne basis their emissions are lower. However, they're significant: 90 per cent of the world trade is carried by ships, so as a volume, they're large.

That's where you're seeing significant work on alternate fuels - liquefied natural gas is one of them. Hydrogen is another, so significant work is happening in Japan on hydrogen fuel to see if that is a source. But as an interim, I would say that LNG is seen as the most obvious interim fuel.

All ships now are down to the lowest sulphur content. That happened effective this year, so we're seeing that fuels have turned over to lower-sulphur-content fuels. There's already a move in that sense. The other is the ships are bigger, but they're more efficient. These large 15,000- to 22,000-tonne vessels are far more efficient than the older-class vessels that were around. Whilst they're both commercially efficient for the company, they're also far more efficient from an emissions point of view.

The cruise ships are moving over to LNG as well. There are a number of LNG cruise ships on the market now, but understand that a cruise ship draws a lot of power. For example, Vanuatu is a Pacific island off Australia that was hit by a cyclone equivalent to your hurricanes. A cruise ship was able to go in there and power up the city by reversing

the power output from the cruise ship, so they're a significant power generator, and that's why, as you said, the footprint's high.

They are moving rapidly across to LNG fuels and those alternate fuels to reduce their footprint, and many of them are moved to the shore power so that when they're in port they're reducing the emissions in port. The industry has taken a very serious look at itself and the International Maritime Organization is driving that through.

As a port, our ability is to incentivize. If we've got players who are doing the right thing or are going beyond, then maybe there's an ability to say we reduced our harbour juice by a percentage to offset the efforts they're making on taking a global stance against emissions. If they're not, maybe there's a penalty involved in that. If we can encourage the right operators to operate the right vessels, then we will get a global change in how the industry behaves.

THE CHAIR: Mr. Dunn.

PAT DUNN: You made reference earlier to a member of the committee. You were talking about the efficient movement of cargo in the port, and that brings me to the point of the safety of the workforce.

I've been told that many employees are suffering from burnout. I don't have evidence of that, so that could be exaggerated, but it has been a comment that I've received in the past. When the Montreal port was closed, some employees were literally working day and night, according to some, and at least very long shifts. I realize now that things are back closer to the norm in the present, although some employees continue to work long, long hours where sometimes an employee's performance is hindered by fatigue.

Two concerns are: one would be the lack of space, and more importantly, employee safety. My understanding is that there have been accidents with the workforce. Perhaps sleep fatigue while operating the equipment and so on at the port. My first question is: What measures have been taken, if any, to make sure employee safety is paramount while they are performing their working duties?

ALLAN GRAY: From the perspective of the port, again it's an influencer position. We don't directly employ the labour so it's working with our terminals to ensure the safe operation. My vice-president of operations throughout the COVID-19 event and the Montreal disruption worked closely with the terminals to ensure that safety was maintained and we were highlighting issues to them, but the expectation is that the terminals will implement the safety management plans that have been provided and effectively manage those. If we get reports, then we will step in and try to resolve those from a Port Authority point of view.

I'm aware that there were long hours when the Montreal event occurred because of the volume of cargo that was coming in. It was highlighted to the terminal that we were concerned about the hours of operation and that they needed to manage that. They responded accordingly, working with labour to try to reduce those hours.

There is also an unfortunate situation that in a year of COVID-19 where people's wages were reduced because of hours, I guess people also saw an opportunity to gain some extra hours. It was a delicate balance for the terminal in dealing with the desire to do extra hours and the risk of fatigue.

My expectation is that our stevedores have a fatigue management plan in place and that they're effectively managing that. I have learned, since my arrival in Nova Scotia, that some of these things aren't as advanced as probably what I was used to in Australia. I'm working with various terminals and the chief executive officer of the terminals. We both have a passion that safety is paramount, so we're working together that we advance safety culture across the waterfront and the port as a whole.

THE CHAIR: Perhaps this is the time to take our break. We'll come back for your supplementary after a 15-minute break.

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

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

THE CHAIR: Order, please. We'll call the committee back to order and proceed to the supplementary question from Mr. Dunn.

PAT DUNN: Perhaps I'll get the opportunity also - although you've only been here a short time, I've heard some great positive comments about your leadership, so that's great to hear.

You mentioned the volume of cargo at the port. Again, my understanding is that the Montreal port has a truce or an agreement until March. If that happens to fall apart, Halifax port may find themselves back to where they were in the last couple of months.

I guess my question would be - I believe the south end terminal extension is completed and everything - is there any space left to expand? Where are you with regard to that and what sort of difficulties will you encounter if that happens again in Montreal?

ALLAN GRAY: The thing to understand with Montreal is that it was a 50 per cent surge in volume in a month. Our normal systems are built for a 10 to 20 per cent surge, and this was a 50 per cent surge. Whilst there was enough land space, in real terms, if the cargo was normal cargo, in the sense that it was programmed cargo to flow through the port, this was all import cargo with no export balance to it. So you're trying to get empty rail cars to

Halifax to take away full containers, whereas our normal flow of cargo is that rail cars arrive here because they're bringing export cargo and they're balanced with the volume of import cargo that's coming, so we get this balance.

This created an imbalance. It was just a massive amount of import cargo that landed. The supply chain unfortunately took a knee-jerk reaction in diverting it all to Halifax. They didn't consider how they were going to get it out of Halifax and back to Montreal. There were a lot of assumptions in the supply chain that CN or PSA would just miraculously lift the cargo off and take it to Montreal, when really it was their role to get it out. A lot of work was done with the port, PSA, and CN to try to find solutions, but it was a little bit short-sighted by the supply chain.

The other is that when you get this sort of volume increase, normally you've got months of advice to increase labour so that you would bring on additional labour and train it, and you would reposition rail cars and that sort of thing. This advice didn't come. The Montreal strikes happening - we were waiting to see what they were going to do and then suddenly shipping lines said we're going to divert and deliver it in Halifax. It put a lot of pressure on the system.

What we've done is a learning from this - work with both terminals and CN, and work out exactly what the port can handle in the event that there's diverted cargos, and what we can do to better position ourselves for an increase. We know the exact number of additional ships we can handle. We will go out to the shipping lines and say, if you want to come during a diversion, you will arrive Tuesday and Thursday or you'll wait. We've asked them to say, if it should occur, you reposition export cargo as well so that we've got a balancing of rail and that. There has to be a clear plan in place to remove the cargo going forward.

As far as the long-term expansion options, if cargo grows at the volumes that are currently predicted, then it will be 10 to 15 years before we need to make a major capital investment for expansion. What is required is optimization of the existing assets across the two terminals so we can delay unnecessary high expense on capital. It should be 10 to 15 years.

What would change that would be a cargo shift from New York by one-off customers. If one shipping line decided to move everything out of New York and say it's going to come through Halifax, that will give us a step increase that we would have to manage. That would bring timelines forward.

There is capacity. We can double the current throughput in the port as long as we're doing it in a growth path where we can gear up labour, gear up rail services. We can easily double the current throughput through the port.

THE CHAIR: Just a little time check. We have about 30 minutes left before we go to closing remarks. I've got five on the list. I'm going to try to permit supplementaries and if I feel we're running out of time, I'll move to just single questions. Ms. DiCostanzo.

RAFAH DICOSTANZO: I took advantage of the break and I asked the question, but I will ask it again. I won't have any supplementary.

While you were talking to my colleague for Dartmouth South about connectivity to Point Pleasant Park, it brought up this thought that I have and a dream that I've seen since 1984 when I immigrated. There was no downtown waterfront. There was so little. And there was no Bedford waterfront. The amount of pleasure and community and people flocking to both areas, it's incredible what it's done.

For me, it's just common sense that we should connect the two, find ways of connecting the two. As we're developing all these apartment buildings and increasing the population, we need that vent. The biggest example is the Bedford Basin market and the new beer garden right on the waterfront, lineups. It is such a popular thing because people love to be by the waterfront, and the waterfront should be for the community.

Is there any way that the port and maybe other larger businesses will work towards giving the waterfront back to the communities?

ALLAN GRAY: As indicated earlier, we work with Develop Nova Scotia in what their projects are and see where there's compatibility across those projects. The establishment of the collaborative transport forum and the collaborative decision-making platform allow us to work with both HRM and the provincial government to look at the long-term planning and see whether there are things we can do together that would create a long-term, sustainable solution.

That could be around what we do with lands that are unused, with building areas. Can we create connectivity when we're doing a project? For example, with the rail solution there was a safety issue, but could we turn fixing a safety issue of increased rail coming through - could we do something that was innovative to create a connectivity for the city?

Our plan is to be one port city, as I said, not the port in isolation to the city. Our aim is to continue with collaboration with all parts - both industry and the government sectors - to look for a sustainable-type solution in everything we do, in all ways. It's not just, here's a fix to today's problem. Let's have a look at today's problem and see if there are other things that we can do to facilitate future improvements. Point Pleasant Park is one, the Africville area is another. Even down here in the waterfront, we're looking at that, and Dartmouth.

As I indicated, we recently established the Port Community Liaison Committee. One of the members of that committee is from the Dartmouth region and she actually asked

a question in the first meeting and said, “Why am I here? The port doesn’t have any land over in Dartmouth, so why would you want me on the committee?” We said that if we’re going to be a true port city, we need to be considering all parts of the city, not just downtown where we’re operating.

Whilst we’re not there today, maybe there’s strategies or things that we’re doing which could improve socio-economic growth or business development in Dartmouth if we were to take that into account. If we ignored it and just said we’ll keep doing everything on the Halifax side, then we may be missing obvious opportunities for sustainable development in the future. The other thing is, our partners like CN operate through Dartmouth so if there’s issues, we have the ability to talk to our partners and see if we can influence improvement and that sort of thing.

By opening up to a port community group that gives us a broader, diverse insight, then we have much more opportunity to get more collaborative solutions going forward.

THE CHAIR: Mr. Maguire.

BRENDAN MAGUIRE: I just wanted to touch on some of the conversations around the environmental impact of globalization and the impact that the ports have on bringing goods and services here not just to Nova Scotia, but right across North America.

I remember reading about something a while back and I wonder if this would have any impact on not only the carbon footprint of these boats, but also would have any impact on our port in particular. It was a debate around the Panama Canal versus the Northwest Passage. Would that have any impact on us here in Halifax, in particular cargo coming from the Asian markets? I do know the research and what I’ve read about it was going up through the Northwest Passage cut down the time and the carbon footprint of these boats significantly rather than going through the Panama Canal. Is that something that’s still being discussed, or is that something that - are you talking to the freight line owners and the different ports around the world?

ALLAN GRAY: I’m aware of the discussions, and I know most of the shipping lines have backed away from the Northwest Passage on the basis of environmental impacts outside of carbon footprints. CMA CGM was one that said they wouldn’t do it even though it is a shorter passage. They said the other environmental risks as far as they were concerned outweighed the emissions footprint, and they then pursued what fuels they could do and what they could do with their engines to improve their overall global footprint.

The advantage of the larger vessels is that the long-haul services like Panama or through Suez are more efficient than they used to be, so moving 20,000 boxes through these paths or 15,000 through Panama is far more efficient than it used to be. I believe that they’re comfortable with that. There was certainly a rush at the start for an opportunity, but

I think when they balanced everything out, their preference was to stay with the routes they've got.

BRENDAN MAGUIRE: Just doing quick research on the amount of vessels and cargo that are coming through - and this isn't including cruise ships and passengers - but coming through our port. On the Port of Halifax's Wikipedia site, it said 1,500 vessels and 546,691 cargo containers coming through, and that breaks down to about 15,000 well-paying jobs, for the most part, where you're able to support a family - plus, plus, plus.

Are we anywhere near capacity at the Halifax port? What would we need to do? If we are, what needs to be done to expand that capacity? If we're not, what do we need to do, because those jobs are pretty coveted? I would say probably about a third of those people live in my community. As for Mr. Dunn's question about hours and stuff like that, the one good thing about the jobs down at the port is, there is no set time. You don't have to work an 18-hour shift if you don't want to. A lot of the individuals that are going down there are working the hours that they want to work, especially once you get off the card board into the union.

I guess my question is - sorry, it was a long ramble there - are we near full capacity of what we can bring into the port? If so, what needs to be done to expand that, and if not, how do we get more?

ALLAN GRAY: At the moment, we're at about 50 per cent of the total capacity that the port can handle. Having said that, as volumes grow, they'll need to optimize their space and they'll need to ramp up labour and increase the number of trains that are pulling cargo away, given that 60 per cent of our cargo is pulled away by train. There's optimization that's needed in the first component of it, but we could easily exceed a million TUs in the port here.

The next stage of expansion would be about 10 to 15 years away. If growth were to continue pre-COVID, then it would be about 10 to 15 years away before we would need that additional capacity. That's been identified. A lot of work was done before I came here. I'm looking at alternatives, and the northern expansion was considered to be the best of the solutions. I've reviewed that since I came here to make sure from an operational lens, which I come from, that was the correct solution, and I've had that verified, that that would be the correct expansion, and PSA is supportive of that position as well.

That's where we would see the next phase of the expansion: moving to the north. That would take us another 10 years into the future at least. We have in our master plan developed the expansion plans to take us 50 years into the future. With a growth rate of 3.6 to 4 per cent year on year, we have enough capacity in expansion plans to take us through 50-plus years.



LISA ROBERTS: I'm here trying to figure out how to get three questions into two. I'm going to go back a little bit to greenhouse gas emissions related to the port activities, but also to the global shipping and cruise industry that, of course, the port is a part of. I wonder if you can speak to me just generally about where greenhouse gas emissions live - where they get assigned.

Clearly from your report, you're tracking the on-land component, but you mentioned a number of times LNG, which is seen as the pathway forward for the cruise industry and also for the global shipping industry. Here in Nova Scotia, we have the possibility of a new export terminal, which I understand if it goes ahead, will actually cause us to exceed by about a third our provincial greenhouse gas emission target. Where does this stuff live in terms of where the emissions are tracked and tabulated?

ALLAN GRAY: I think it will be in general terms because it varies from place to place. I know that ports that are trying to take a more holistic view, which we're trying to do, take the carbon footprint of the ships that are within our environment - within the port limits - into our account. However, we don't take the emissions beyond that into our tabulation, but they are being taken into account at an IMO level.

One of the things that's occurring at the moment through IMO and some work between the ports is what they call just-in-time arrivals, so that we can reduce the emissions of ships turning up at the port by preventing anchoring. That's not so much that whilst they're anchoring they're creating emissions. It's the fact that if they go at full steam or full speed to get to the port only to anchor, it's a false economy on emissions and fuel usage.

Some of the digitalization path is actually looking at how do they make sure that they understand when they would be required in the port and get there. It's expanding beyond the port to start to look globally. Now as you start to put one port in touch with the next port, and a vessel leaves that port and you know when it's arriving at the next one, then you can set its speed at a lower speed. You're starting to take a global perspective on emissions.

One of the things we said here: we know that HRM has released a 2050 emissions plan, but that hadn't taken into account the port's emissions and impact. We've said we need to collaborate more together to understand the port's impact on those. Again, it's no good if just the city's taking action and the port hasn't taken equivalent action in trying to reduce their emissions.

At this stage, at a general point of view, it's kind of all over the place in many places around the world. Our aim here is to try to bring it together as a holistic calculation. The port's activities directly impact on the city, and the city's actions directly impact on the port so that we can work together.

THOMAS HAYES: I can't comment on the specifics of your question, but you mentioned cruise and the growth of cruise. Back in 1987, I joined an organization called the Marine Hotel Association. I was selling to the cruise lines. At the time, the global passenger count for cruise was 4 million, and the stretch goal of the industry was to reach 8 million passengers a year.

In 2019, I attended the Seatrade conference in Miami, where all of the cruise lines and the ports around the world congregate on an annual basis to talk about the state of the industry. This is pre-pandemic, of course. The annual passenger count exceeded 30 million. In their view, the sky was the limit.

I think over 90 new builds are under construction around the world - something like \$60 billion, \$70 billion of capital going into that industry. It's hard to know what the pandemic will do to that industry longer-term, but the growth is very significant. As Allan referenced earlier, there are a lot of technology improvements in propulsion systems and so on, but I was taken by your comment about what your kids said about some of the benefits in terms of lack of pollution. It's a global issue, for sure.

LISA ROBERTS: Thank you. I appreciate those answers. This is where if you pay close attention, you'll see two questions in one. (Laughter)

What analysis does the Port Authority do around the impact of climate change and rising sea levels on port infrastructure? What does that planning look like? The federal government has committed to sourcing 100 per cent renewable energy for all of its buildings by 2025. I'm not sure if that commitment covers Crown corporations as well and if that might be part of your planning.

ALLAN GRAY: I might take the second question snuck in at first. It's not being identified now that that funding is for us, but we're looking at that sort of thing ourselves in our sustainability planning in how to reduce our footprint. The ports haven't been identified in that federal funding. I say primarily because under the Act, we're required to be financially sustainable and independent. That's probably why.

Going back to the first question, which is around rising sea levels, all our port design and new projects take in rising sea level and infrastructure resilience. It used to be safety by design in the old days - now it's resilience in design. We look at dealing with impacts from increased storminess and rising sea levels. That's taken into the new design and we continue to assess our current infrastructure to look at its resilience with increased storminess and that as we go forward.

Currently, it's not a threat in the near future. As we look at the northern expansion, we'll be looking at lifting the level of that new area so that it's built for future areas and we would look to have to come back to the old area into the future.

Probably working with our partners is looking at the complete supply chain. As you are aware, we're critical on rails so making sure rail can continue to be able to access our ports will be important going forward into the future. The Chignecto Isthmus would have a big play in that for us.

THE CHAIR: Mr. Jessome.

BEN JESSOME: I'll go back to the subject of labour. Are there any recognized gaps in talent related to the local workforce that the Port Authority has identified and how would you seek to overcome that challenge in a local way?

ALLAN GRAY: I think the biggest challenge, particularly in a workforce like the waterfront - some would say the opportunity for automation, others would say the threat of automation going forward.

There's generally a pushback in many of the waterfront environments - I'm not saying just Halifax - to say when you start talking automation, that's loss of jobs. It's repositioning jobs. From my experience, and what I've seen in Australia and the automation there, they retrained people and they took on different jobs. I think the opportunity is looking at the future, so not automation tomorrow, but eventually automation would come into the industry as volumes increase. How do we set up training programs for the young people coming through today so that they're well-positioned to take on automation when it comes?

Rather than saying we take our established work force now and retrain them for this gap, we look at how we can transition across. I think that would be well-received. If you think of the tradition of the waterfront, it's about getting their sons and daughters to follow them in the footprint, and some of them are probably looking at their future careers and all the technology and innovation out there and saying, where does stevedoring fit into that for me?

I think if you can sell a path that shows they have a position and they have an opportunity in automation to ROV and planning and those sorts of things, there's a whole new career path in the waterfront for them. But I think it's a slow-change management transition, and developing the skill sets now with the training establishments we have here - and PSA is a global partner - it's probably a great partner to be able to facilitate local colleges in developing training packages.

BEN JESSOME: Just maybe a little bit of a deeper dive into where you started going related to partnerships with perhaps local institutions. We talked a little bit about the incubator relationship with COVE, but separately perhaps you could speak to any relationships you might have with our university institutions or the Nova Scotia Community College through the Chair.

ALLAN GRAY: One of the things is that I've outreached to all of the universities and colleges or the Nova Scotia Community College to look at what are the opportunities that we can have partnering together. For myself, it's getting access to graduates, and an example of that is we took on a greater planning role, knowing that we've got a master plan to work at. I could have done it by just going out and buying a contractor or a consultant, but instead we brought in three graduates from a university in different fields.

We've given them two years to help work with the master plan, and then we'll rotate those out and get different fields as we go into different stages of planning. They're supplemented by co-ops, so the three- to four-month students from the NSCC. The planning department has three permanent staff, but has quite a fluid graduate and co-op group.

The advantage for us in that is again talent identification, but the ability of bringing fresh ideas into the planning process, and we try to give them four years' worth of experience in two so that they can go out into the industry and be sellable. Ultimately we aim to get them back later in their careers with a bit more experience under their belt.

The other is working on programs to educate year nines on the potential opportunities and careers that exist in the maritime sector as a whole, so I've been working with a member of the COVE group. In fact, I wrote a couple of passages for her book on the blue economy. But it's working with them to highlight for year nine students what are the opportunities in the blue economy.

Also, a lot of teachers out there are unfamiliar with how to apply what they're teaching in the science/maths fields, so the ports are a great living lab, as I say, that allows teachers to see how things can be applied. I did a lot of work in Fremantle working with teachers, teaching them opportunities to apply into the port environment what they're teaching in maths and science. We've been talking to some of the institutions about how can we develop similar programs here.

THE CHAIR: We'll move now to Mr. Rushton.

TORY RUSHTON: Thank you guys very much for what you're doing, not just in the HRM area that you have an impact on, but I think locally of the products that come from my area - wood fibre, blueberries - that wouldn't see a market without the port. It's very important to our economy in the province and Atlantic Canada, and Canada for that matter, that the port doesn't just succeed, that they excel.

With the expansion, and I'm looking at numbers, but in 2030 you expect to see 800,000 TEU. That's a pretty good target. You've laid out the groundwork where you can certainly achieve it. I guess my question is: There have been some downward trends through the port and if we're led to believe what the Premier said - that our economy is doing so strong in Nova Scotia - can you explain why the downward trend on something

that's so important to our economy? What role has the government played to ensure that the port succeeds that target for 2030?

[2:45 p.m.]

ALLAN GRAY: It's indicated that the key to the port is to give opportunity. We don't directly create trades that can go in and out. The idea is to make sure that we have enough capacity to match or exceed the demand that is going to be put on it, and to make sure that we have the services available that allow export and import markets to do what they have to do.

From there, it's about what the opportunity is for markets to grow here. That will stipulate how we grow. There is a portion of our growth, which is directly related to growth in GDP and population. As population grows, we will get a larger demand on our import services and export. The other component of it is what we draw in from the Midwest and the manufacturing areas.

From a response of what the government can do, it's about facilitating export markets, reaching out to the places where we've opened up a service to. It's talking to those markets and facilitating trade agreements between that so that the markets can open up. We've got the service there available. It's ensuring that the two places can trade with each other, and it's promoting homegrown opportunities.

TORY RUSHTON: I'll just make this quick. With the growth of that, I would expect that Nova Scotia's natural resources would take part in that - as I said, very important in my area, blueberries and forestry.

You mentioned earlier that you were in talks with India, if I remember correctly. Were those talks with India in collaboration with government forestry sector or the private forestry sector? Maybe you can't answer the next question, but what kind of items would we be looking at shipping? There are a lot of people seeking hope in the forestry sector right now with a lot of silence that has been out there. Just looking for a little hope for them maybe.

ALLAN GRAY: For clarification, we're not talking directly to India. We're talking to shipping lines that provide a service via India. A lot of our services are direct Asia calls - so southeast Asia - but a couple of the shipping lines actually do calls through India, so the opportunity is to see if we can shift that service away from New York or somewhere like that into Halifax. Then that would give us a direct service to an India market. It's less about what the trade was but opening up an opportunity.

When we do that, then we talk to our customers and say we've opened up an additional opportunity here - this might be a market you want to talk to. We do hear

occasionally of potential opportunities and we pass those through to our customers, if they come through us through our business development guys.

THOMAS HAYES: I just wanted to add in relation to what the provincial government can do - even though we are a federal agency. In a number of trade missions to China, for example, the business development folks at HPA coordinated with the Premier's trade missions and participated in those, which is helpful when you go to a country like China. NSBI has been involved in a number of marketing efforts as well to support trade at HPA.

THE CHAIR: That concludes our questions. I would like to thank all the members for their concise questions and the witnesses today for your concise responses. We got quite a lot of things covered. I'll turn it over to Mr. Hayes for closing remarks.

THOMAS HAYES: I've been on the board of HPA for six years and I don't think I can remember an invitation to this committee. I'm delighted that we've had the opportunity to speak to you. The port is such an economic generator within not only the HRM, but throughout the province and the region.

As I said earlier, even though the Government of Canada is our shareholder, we view the Province as a very important stakeholder in what goes on at the port, so we would be delighted to be invited back at any time as long as Allan answers 95 per cent of the questions, as he did today. I think you can appreciate how happy we are that he has taken on the role of CEO, and we look forward to many years of success under his leadership.

THE CHAIR: Captain Gray, did you want to add anything?

ALLAN GRAY: Just in closing, as the President and CEO, my role is to bring all the port partners together and find a balance. My platform when I arrived here was one port city, and I set out straight away to seek collaboration and not consultation. The difference is consulting tends to just say, this is what we're doing and we're letting you know. Collaboration is about seeking an opportunity to understand what the issues are from both sides and see if we can find a balance in that solution.

I'm committed and my team is committed to providing a sustainable port into the future. As I said, we set up the port community liaison committee, and though I never got to pick any of the members, the independent Chair did. I said, I want somebody who's in their early 20s or younger on the committee, and they said why is that? I said, because I won't be here in 50 years' time when the port's still operating, so I want to hear the insight of somebody that young who will be around and has to live with the way the port is functioning in the future.

We're committed to making sure the port going forward provides the economic development, which is so important to Nova Scotia and Canada, but ultimately does that

in a sustainable way that supports community and supports a safe environment as we go forward. My mandate is to achieve all of that and balance all of that as I go forward. Not an easy challenge, but that's what my path is. Thank you.

THE CHAIR: Thank you both for all of your work, for responding to the questions here today. We've learned a lot about this very important asset. Halifax was built on that harbour and it continues to play a huge part in our economic future, so we thank you both for your leadership over the last particularly challenging year with the ups and downs of COVID and Northern Pulp and Montreal.

You can now leave while the committee is going to move on to a few minutes of business, and there may be some press out there that would be interested in speaking with you. Thanks again for coming.

Okay folks, committee business. We've got a few items here on the agenda to kind of clean up here. At the September 29<sup>th</sup> meeting, the committee discussed its 2020 annual report, which had been circulated to members earlier in the month. It appeared to meet with general approval without comment, but the wording of the motion to pass was incorrect. The committee approved the correspondence instead of the annual report.

Just to get the committee's explicit approval on the record, I'd ask someone to make a motion that this committee accept its 2020 annual report and table it in the House of Assembly. Mr. Jessome.

BEN JESSOME: So moved as read by the Chair.

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

The motion is carried.

With respect to some correspondence from emails from member Rushton, in reading aloud the committee correspondence submitted at the September 29<sup>th</sup> meeting, the Chair omitted a sentence acknowledging receipt of two emails from committee member Tory Rushton, MLA, in response to the June 2<sup>nd</sup> letter from the NDP members. Mr. Rushton also asks the Chair to reconvene the committee. We would all like that noted for the official record.

As well, with respect to a document, a letter tabled on September 29<sup>th</sup>, in our last meeting, member Tory Rushton read aloud sections of the letter to the Premier from Forest Nova Scotia. Since we're not distributing paper documents in our meetings as a precaution against COVID-19, Mr. Rushton properly tabled the document by emailing it to the committee clerk after the meeting. It's available for members and the public on request from the clerk.

With respect to new business, the November 24<sup>th</sup> meeting time, we're asking the committee if we can move the meeting by an hour from 1:00 p.m. to start at 2:00 p.m. on November 24<sup>th</sup> as the witness is not available until that hour. Is that acceptable to all members?

It is agreed.

Just looking ahead to our December meeting, that falls on December 22<sup>nd</sup>. Would committee members wish to meet earlier in the month - perhaps a date of Tuesday, December 15<sup>th</sup> from 10:00 a.m. to 12:00 noon? Mr. Maguire.

BRENDAN MAGUIRE: Back to the previous question. Is it possible to have it earlier because some of us have to deal with child care? Moving it an hour ahead deals with our children coming out of school.

THE CHAIR: I believe the witness is unavailable from 1:00 p.m. to 2:00 p.m.

BRENDAN MAGUIRE: Is it possible to do it in the morning - to reschedule?

THE CHAIR: Does the clerk have any information that would shed a different light?

BRENDAN MAGUIRE: Is it possible to reach out to them to find out if we can reschedule for a morning session, if the committee agrees?

JUDY KAVANAGH (Legislative Committee Clerk): I can ask them. If they say a morning meeting isn't possible, then how does the committee want me to proceed?

THE CHAIR: Are members of the committee generally available at any time during that day? Shall we ask if we can meet at 10:00 a.m., and if the witnesses are not available, then the backup would be at 2:00 p.m. Mr. Maguire.

BRENDAN MAGUIRE: I just think that what we should be doing is taking into consideration, when some of these requests come forward, that some of us do have children and it's difficult when children are out of school at 2:15 p.m. and 2:30 p.m., and a lot of us have to go and pick up our children.

THE CHAIR: I'll ask the clerk to take that under advisement when dealing with these issues. Ms. DiCostanzo.

RAFAH DICOSTANZO: Today we had two committee meetings. I'm wondering if on November 24<sup>th</sup> we would have the Human Resources Committee in the morning.



JUDY KAVANAGH: That's a good question. As it turns out, that's the month that the HR Committee is meeting on Thursday, November 26<sup>th</sup> because of witness availability, so that morning is open.

THE CHAIR: To clarify, we're going to try for 10:00 a.m., and if not, 2:00 p.m. will be the backup. Then on December 22<sup>nd</sup>, are people comfortable moving that to December 15<sup>th</sup> from 10:00 a.m. to 12:00 noon. That will be followed by the Veterans Affairs Committee from 2:00 p.m. to 4:00 p.m. Is it acceptable to move it to December 15<sup>th</sup> at 10:00 a.m.? Great, thank you.

I would like to thank our clerk, Judy Kavanagh, and Sherri Mitchell who have supported us, as well as Gordon Hebb, our Legislative Counsel. The next meeting will be November 24<sup>th</sup> at either 10:00 a.m. or 2:00 p.m.

Mr. Rushton.

TORY RUSHTON: Just more of a question for procedure. I did not want to bring this up during the process when our guests were here. Any time I've sat in this committee, we've always recognized Opposition first and then shared the questions - one, two, three to PC, Liberal, NDP. Our caucus staff and all the caucus regulate the questions on what was perceived the previous meeting. Just looking for clarification on that for the next meeting.

THE CHAIR: We can make a decision on that, if you'd like. The Community Services Committee meeting, which I chair, has been run the way I ran the meeting here today. I feel it's the most equitable way in which we get a chance to hear from all members. That's the way that I have chosen to chair these committees, and we've done that with the Community Services Committee. If this committee wants to operate in a different way, we can do that. Mr. Maguire.

BRENDAN MAGUIRE: I'm open for anything, but I will say that for the most part, I chair a few committees and I do the same thing. I think as long as everybody has the time to get those questions in, I don't see an issue with it. I don't see how having the Progressive Conservative Party go first makes a big difference. Maybe it does to them.

I did one this morning and the member for Dartmouth South went first and we didn't have any complaints from the Progressive Conservative Party. I don't think it actually impacted their questions or the answers. Is this just about, "We're the Official Opposition so we have the right to go first, or we're entitled to go first," or is there something that we're missing here?

THE CHAIR: Ms. Chender.

[3:00 p.m.]

CLAUDIA CHENDER: I'm hesitant to weigh in, but I want to say that having served on most legislative committees except for Community Services, Chairs do it differently, but I do appreciate when the question rotation goes by caucus. It doesn't really bother me who goes first, but I do think giving caucuses equal time versus members equal time seems to be more equitable, where we have a majority of Liberals on every legislative committee who have access to information that the Opposition doesn't. Particularly at this moment, it is poignant at a time when we haven't been in the Legislature for many, many, many months.

It just feels to me like that is the most equitable arrangement. I don't care who goes first. If people run out of questions and other members have questions that's great, but I think in the committees where we go by caucus in rounds, I just find that to be an equitable arrangement.

THE CHAIR: Mr. Rushton.

TORY RUSHTON: To the point about us going first, it has nothing to do with us going first. The question was for clarification. I've only been in this Legislature for a short time, and my member opposite is quite right. We've only been here a very short time this year, 13 days to be precise, and it has been quite a long time since. It was about clarification. Every meeting I've been to this committee it has been PC, Liberal, NDP. I could care less who goes first. It wasn't about who goes first.

We have a new researcher here. The researcher, as like every other caucus, looked at the previous meetings, they planned, and if we could just get a concise decision, that's what I was looking for. But I do agree, if it goes by caucus then we all have a fair voice at the table per caucus.

THE CHAIR: Mr. Dunn.

PAT DUNN: I've been around committees also for quite some time, and I wasn't sure if it was an agreement, or I was assuming that in these committees, when the question part of the committee was started, we would automatically go to the PCs and then to the NDP and then over to the government. Again, that has been my experience for at least 10 years, but we can clarify that.

THE CHAIR: Mr. Maguire.

BRENDAN MAGUIRE: I would just compare it to, and this will be my last comment on it, but the members are talking about fairness. The committee that I chaired today, in actual fact the members of the Opposition received more time and more questions

than the government. I didn't hear or see any complaints from the government side about that.

In fact, I know that the member from Hammonds Plains actually was waiting to ask a question in today's meeting but never got to ask that question because a member of the Progressive Conservative Party, when told they could only take a minute, took four minutes instead.

I would say, listen, let's just move this along. If they feel they're entitled to go first, I don't think anyone really has a big issue with the Progressive Conservatives wanting to go first. If it really disrupts their flow of questions and things like that, I just say we put it to a vote and have at it.

THE CHAIR: Mr. Jessome.

BEN JESSOME: In fairness to Chairs across the government, there is an element of the Chair's own discretion to have a meeting flow as he or she sees fit. There are other committees that have made a structural decision around question flow. I know I've been Chair of a couple of different committees and I've been asked to do it different ways.

To me it's a little bit difficult to try and get questions in as a government member who wants to ask questions about my constituency, the same as everybody else would expect to be able to do so. Having multiple members try to fit into that window of time makes things difficult. I would just defer to the Chair.

THE CHAIR: Mr. Rushton.

TORY RUSHTON: Just for clarification, it wasn't a point of order, it was just a point of clarification. This is only two committees that I've ever sat on in this short term. I've seen it go the way that it has gone ever since I sat in this committee. I just asked for a point of clarification. It wasn't a combat of who's going first, who's going second. We can save that for the schoolground.

At the end of the day, leave it to the Chair, but we just wanted clarification so new people coming in can understand how the meeting is going to flow. It's not going to change meeting to meeting.

THE CHAIR: I appreciate those comments. I think we will proceed as we did today. I thought it was fair and equitable. It moved around the room and I think everybody got an opportunity to ask questions. I think to Mr. Maguire's point this morning, there was one Liberal question for the whole day. I think we are all elected officials representing our communities. We should all be full participants in the meeting.

I think we want to have a further discussion and bring consistency across all the committees. That might be a discussion for the Standing Committee on Assembly Matters to talk about. In all the meetings that I have chaired, I run it this way, and it has worked well.

I think what I'm hearing is we'll proceed this way. If there is disagreement, bring it up with the Standing Committee on Assembly Matters and we can see if we can have consistency across all the committees. Ms. Chender.

CLAUDIA CHENDER: Just a point of clarification. When we attempt to discuss issues surrounding committees with the Speaker and with that committee, aside from changing the rules, committees are in fact their own creature. This probably accounts for some of the differences we see across committees.

I'm fine to continue, so I'm not making another substantive comment, but I just want to say that that may not, in fact, be the right place for that, and we should determine that here. I think it's your prerogative as Chair - we can continue or we could bring it up in the future as an agenda item, but I don't think we'd get very far in that venue, unfortunately.

THE CHAIR: The final word to Ms. DiCostanzo.

RAFAH DICOSTANZO: I believe all my colleague wanted is that at the beginning of the meeting to say how we're going to run the meeting so that he knows to put his hand up. That's where he was going, I believe.

THE CHAIR: Fair enough, thank you. I think that covers everything. The meeting is now adjourned.

[The committee adjourned at 3:07 p.m.]