

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

**COMMITTEE ON
NATURAL RESOURCES AND
ECONOMIC DEVELOPMENT**

Tuesday, November 22, 2022

Committees Room

Rural Economic Recovery After COVID-19

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**NATURAL RESOURCES AND
ECONOMIC DEVELOPMENT COMMITTEE**

John White (Chair)
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Kent Smith
Trevor Boudreau
Chris Palmer
Ronnie LeBlanc
Carman Kerr
Gary Burrill
Lisa Lachance

[Ronnie LeBlanc was replaced by Fred Tilley.]

In Attendance:

Tamer Nusseibeh
Legislative Committee Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Economic Development

Scott Farmer, Deputy Minister

Develop Nova Scotia

Gordon Stevens, COO and Vice President of Finance

Nova Scotia Federation of Municipalities

Amanda McDougall, Past President,
Mayor of Cape Breton Regional Municipality

Emily Lutz, Past President,
Deputy Mayor of the Municipality of the County of Kings



House of Assembly
Nova Scotia

HALIFAX, TUESDAY, NOVEMBER 22, 2022

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

1:00 P.M.

CHAIR
John White

VICE CHAIR
Dave Ritcey

THE CHAIR: Order. I call this meeting to order. This is the Standing Committee on Natural Resources and Economic Development. I'm John White, the MLA for Glace Bay-Dominion, and the new Chair. Today we will hear from presenters regarding rural economic development recovery after COVID-19.

I ask that you turn your phones off or put them on silent. In case of an emergency, we exit through the Granville Street exit on the left-hand side here when you come in, then we go to Grand Parade to be accounted for.

I'll now ask committee members to introduce themselves for the record, starting here with Dave Ritcey.

[The committee members introduced themselves.]

THE CHAIR: I'll note the presence of Chief Legislative Counsel Gordon Hebb - thanks for showing up - and Tamer Nusseibeh, the committee clerk.

The topic is rural economic recovery after COVID-19, and I'd ask the witnesses to introduce themselves - if you don't mind. Just a short introduction first, and then we'll go back to your opening comments, starting with Mayor McDougall.

[The witnesses introduced themselves.]

THE CHAIR: Thank you. Now we'll go back for opening comments, starting with Mayor McDougall.

AMANDA MCDOUGALL: Again, thank you. It's interesting, when I was putting together my notes on how to speak to economic recovery specific to rural communities post-COVID-19, I don't think we can just talk about COVID-19 alone. We have COVID-19, we have Hurricane Fiona, we have the now-incredible difficulties around day-to-day expenses and affordability of life for residents across Nova Scotia. So in order to talk about recovery, we have to really acknowledge that there are so many factors at play.

Again, my comments will be highlighting some of that complexity specific to rural Nova Scotia by focusing on a few areas on behalf of NSFM that I feel will offer residents of Nova Scotia the much-needed support they are asking for. That's really the crux of all of this. We're hearing every single day, as elected officials at every level of government, of what residents need. That's really where my comments will stem from.

One thing I hear a lot about from residents post-COVID-19 is the need for space - the need for greenspace, for recreational space, space to socialize in a safe way. That really came to light when we were at home in our places of dwelling, trying to protect one another from COVID-19. Once those reins loosened a bit and we could go back out into the community a little bit, people started to rediscover their neighbourhoods and perhaps rediscover that their communities weren't those spaces that they thought were welcoming, as perhaps they should be. So looking at parks, looking at walking tracks, looking at accessibility into those spaces, folks really started to prioritize this as a need for our communities.

Now, that is all important, to have that space, but I think what's important as well is to focus on the impact of that space on people's mental health and physical health as well. Again, this comes back to the complexity that I was talking about - there's not going to be one way that we can help move through recovery, but there are so many different pieces that are so intertwined.

Those spaces are really important for a number of reasons. Those spaces are also the reason why a lot of people wanted to come here to Nova Scotia during COVID-19. What we saw happen during COVID-19 was a tremendous amount of expat Nova Scotians coming back home from out west and Ontario. We also saw people coming from all over the world and purchasing homes, purchasing apartments, purchasing businesses, because they knew that this was a safe place to be.

When they came here though, initially the housing market was much different and they bought some reasonably priced houses - and then they got their tax bill a year later, after the cap came off. Let me tell you, the phone lines started ringing. The tax cap really is coming to light again as a really important issue, and if we're going to be talking about economic recovery in our rural communities, we have to acknowledge the deficit and inequity that the tax cap is putting on people.

We're hearing from folks now in our municipal offices saying things like, "This was not the taxes that I signed up for. How come they've now doubled and maybe almost tripled? What is a tax cap?" Trying to explain that has really made me conscious that we have to keep this on the table when we're talking about economic recovery.

If we are going to be doing any type of growing in our communities, we also have to think about those who are most vulnerable. Again, through COVID-19 and now through Hurricane Fiona and the ongoing crisis of cost of day-to-day life, the most vulnerable folks are those who are feeling the negative impacts the most. We saw this during COVID-19 when people could not access spaces like food banks as frequently as they needed, the social programs that they wanted to attend, because they needed to for their own mental health and stability.

The resources in terms of programming around addictions and mental health support - our most vulnerable were definitely left behind, and we can't let that happen again. It is continuing today, like I said, in this crisis of cost for everyday living. All of this needs to be taken into account if we are going to find solutions as a go-forward.

In my concluding remarks, I will be talking about this, but having folks from different levels of government at your committee today is a wonderful step in the right direction because we know that as municipal elected folks, we rely on expertise and support from provincial elected folks, and we all together depend on our federal colleagues as well. I will speak a bit more about that collaboration, but I'll hand it over to my wonderful colleague, Emily.

THE CHAIR: Ms. Lutz.

EMILY LUTZ: Thank you very much, and thanks, Mayor McDougall. I'm going to talk a bit about some of the same things Mayor McDougall's talked about, but I'm going to get a little bit down into the weeds, and maybe even the dirt - so the water and waste water.

One thing we're dealing with in Kings County, particularly, but across the province is just unprecedented levels of growth, of building permits, of applications. Where we used to deal with dozens of building permits over a certain time frame, we're now dealing with hundreds. When municipalities plan for our infrastructure services, we obviously do asset

management planning. We are ready for regular levels of growth, anticipated levels of growth, but one thing we did not anticipate, obviously, was COVID-19.

There's only so much you can do with what you have. We have infrastructure in the ground that we have been saving for and planning for. Do we have the capacity to manage the growth we are currently facing? I think that is something we're going to require some support with. Kings is not the only municipality in this situation, but we can't talk about growth at all without talking about the services that people require when they get here.

At your tables, I feel like those conversations are often health care, often social services. At our tables, it's pipes in the ground, and it's water and waste water because you cannot build a massive five-storey apartment building without the capacity to support that being there. We want to ensure that we are proper and well-equipped partners at your table, that we have the infrastructure laid in the ground to allow that development to happen.

To use Kings County again as an example, we really promote density in our county, and we've been doing that since 1973 when we decided that we would make it a priority to protect agricultural land. We all know that that's very important in today's world - food security, protecting our farmers - so we've taken an active approach at protecting farmland for years in Kings County. What that has done is we do try to push urban density which, again, we could handle three years ago when we were receiving regular levels of growth, but with what we're being asked to now provide, it's over and above what we had ever planned for.

A continued investment and partnership with the Province is going to be really important going forward, particularly if we're going to talk about doubling our population. If we're going to say we want to double the population, the second half of that sentence needs to be: and make sure that we are properly resourced in supporting those people when they get here.

We hear about housing. This is directly related to housing, but it trickles out into other areas. When we're talking about child care, when we're talking about long-term care and the labour shortages in both of those fields - both of which I'm intimately acquainted with as the President of the Berwick and District Nursery School and the Chair of Grand View Manor seniors' long-term care home. We cannot recruit staff to those two facilities because we cannot find places for them to live. We can make every Atlantic Immigration Program application that we can, but if there's ultimately no place for those people to go and there's no sewer and water in the ground for us to be able to support new developments when they get here, the chain is being blocked up. The way things should be run - there are barriers along the way. It's all interrelated.

I couldn't come in here today without talking about how the child care crisis is impacting our employers' abilities to have staff, not to mention the daycares themselves

are struggling with staff. It's one thing leads to another, leads to another, and I think that's something that is felt acutely in the city, but is felt just as acutely in rural areas of this province.

[1:15 p.m.]

I'll just conclude my opening comments with the notion that municipalities would be better able to tackle these challenges if we had better economies of scale. Scale would allow local government to properly resource operations and be more effective partners. Structural change should be considered as a part of regionalization. If you want to allow municipalities to be meaningful partners in conversations, we should include the idea of regionalization, the idea of working together as part of forthcoming municipal modernization and renegotiation conversations.

THE CHAIR: Thank you, Ms. Lutz. Deputy Minister Farmer.

SCOTT FARMER: Thank you for the opportunity to be here to contribute to today's discussion and share what our department is doing to support rural economic recovery after COVID-19.

As a Province, our commitment to following Public Health directives during the pandemic allowed us to withstand the impacts of COVID-19 better than many jurisdictions. This was reflected in our economic recovery coming out of the pandemic, where Nova Scotia had a smaller economic contraction in 2020 and stronger growth in 2021 than most provinces. In 2021, Nova Scotia's real GDP grew by 6.2 per cent and our population increased 2.9 per cent, surpassing one million people.

Despite the positive outcomes, we know it's been a challenging time for many Nova Scotia businesses. Throughout the pandemic, the Department of Economic Development's priority has been to support the business sector and emerge from the pandemic as strongly as possible. This required all three levels of government to work together to respond, and the provincial approach was to complement federal programming and fill gaps where needed.

By collaborating with the business community, our department was able to introduce several support programs, including the Small Business Impact Grant Program - there were three rounds of that; the Sector Impact Support Program; and the Targeted Sector Impact Program, among many others, to help businesses navigate the impacts of COVID-19.

As we move forward, our department continues to focus on creating the conditions for businesses to thrive, and building an economy where all Nova Scotians can participate, contribute, and benefit. As part of this, we've been engaging with business owners,

entrepreneurs, and community leaders across the province to get their feedback and hear their ideas on how we can grow our economy.

The clear theme has emerged from these conversations is that Nova Scotia has a great track record for innovation. That's why this past year, the Innovation Rebate Program was made a permanent, ongoing program with a \$12 million annual funding commitment. It's important to acknowledge that about 75 per cent of these approved innovation rebates are outside of HRM.

The Innovation Rebate Program has seen exceptional uptake and success in rural communities with current projects in nine different regions across the province. The program is a great example of government and the business sector working together to address some of our most complex challenges. It's this type of collaboration that will help drive our economic growth here in Nova Scotia.

Thank you for the opportunity to say a few words. I look forward to sharing more about the other programs that are in place through the discussion this afternoon.

THE CHAIR: Mr. Stevens.

GORDON STEVENS: Thank you for the opportunity to appear before the committee.

In 2018, Develop Nova Scotia was created from our predecessor company, the Waterfront Development Corporation, and through that creation, our mandate was expanded to include all of Nova Scotia. This gave us the opportunity to extend the lessons and knowledge gained from creating economic opportunities in Halifax and Lunenburg to other rural communities in the province.

Today, our team is working with more than 25 separate communities throughout the province from Yarmouth to Meat Cove, and close to 40 projects to create economic and community infrastructure have been completed or are under way.

During COVID-19, we used the lull in visitation and activity to complete over \$40 million in infrastructure stimulus projects. The result of these investments are now being felt throughout the province as we see tourism ramp up this past year, and more and more locals are out to venture and enjoy the public spaces. Investments in improved infrastructure in shared facilities at the Smith & Rhuland Shipyard in Lunenburg, creating opportunities for Ocean Gear Inc. and Old Town Boatworks, as well as supporting the marine services sector overall.

Most of you would have seen significant investments in Peggy's Cove that now allows us to welcome cruise ship passengers back, as well as an intense increase in the

number of locals who are visiting there. Local businesses there are reporting very good seasonal results, and we've enabled two smaller businesses to set up in Peggy's Cove.

New floating infrastructure in Baddeck has facilitated a 23 per cent increase in overnight marine traffic in its first year of full operations. Revitalization of the foundation wharves in Halifax has seen our pedestrian counts spike to three million people this year. The previous high in 2019 was two million, so we're well beyond where we were pre-COVID-19. That's resulting in most of our tenants experiencing record sales. The Halifax and Lunenburg waterfronts are hosting 161 days of events and activations this year. We know that active program public spaces help to attract people to visit and to stay.

Approximately \$7 million of funds was directed to the Nova Scotia COVID-19 Response Council, earmarked to fund a variety of projects under our Thriving Communities focus. These community-led projects create new public spaces and economic infrastructure for approximately \$1 million. Our team is working with dozens of community organizations and municipalities on 20 separate community-led projects. Each of those projects received \$50,000 directly from the fund, and an additional \$460,000 of funding was leveraged through other sources.

Communities have created great places where locals can gather, which give yet another reason for visitors to come calling. From outdoor library spaces to seating and lighting outdoor spaces to pocket patios to movable parks, play structures, expanding local farmers' markets and town squares - they all provide an opportunity to attract more people and to create economic impacts.

Other projects under way and funded through the COVID-19 Response Council include the Louisbourg Visitor Experience centre; Pictou Waterfront project; the Evergreen Festival in 2020 and 2021, and about to kick off this week for 2022; the Inverness Growth Management Strategy and Complete Streets projects; and we are now working with the Africville Heritage Trust Society on an Africville marina project.

We also continue to advance the important work of extending high-speed internet across Nova Scotia. In 2018 when we started, there were 102,000 homes and businesses identified as unserved or underserved, putting Nova Scotia at about 75 per cent coverage. Today we have projects under way or completed to reach 98,500 of those people by the end of 2023 and early 2024. That will get us to 99.1 per cent coverage. Completion of Pictou County's independent project should bring our province to close to 100 per cent coverage.

Every day we reach more. We know that it's not fast enough, but through careful monitoring and management of our partners, we're making progress every month. As of October 2022, we've reached 72,500 of those 102,000 homes.

The Develop Nova Scotia team will soon join Nova Scotia Lands to become the Build Nova Scotia team. We consider it a privilege to have the opportunity to work in partnership with so many communities across Nova Scotia. We are passionate about getting behind communities and helping to uncover opportunities for new or improved public spaces, working waterfronts, and different types of economic infrastructure.

I look forward to addressing any questions you may have. Thank you.

THE CHAIR: Thank you, witnesses. Some excellent remarks.

Before we begin, just a reminder that when we do begin questioning, I have to say your name to recognize you so that your microphone can come on and turn red, so you know when to speak. We've agreed to end questioning at 2:35 p.m. today, so when it reaches that mark, I will simply interrupt you and say, "order, please." At that time, I'd ask you for brief comments to close so that we can finish. We have a lot of business to do today before we finish up.

The floor is open for questions. MLA Lachance, I think you had your hand up first.

LISA LACHANCE: Thank you all for being here. Actually, I have a ton of questions, so I will try to keep my preambles as short as possible.

On one hand, I heard from Mayor McDougall and Deputy Mayor Lutz about some of the challenges around labour shortages, but that's related to housing, which then is linked to services, so I definitely get that there's a whole system there. Then on this side, some of the great projects that have been done.

I guess I'm wondering if there were challenges with finding labour for the projects that you have been able to fund, if you are hearing from your counterparts in rural areas about the challenge of the labour shortage that is linked. Has there been any discussion together in terms of what some of those solutions might be able to come through the department? I don't know who wants to start.

SCOTT FARMER: As it relates to labour shortages, it's something that we hear across the province. The most recent data on labour shortages shows that most industries are in the area of 4 to 6 per cent vacancies. An exception to that is in food service and accommodations, where it's higher - more like a 9 per cent vacancy rate. So across the board, whether it's by industry or by geography, access to labour is a challenge. I think the most recent data had us at about 23,000 vacancies in the province.

Interestingly, the most recent EI data had us at about 23,000 Employment Insurance recipients, so there's a mismatch that exists between the skills and jobs that are in demand, and some of the people who are not employed in the province - with an unemployment rate

currently around 6.5 per cent in the province. As we talk to businesses, as we travel the province, it's a recurring theme around labour shortages.

Part of it is a demographic impact in the province. Quite frankly, we've got this aging population. People age out of the workforce. It's why it's so important that we grow our population, we grow our population with young people, and that we use our immigration streams to fill the necessary gaps that exist in the economy today.

Working with our colleagues at the Department of Labour, Skills and Immigration, there's a priority on those jobs that are most in demand through the immigration streams to help address some of those gaps in the province.

AMANDA MCDOUGALL: From a municipal point of view, when we are hearing from businesses and organizations that they simply cannot bring people in because there's no housing - and I'm going to speak from a CBRM perspective - we've started asking, what do we have that can help alleviate this problem?

For example, we've taken a look at our surplus lands that we have in the Cape Breton Regional Municipality and saying, okay, of these lands, what properties could potentially be used for good development? So, dense development that could happen? It does not need to be in the urban core; this is throughout the entire municipality, so where are the pieces of property that are already on municipally serviced properties, and how do we get it out there?

I'll also use the example of CBRM's waterfront properties - pretty significant piece of property. Put it back out there for RFP clearly stating we need more densified housing opportunities in the CBRM, so bring us the commercial opportunity, but, also, make sure to incorporate that residential piece as well.

I think you're going to see more and more municipalities across Nova Scotia - and I'm thinking of, for example, Antigonish coming together and creating dignified, affordable housing project possibilities, but also thinking how we can use our assets to increase housing stock across the board. It's something that municipalities are not necessarily resourced or skilled in, but we're at the point that, again, that cost crisis of everyday life is so extreme that we needed to figure out our role in it.

When I say that, I think it's also very important to say, okay, how do we make sure that municipalities are at those tables where potential funding opportunities are coming up, and how do we make sure that not only is it municipal and provincial, but municipal, provincial, federal folks all together talking about things like rapid housing, talking about potential funds going forward, changes in legislation. We all need to be at that table together because going at this on our own is just not sustainable.

EMILY LUTZ: I would also add to that, there is a direct responsibility municipalities have that can address the housing crisis through our municipal planning strategies, and particularly municipalities who've had experience doing land-use planning for years have a great understanding of how their communities organize and what the barriers might be to housing.

Earlier, I spoke about larger developments in more urban centres and the services required to have those developments be successful. We also have committed to re-examining our land-use plan to look at backyard suites, to look at increasing density in the places we have because, again, the more development we can encourage where it's already serviced, of course we save money the more people who are using those services that are there. There are more people paying for them, so we obviously are encouraging that, and it's fewer people who feel the need or the desire to build out, potentially, on valuable agricultural land.

There are things we can do at a municipal level to encourage that housing piece, which is looking at our own municipal plans, trying to find some flexibility while also encouraging density, but, again, backfilling that density with all those services is top of mind.

THE CHAIR: MLA Smith.

KENT SMITH: I have a question for Deputy Minister Farmer. I love every opportunity that I get to talk about and promote Sheet Harbour - in particular the Port of Sheet Harbour. At the beginning of the pandemic, there wasn't much activity going on there, and in the middle of the pandemic we were able to put an RFP out and hire a new port operator. In conjunction with that, the folks at NSBI have been working diligently to try and become a player in the offshore wind sector.

I'm wondering if you could share the latest developments and what might be on the horizon for my hometown.

SCOTT FARMER: I share your optimism for the Port of Sheet Harbour. There is an oncoming boom in offshore wind. On the eastern seaboard of the United States, there's going to be dramatic growth over the coming years, and we anticipate that there's going to be dramatic growth in Nova Scotia over the coming years. A lot of the providers today are European providers, because it's much more established in Europe, who would look for staging areas in North America as part of projects if they're the proponent. They are the successful proponent in a number of the U.S. projects.

Longer-term, we see a tremendous opportunity for the Port of Sheet Harbour and other ports in Nova Scotia to be a part of that supply chain. In fact, we purchased property at the Port of Sheet Harbour to enable the large lay-down areas that would be necessary for

that kind of an opportunity and we're going through the necessary permitting processes right now with NSBI. Of course, those are longer-term opportunities.

[1:30 p.m.]

The new operator there is QSL, and they've been in place since February of 2022. They've been a very active manager of the facility there since they've taken over. We're looking at two and a half to three times the vessel traffic that has historically been there, and they're making capital investments to upgrade the port. We're on a very good trajectory there, but there's a really significant opportunity in the offshore wind space that we hope is ahead of us as well.

THE CHAIR: MLA Kerr.

CARMAN KERR: This question is for Deputy Minister Farmer. I appreciate your comments made in 2021. There was GDP growth of 6.2 per cent through the year and there was 2.9 per cent population growth. We certainly appreciate the current government continuing with impact grants and sector grants. What we don't appreciate is the removal of the Economic Growth Council last September, and there seems to be no plan for an economic growth recovery plan, a long-term plan.

I think in 2021 the Auditor General had referenced P.E.I., New Brunswick, Alberta, and B.C. as having long-term economic recovery plans. Why don't we have an economic recovery plan here in the province?

SCOTT FARMER: I know that the question has been put to the minister previously in the House. I think if you look at the elements that exist in various ministers' mandate letters, including the Minister of Economic Development, you see a number of initiatives that, if you cut and paste them all into one place, you'd have a something called an economic recovery plan.

Our performance has been significant - 6.2 per cent GDP growth is the largest we've had since 1984. We've never had population growth at the level that we've had. We've had really historic low unemployment. When you look at the Statistics Canada numbers, the progress is good.

If I were to step back and say, thematically, what are the things that we're doing to help drive long-term economic growth, one is around growing the top end of our economy - the highest-paying, most productive jobs. We've attracted over 2,000 ICT jobs in the last year to the province. We're taking steps to grow green hydrogen, which we know is going to be a valuable, strategic, and well-paying industry for the province. We've expanded the presence of IBM and others here in the province.

Growing those high-paying jobs is important. It's also important to help every sector become more productive. Whether it's the tourism sector having a longer season or it's the manufacturing sector being able to invest in productivity, helping every sector to become more productive is an important part of it. Planting the seeds for growth tomorrow through our innovation ecosystem - whether that's investments that we have in COVE, Ignite, Volta, the Verschuren Centre and others - is helping us establish the economy that we'll have in 5, 10, 15, and 20 years, and then making sure that we're spreading the benefit across the province, so that every community is benefiting from the prosperity that we've seen is an important part of it as well.

I would wrap it up in those terms, but I think that it's reflected in the mandate letters taken together.

THE CHAIR: MLA Boudreau.

TREVOR BOUDREAU: I have a number of questions, but I'll start with my first one. I think there are a couple of you who will probably want to answer it - probably Mayor McDougall and maybe Deputy Minister Farmer.

CBRM has benefited from a number of infrastructure investments recently like the Cape Breton Regional Hospital, the emergency department, the cancer centre, and the new cath lab. What do large infrastructure projects mean for rural economic growth? In CBRM, what we talk about sometimes is the city has a lot of that rural piece as well.

AMANDA MCDUGALL: I often use the story of when I was expecting my youngest. My husband, who is a plumber, said to me, you don't get maternity leave, so what are we going to do? I said, that's okay, it's going to be the slow season and you'll probably get laid off - that's what happens in the Wintertime in the trades. The Winter came and he did not get laid off. The investments that took place in CBRM in terms of our health care redevelopment - the Hub in New Waterford, for example - all of that has created tremendous opportunity for our trades.

I work really closely with our trade union folks, and there's no shortage in sight of jobs. What there is a shortage of is people being able to work on those job sites so we can have the men and women there come home for supper every single day, instead of working 16, 18, 20 hours. It's had a great impact on our community. Not only are we getting excited about the services being enhanced, but it's creating job opportunities that are now 10 years out. People don't have to think about potentially going out west to go and use their trades. They can do that at home.

That being said, I think it's incredibly important that we talk about housing at every opportunity. With all of these wonderful investments, we have more people in the area. We have people travelling here. We have people staying in hotels rather than apartments, which means during tourism season, rooms aren't as available.

It really all comes back to housing and making sure that, while we're making these really important investments in all of our services, there's equal focus and priority put onto how we increase housing. If we don't have roofs for people to go to sleep under every single night after they're done their job, how can they do their job?

THE CHAIR: MLA Tilley.

FRED TILLEY: Thank you to the witnesses for being here today. We had no choice. (Laughter)

Deputy Minister Farmer, there was 6.2 per cent growth in 2021. That's a good number, but when we dig into the budget documents that were presented last Spring, the budget actually indicates that we're headed for a recession around 2024. We think it will probably be a little sooner than that. Right now, I think that plan that we're missing would be needed to be updated to make sure that we're able to sustain through the recession that's headed. That's not my question. I just wanted to bring that out - we had great growth in 2021, but it looks like we're headed for a recession.

What I want to chat about is the Nova Scotia Loyal program. We've asked the minister multiple times in the Legislature about an update on Nova Scotia Loyal. We're hearing from her last Question Period - I think somewhere in the range of \$672,000 has been spent on Nova Scotia Loyal, and I'm assuming that that's significantly more now since the Legislature has closed. The minister called that modest spending, and we heard Mayor McDougall and Councillor Lutz talk about the crisis of the cost of living.

I guess my question is, where do we see Nova Scotia Loyal in helping businesses and consumers with the current cost of living crisis that we're in today?

SCOTT FARMER: As it relates to the impacts on businesses and consumers in Nova Scotia, we've learned a lot as we've gone through the prototyping and engagement work that's happened through the Summer and continues. I was at the Masstown Market the day that the launch happened and talking with a local farmer. His take on it was that this has the potential to be really impactful for farmers in the province, for small businesses in the province who have an extra incentive to buy local.

At times of the year, local products are abundant and they're the most cost-effective thing on the shelf - other times of the year, they're just simply not available. You won't get a Nova Scotia strawberry in January, so how do we help people to think about buying the Nova Scotian frozen blueberry in January, versus buying the California strawberries when that comes around?

We can have an impact for local producers through the program, and for individuals to get some benefit that goes with buying local makes the product that they buy just that little much more affordable - if they're getting some benefit that goes along with it. It is

not a broad-based affordability program. It's really meant to drive demand for local products in the long term to the benefit of Nova Scotia producers, and the spin-off benefits that then come from that.

THE CHAIR: MLA Palmer.

CHRIS PALMER: This is a great conversation we're having this afternoon, and a great topic - rural economic recovery, a passion of mine. My question, I think, would probably be for Deputy Minister Farmer or anybody who would be interested in answering.

You had mentioned in your intro remarks about the Innovation Rebate Program, an existing program that maybe had some enhancements or things happening with it different over the last year. Back in October, Scotian Gold, a large employer in Kings County in the agriculture and fruit-growing business - that Ms. Lutz would be familiar with - received some funding through that program. As part of the work, they're estimating that they'll save around four million litres of water per year.

I guess my question is two-part. Could you maybe elaborate on the Innovation Rebate Program in general, and maybe tell us a little bit about how economic development and sustainability go hand in hand as you see it, please?

SCOTT FARMER: For a period of time through the Fall, I was Deputy Minister of Economic Development, and Deputy Minister of Environment and Climate Change at the same time, and people often said to me: Well, you must run into an awful lot of conflicts with those two portfolios. That may have been true at one time, but I think that we're in a time where they dovetail very much.

Ultimately, what is good from an Environment and Climate Change perspective is good business over the long-term. We see that with a lot of businesses, whether they are far down the line and the ultimate consumer, or they're supplying into a supply chain. There's an expectation that they're going to be reducing their greenhouse gas emissions, they're going to be using more sustainable products. There's a very nice synergy that exists between what's good from an environment perspective and what's good from an economic development perspective.

With respect to the Innovation Rebate Program, in particular, it's a program that had existed as a pilot for a three-year period; it was tremendously successful. The format of it is it's a 25 per cent rebate on capital investments under \$15 million; over \$15 million, there's a separate capital investment tax credit that comes into play. It helps businesses make capital investments anywhere from \$350,000 up to \$15 million. It offsets the cost by 25 per cent as a rebate if they meet certain criteria.

The program was made permanent this year and the criteria were modified to include investments in sustainability. So where it had been primarily focused on

productivity, it's now broader and focused on productivity and sustainability. The Scotian Gold example is an excellent one. Acadian Seaplants has been a recipient, and by virtue of their approved project, they anticipate reducing landfill waste by 180,000 kilograms and gaining 15 per cent more yields in the process. Maritime Labels & Packaging, another recipient, has reduced their print waste by 35 per cent. Oland Brewery is capturing 75 to 90 per cent of the CO₂ that was previously waste. It's going back into their processes.

[1:45 p.m.]

There are any number of examples that fit this description. We've been very pleased with the uptake on the IRP program, and the projects that have been funded have been 75 per cent outside of HRM.

THE CHAIR: Ms. Lutz.

EMILY LUTZ: Deputy Minister Farmer sparked something into my mind: the idea of innovation and energy and sustainability. I think we can apply the idea of innovation and alternative ways of doing things as well to our own regulations and our own relationship that the Province has with Nova Scotia Power. There are published reports that say we cannot decarbonize or reach net zero without local, regional energy production. Our municipality has been working in a partnership with Glooscap First Nation and Annapolis Valley First Nation for months, if not years.

Something that came across my desk for the first time in 2017 in my role as deputy mayor with the county and we've been working on since: creating a large-scale solar facility outside Kentville in the community of Meadowview, which was historically a marginalized community where a dump was located - an example of environmental racism in that community.

It's currently a brownfield site and is the perfect place to put in large-scale solar generation, but we consistently run into barriers with power purchase agreements, and that is something that is in legislation that the Province has the ability to change and amend that is a huge barrier to our ability to enter into that relationship with our two First Nations partners.

It's a wonderful project. It's taken an incredibly long time and this final piece of this puzzle - the power purchase agreement - seems a relatively minor piece of the entire thing for us to be able to get across the finish line on that project.

There is ability for municipalities to be meaningful partners on climate change, and also to generate revenue for our municipalities. We don't always have to go to the taxpayer to get revenue as municipal units. There are other ways we can generate revenue to do things, like invest in water and waste water, to address housing, to address labour shortages.

Green energy is really one of those under-tapped resources, I think, that we can look at for economic development - not just for local businesses but also for local municipalities to then be able to provide more services and address the basics, but also the things that Deputy Minister Farmer talked about a little bit in his opening remarks as well around quality of life, quality of living in our communities' public spaces. That type of thing certainly could use more investment in rural areas.

There is a missed opportunity there, and the barrier is right there at the Nova Scotia Power level, and it can be addressed through legislation. I would leave that in your hands.

THE CHAIR: Thank you. MLA Burrill.

GARY BURRILL: I hope you're enjoying that the construction pounding has eased up. Don't relax - it's apt to start again. (Laughter) We're used to it.

Mr. Stevens, I wonder if we could focus a little bit on the rural internet question. Always when we're talking about economic development outside of the urban part of the HRM, the availability of high-speed internet is one of the key questions. One of the things about internet that's so problematic for us is price - not just in Nova Scotia, but in the whole country. This has come into a greater focus, I think, during the whole affordability crisis that we're living in in general - the cost of living.

We know that in Canada in general, this is related to corporate concentration in the sector, so it's a concern that a couple of the approved companies you've been working with have been overtaken by Rogers in the course of the last year. In light of that, in your view is it time that the Province needs to look at really addressing the affordability - the price point of rural internet - as a part of getting serious about making high-speed internet available all across the province?

GORDON STEVENS: Our mandate was to deliver access. One of the key things that we insisted on in our contracts was that the price for all Nova Scotians is the same. Even though it may be exceptionally expensive to reach somebody in rural Nova Scotia - our program funded that market failure. As part of our service delivery agreements, we tied the cost to the consumer of internet in any of our funded projects to what exists in the urban core. It doesn't address your question, except to say that whatever happens in the core will now filter through to the rest of the province.

The issue of affordability is certainly one that we've heard, and it comes up frequently. It's not in our current mandate to address that. Again, the most significant issue for many Nova Scotians was that there was simply no access to high-speed internet at any cost. The pricing is something that's being - the CRTC is involved there. The federal government is involved in initiatives to address the cost of telecommunications - not only internet but also cell services as well.

I think from our perspective, ensuring that enabling infrastructure is in place is our primary goal right now. Certainly, the funding that was earmarked for the internet trust was specifically related to the infrastructure and not to address the cost.

GARY BURRILL: As the access matter gets to the middle to high 90s, we move into a different world, and the access conversation is changing. Would you agree that the affordability and price question has an increasing claim on the government's attention?

GORDON STEVENS: Again, the affordability is being addressed at the federal level. Rather than recreate the wheel, I would think that the prudent thing is to see that process through, and again, ensure that what we're doing is making the infrastructure available for access.

THE CHAIR: MLA Lachance.

LISA LACHANCE: I wanted to invite Mayor McDougall and Ms. Lutz to spend some time talking a bit more about what you're seeing in terms of the cost of living crisis. Obviously, although access to housing is an issue, how else are you seeing this? I'm specifically wondering, are there any provincial avenues or programs that you're seeing that could offer some support? Could you also comment on the role of minimum wage in that cost of living crisis?

EMILY LUTZ: It's a persistent and pervasive issue that we're seeing right now. On the ground level, we are seeing increased usage of food banks, of course.

If anyone was present at the Provincial Volunteer Awards ceremony - a recognition ceremony - we have a group in the Valley called the Annapolis Valley Frugal Moms Society, and one of the spear-headers of that group was honoured as a volunteer of the year. I consistently follow that page, and I am consistently shocked about the amount of people sleeping in their cars, looking for warm sleeping bags, and looking for food vouchers. They've created a wonderful community there of sharing.

I think a big part of it is food. Lettuce seems to be on everyone's mind these days - that you either can't find it or it's \$11 a head. Certainly, food insecurity is a huge issue. We are lucky in the Valley to be from a farming community, but at this point in the season, generally we're out of the season of abundance and into the season of storage.

The more that the Province can do just to support the people who are food insecure - I'm a huge advocate for school food programs. That helps the foundation of our society - the children, of course. I believe we should have hot lunch programs in every single school.

My children attend Berwick and District School where they have a pay-what-you-can lunch program, so any child gets a hot lunch regardless of whether or not they can pay for it, in a non-stigmatizing manner. That's an extremely effective way to get children

lunch without pointing out that they may not have brought one themselves or they may not be able to afford the \$5. School lunches have gone up just like everything else, so it's an additional pressure on parents. That program is not funded by the government; that program is funded through parent fundraising.

Another thing I've noticed is that people are not able to fundraise as much as they could because they're working two jobs, they're tired, they're picking up the slack in the labour crisis, and they're picking up extra shifts. People are really stretched. I spent a lot of my time in non-profit spaces doing fundraising and volunteering. The burden is increasingly falling to a fewer number of people, whether it's because people lack the time or the resources to volunteer. I will tell you that those who are still at the table volunteering are getting pretty burnt out.

An affordable lunch program would be something that I think would be wonderful and would relieve the burden on some parents who are currently working at 110 per cent to provide that type of service. I think that can be extended beyond schools and to those other groups who are providing lunches for other folks in society who need them.

The minimum wage piece, I think, is an interesting one. I don't know how people survive on minimum wage - I really don't. I hear from people who can't. It increases their reliance on other services like health care and social services, because they are actively burnt out trying to make ends meet through two or three jobs on that wage.

I do believe a higher minimum wage would be of assistance, certainly to folks who are struggling the most in society, but it's not going to fix it. I mean, I don't know how it could possibly keep pace with the cost of living. So somewhere - maybe it has to meet in the middle, but more support for programs, absolutely. A higher minimum wage would be a short-term solution for what seems to be a sort of systemic long-term crunch that's happening right now.

AMANDA MCDOUGALL: I'm so glad that you spoke to the need for food. Food is a priority - specifically for our younger generations - but I think the government has an opportunity to focus on seniors in our communities as well. We're hearing a lot in my office from seniors anticipating the cold weather with great fear, saying they hardly have enough money to put gas in the car, go to the grocery store to get the bare minimum of food, but this leaves me nothing for heat, for electricity.

I know from the municipal point of view, during our budget last year, we increased our threshold of who can apply for the low income tax rebate program. I know it's not a tremendous amount of money, but \$300 coming back into the pockets of CBRM residents is very significant. Looking at rebate programs that are available right now, bumping up thresholds of who is eligible to apply, and also increasing the amount that people are receiving comparatively to what the cost of life is needs to happen not on an annual basis, but on a continual rolling basis.

[2:00 p.m.]

We have the oil trucks with the price of fuel on them driving through the community. It's almost heartbreaking in a sense because that's just a sign saying you're not going to be able to afford to stay warm this Winter. I think all of us working together on our rebate programs, our support programs, and increasing that availability to residents in need and how much they get is very, very important right now.

THE CHAIR: MLA Tilley.

FRED TILLEY: Thank you, Mayor McDougall and Councillor Lutz, for bringing attention to the issues that we're facing in our community. While the \$300 doesn't seem like much, my office - and I'm sure MLA White's office - is very busy right now filling out forms for seniors to access the grants that are available, to access the property tax rebates. I think it's very important that we do take a look at raising those thresholds.

One example of that was with the Emergency Housing Repair grant. Moving that for CBRM to \$47,500 made a huge difference in the community with regard to people being able to access those grants. I think we can even go further with those - also with the Seniors Care Grant. In the past, what we've seen is that there has always been a struggling segment of our community - people who are always struggling. But with the current crisis of cost - I love that term - that we're seeing today, so many more people are struggling. People who are just on that brink of paycheque to paycheque, now the paycheque is not covering their full extent of their needs.

All that being said, my question is around the idea of immediate help for residents of Nova Scotia. In our session, we asked about dropping the motive fuel tax by 50 per cent, which would put money back in people's pockets. We asked about what other provinces have done to put a few hundred dollars in the pockets of Nova Scotians. The answer that we get back is around the fact that, well, if we give everybody \$500, we're just going to increase inflation. I disagree with that notion, given the fact that people are not going to take that \$500 and just go out and spend it on things. They're going to spend it on necessities. They're going to spend it on food and they're going to spend it on their oil tank.

I'm going to come back to Nova Scotia Loyal. We've spent \$672,000 approximately - likely closer to \$1 million now. I'm trying not to be too petty with this, but I see our province struggling and people struggling, and I see us investing in things like two trucks that are wrapped, and we don't know why. The cost of those two trucks being wrapped is at least a couple hundred thousand. They're probably \$80,000 or \$90,000 trucks. Deputy Minister Farmer indicated that it's not an affordability program, but I would argue that it's actually going to be on the opposite side, and driving costs up for business, and driving costs up for consumers.

Can we get an update as to what we spent the \$600,000 and change on, and what future benefits the province is going to see from this investment?

SCOTT FARMER: I don't have the detailed breakdown in front of me, but I can talk about the categories. Just for clarity, it's probably much closer to the \$670,000 than it is to \$1 million. Right now, there wouldn't have been a lot that was incurred since that number was reported.

There's a prototyping exercise that's gone on, working with professional services firm Davis Pier, where there were engagements at farmers' markets, small and large retailers through the province, working on various incentive models and testing the consumer behaviour impacts of those. There was a brand engagement exercise that took place through the Summer, and the trucks are connected to that - exploring with Nova Scotians what buying local means to them and why is it important, what are the features of a local program that are important to them.

All of this has gone into - some social media that you would have seen - all of this has gone into the design of the program. Because it's meant to be a program that's going to last a long time and has a substantial impact, we want to make sure that it's designed carefully and with the input of Nova Scotians.

Ultimately, when it's fully operational, our expectation would be that it would drive increased demand for our local products. The goal is a 10 per cent shift in demand for local products, and then the spinoff benefits that accrue from that, which would be multiples of the expense that we've seen to date.

I should mention as well, in addition to consumer-oriented focus, it's important that we focus in other places. We've worked with our partners like Events East on institutional procurement, and they launched a local program a couple months back. They're working with 70 suppliers from every region in Nova Scotia and will have their local consumption up quite significantly. It's another lever to ensure that we're spreading revenue around the province from institutional procurement as well.

THE CHAIR: You have a quick follow-up, MLA Tilley?

FRED TILLEY: Just wondering if you would be able to table for the committee the breakdown of the cost of Nova Scotia Loyal for us - not now, but after the fact. Thank you.

THE CHAIR: MLA Kerr.

CARMAN KERR: We all realize that lack of internet has been a challenge for years. I'm certainly thankful for Mr. Stevens' work and Jennifer Angel's work and all the staff at Develop Nova Scotia. It's been a game-changer in Annapolis and throughout rural Nova Scotia.

The current infrastructure challenge that rises to the top is cell service. If you're looking in Annapolis, for instance - and I know people in Cape Breton are shaking their heads as well up and down, or Sheet Harbour. But you can look at Youngs Cove or Parkers Cove or Hampton or Margaretsville, and I could list dozens of towns that don't have any cell service, not bad service, no cell service.

It's an economic development challenge, it's a health and safety challenge. It presents a number of challenges. I've raised this with the minister. She's been great talking in private. I raised it on the floor of the Legislature last year, and as I remember, there were a few chuckles. It wasn't laughing because we thought it was funny - it was that all of us can appreciate that this is a real problem.

There's a perfect storm, and we're not here to discuss health concerns with you, but there's a perfect storm of - I've got six hours of emergency service in Annapolis County, and I have people who can't use their cell phone to call 911, even though that's what they're being told to do. As a rural MLA pushing for this, is there a future mandate or projected mandate if we come under budget at Develop Nova Scotia, is there more work to be done that would see cell towers be erected throughout the province, in Annapolis? Mr. Stevens, if you could comment on any detail you have that I could take back to the people of Annapolis, that would be great.

THE CHAIR: Before I recognize Mr. Stevens, I just want to remind committee members and speakers, the topic is post-COVID-19 economic development. Just to stay there.

CARMAN KERR: I certainly appreciate that. My concern is recruiting health care professionals or recruiting for any economic development with no cell service. Just the parallel at the same time is that health and safety concern.

THE CHAIR: Mr. Stevens.

GORDON STEVENS: There's no question that cell service in a great part of Nova Scotia is inadequate. One of the enabling pieces to feed those towers is the fibre network that is being built out through the internet project. What we're trying to ensure is that what we're doing today is going to help us in the future.

This past year, we did do a cell gap study with a consultant. They've probably confirmed what many of you have experienced, that there are significant gaps in the province. We've been looking at how we address that because it's unlike the internet challenge, where it was really market failure of reaching individual households. With cellular service, simply putting up more towers typically doesn't add more customers to a provider. There needs to be a different model to address that concern.

We've been working with the department and with Emergency Management Office to ensure that the study that was undertaken is thorough and covers as many of the concerns as possible. At this point, it's really waiting on a mandate to address that, whether it be Build Nova Scotia or Emergency Management Office or some other area of the government. It's certainly a concern that we've all experienced.

THE CHAIR: A brief follow-up, MLA Kerr?

CARMAN KERR: Everyone else is going for it. Thank you, Mr. Stevens. With a projected mandate, is there a chance to table the cell gap study or get our hands on it to look at it?

GORDON STEVENS: I will have to check into that to see what the confidentiality on it is. Perhaps Deputy Minister Farmer can speak to that as well.

THE CHAIR: MLA Palmer.

CHRIS PALMER: Some of my colleagues have some of the same concerns or notes that we have on this side of the table on a few things, but I was going to ask a question about the Nova Scotia Loyal program and the consultation process. You've talked a little bit about that. Maybe I'll shift gears a little bit, and maybe you'll want to elaborate on some of that in your answer. I'm curious about any consultations and feedback from those who were most impacted as a result of COVID-19.

Could you tell us a bit more about the ways you're involving business owners and entrepreneurs in discussions about the initiatives available for their businesses - the solutions available to them?

SCOTT FARMER: I'll start with COVID-19 and the support programs that we ran throughout. Those were all built in consultation with the business community in the province.

Many will be familiar, and some may have participated in the Nova Scotia Business & Labour Economic Coalition calls - shortened to NSBLEC by some - that took place. At the peak of COVID-19, those were happening three times a week. At other times, they were weekly. It was a forum for business organizations and governments of all levels to be in one place to really understand where the needs and the gaps were.

There was federal programming, certainly, like the wage subsidy and the rent subsidy, but inevitably, there were gaps as well. That was a good forum in addition to direct consultations that took place with business groups as to where the needs were.

In designing some of the programs that were specific to business types that were affected by Public Health restrictions, there was a lot of discussion - if we had a formula

that looked like this, what would be the impact to avoid unintended consequences? We worked with the Restaurants Association of Nova Scotia and Restaurants Canada, as an example, when we were doing the design.

In terms of other programming, we always do a better job when we do it in consultation with business. The IRP program that we touched on earlier was something that came from consultations that took place across the province with businesses of all sizes, and was introduced to address that gap that existed for capital spending below \$15 million.

The minister, since she's taken on her role, has met with businesses of all sizes around the province. We continue to talk to them about their needs and challenges. We touched on labour as a challenge, and that continues to be a challenge, of course. We've also talked about what other programming is helpful.

The most recent support program we rolled out was the Small Business Hurricane Relief Program. When we consulted with businesses and some organizations quickly - because we wanted to get it out the door quickly - cashflow was really the main driver there. We certainly couldn't replace lost revenue completely or deal with insurance deductibles completely, but we could make sure that there was some cashflow that was available. That was how that was designed.

We always do a better job when we make policy decisions that are informed by those who are affected by those policy decisions, clearly.

CHRIS PALMER: Thank you very much for that. Just to follow up quickly, just a quick go back to the Nova Scotia Loyal program, the consultation process - you just talked about consultation, and you gave a detailed answer on that. Could you elaborate any more on the consultation process and, maybe, the takeaways you got from the consultation process for the Nova Scotia Loyal program?

SCOTT FARMER: For the program design elements of it, we had a team that was present at farmers' markets, small retailers, large retailers across the province. While they were talking to consumers and consumers were participating in a prototyping exercise, there were also conversations that were had with the business owners. We know for this program to be successful that it's going to need to be easy to implement for the business owner, it needs to be easy for the consumer to participate in.

We heard a lot about what kinds of rewards were more compelling and what kinds of collection mechanisms were easier or harder for the particular businesses. We learned that people who attend the farmers' market look at buying local differently than people who buy in a big box store, as an example - not surprising, but certainly validated through the research.

[2:15 p.m.]

On the brand engagement side of things, it's been more at a consumer level than it's been at a business level, and it's been around what really resonates with them and what motivates them to buy local, all of which will inform the ultimate design of the full-scale program.

THE CHAIR: MLA Smith.

KENT SMITH: A lot of great conversation here. I just wanted to certainly share the sentiments about the comments on the cost of living and how everything is costing more.

We take a lot of criticism from the Opposition - it's their job to say that we're not doing enough - but there's a laundry list of supports that we've put out to try to help people. We all know that what's not going to help folks is in the Spring when the federal Liberal carbon tax comes in and adds more to the price of fuel.

That being said, I want to turn to Mr. Farmer to talk about the Regional Enterprise Networks. I don't know much about those. Can you share what you can with us about them?

SCOTT FARMER: Certainly. The Regional Enterprise Networks are organizations around the province that are partnerships between the Province and often several municipal units. There are two in Cape Breton that work closely together with the Cape Breton - under the Cape Breton Partnership. There's the Cumberland Business Connector, the Pictou County Partnership, the Truro and Colchester Partnership for Economic Prosperity, the Valley Regional Enterprise Network, the Western Regional Enterprise Network, and then there's an arrangement with East Hants and a partnership they have with the Halifax Partnership.

They run a variety of different programs. Some are common across the Regional Enterprise Networks; some are specific in regions. One of the common programs is called BusinessNow. It's advising for small businesses and connecting them to the various programs, whether they be provincial or federal programs that might be available. There's a virtual adviser program that connects businesses to advisers that they may need access to on a short-term, limited-time basis - particular expertise in their business. They work with small businesses to bridge programs from the Province. As an example, when we were doing the COVID-19 workplace screening, the RENs were critical partners to get those test kits available in communities.

They also do some interesting things not necessarily across the board, but at an individual level. The Western REN, for example, has a succession program where they're helping businesses where the owners are planning to retire and move on to identify

potential future purchasers and arrange financing, and make those kinds of connections. They've also been an excellent partner for Develop Nova Scotia as local place-making projects have been undertaken. They're a partner with the Department of Labour, Skills and Immigration as well, to help with the settlement of people in communities, and of course, to connect employers to the Atlantic Immigration Pilot and otherwise.

So they're essentially a partner on the ground for Economic Development; Labour, Skills and Immigration; and in some cases ACOA, and other departments as well.

THE CHAIR: MLA Boudreau.

TREVOR BOUDREAU: I'll probably go a little bit off topic here before I get to my question. We talk a lot about grants in our MLA offices. We've filled out a lot. We're very proud of our Seniors Care Grant. One of the surprises for me was that the federal government had announced a \$500 grant for seniors last year, and what was coming at my office this year was that that grant put a number of seniors over the threshold and impacted their OAS.

THE CHAIR: MLA Lachance.

LISA LACHANCE: I guess I would just really encourage folks here - I mean, I think the questions are not to us. The discussion is not directed to us. The questions are to the witnesses. There have been quite a folks who've engaged in some lengthy preambles, and at the same time we're running out of time for questioning. I would just encourage folks to focus - like comments about the carbon tax weren't actually linked to a question. MLA Tilley, although I appreciated your comments, there was a long preamble. We need the time for questions and answers, not for making speeches.

THE CHAIR: Thank you, MLA Lachance. I would allow the preamble, slightly at least. It is related to the topic.

MLA Boudreau, I will ask you to keep it short. We are running out of time.

TREVOR BOUDREAU: Thank you, Mr. Chair. I won't belabour it much more, other than to say that I'm very proud that our Seniors Care Grant did not impact seniors in our community that same way.

I'll move on to something that everybody here has probably heard me talk about in the Legislature, that I'm excited about. (Interruption) Yes, absolutely - green hydrogen and offshore wind in the Strait of Canso. There's a lot of buzz going around about that.

I just wanted to ask Deputy Minister Farmer about when those types of things come to - when that hype comes to rural communities like the Strait of Canso, how do those elements attract other businesses to the community? How do you see the economic

development impact of those kinds of opportunities for regions like the Strait of Canso and Richmond in particular?

SCOTT FARMER: There are certain things that become magnets for economic activity. There are a lot of businesses in our province of all sizes, but there are certain really significant developments that have a - I'll call it a rocket booster effect. All the spinoff that comes with Irving Shipbuilding, whether it is for people doing catering or supplying fabricated parts and everything in between, there's a tremendous spinoff that goes with that.

If you look at Michelin, it's 3,500 direct jobs in the province, but an awful lot of suppliers that benefit from the presence of Michelin. Our Department of Finance and Treasury Board colleagues have detailed modelling that they will do to be able to say, here's the direct impact, but here's the spinoff impact of that.

When we think about the prospects of green hydrogen, the Strait region in particular is where most of the interest is focused. It has the potential to be a game changer for the province. These are billion-dollar investments when you're talking about building a plant, so that has implications for everybody who's in the construction supply chain in the province. It has the prospect for attracting new people to the province because there are going to be some unique skills that will be necessary. It creates opportunity.

We will work with the Nova Scotia Community College, as an example, to make sure that there is programming in place that helps people prepare for the job opportunities that are going to be there as this unfolds. In fact, it's one of the unique strengths we have in Nova Scotia - the ability to partner with such a good and practical educational institution that can be responsive to the needs of right down to the local businesses that will thrive through a construction period, and then a period where there are people who are earning a good wage working in that industry.

When you get to a certain scale, the spin off is significant and any one of the projects would be substantial if we have more than one green hydrogen project that comes to fruition. That will be a multiplier, but in so many ways, it's our time in this province. When geography used to matter more than it does, that was a disadvantage for us. You can work in Toronto and live in Liverpool, Nova Scotia, and there are people who are doing that. Geography isn't the disadvantage that it was. We've got a tremendous wind resource, and as the focus on renewable energy grows, that becomes a tremendous asset for us. We've seen some really significant winds of late.

I could talk a lot about the innovation ecosystem that exists in the province, but I'll just say that the announcement the other day that HRM will be Canada's site for the Defence Innovation Accelerator for the North Atlantic, subject to NATO agreeing to that, but it's Canada's nominee - that is going to be a significant driver, as well, and it's premised on assets we have like the Centre for Ocean Ventures and Entrepreneurship and Volta, and

all of the research facilities that we have there. It's an exciting time for the province, and it will be important that everybody feels the benefit of that.

THE CHAIR: MLA Burrill.

GARY BURRILL: I'd like to come back to the practical question of the affordability of rural internet. Perhaps, Mr. Farmer or Mr. Stevens, either of you might be able to comment about it.

I want to ask particularly about the Satellite Internet Service Rebate program. The money that's available for subsidy is on the installation end, and we know that people who are in those places that can only be reached that way - they end up with a monthly fee of around \$140 or so. It's a lot more than others are paying. Is any consideration being given in light of this fact that effective access requires a price point that's real? Is any consideration being given to directing some subsidy toward lowering that \$140 figure, and if not, isn't it coming time that maybe it should be? If either of you could respond.

SCOTT FARMER: What I can say is that the program as designed is strictly for the installation. So, \$1,000 is roughly the cost of the hardware up front. It's not directed to the ongoing costs, and it's funded through the Nova Scotia Internet Funding Trust that operates within a trust indenture and is limited. The Trust wouldn't have the latitude under its mandate to address the monthly recurring charge. That would have to be a program unto itself. To my knowledge, there are no plans around a program that looks like that.

We have done work with a non-profit organization called GEO Nova Scotia: Getting Everyone Online - that you're familiar with - that does excellent work to help lower-income persons access internet services and associated hardware. I would anticipate that if you talked to them, they would say that they could fulfill a larger set of subscribers as users than they have now, but as far as the satellite program goes, there's not any element of it that is a subsidy on the monthly recurring.

THE CHAIR: MLA Lachance, with just over five minutes left for questioning.

LISA LACHANCE: Great. I wanted to return to a question of the lack of an economic development plan. I think in the House, the minister actually gave three different answers to the question of what's in the plan. That plan was immigration, Nova Scotia Loyal, and the More Opportunity for Skilled Trades program. You talked about ICT jobs in green hydrogen, and if we went into mandate letters, we'd see a lot about the Better Pay Cheque Guarantee which, you know, no one has said anything about.

I actually really do think the lack of a plan is a problem. It doesn't take into account consultation with people, it doesn't offer metrics. I'm wondering without that plan, what lens does the department use in decision-making about developing programs? Gender, for instance - I'm wondering how that's taken into account when we talk about some of these

jobs like the NATO unit, the green hydrogen development. How does sustainability get accounted for, and how does it contribute to the cost-of-living crisis and to the wellbeing of all Nova Scotians? I think you made reference to spreading benefits across sectors, but trickle-down doesn't work. I'm wondering what lenses you use in decision-making.

[2:30 p.m.]

SCOTT FARMER: I'll go back to the four headings that I talked about. That's often the way that we talk about the priorities around growing the most productive, highest paying sectors, helping every sector to become more productive, growing our innovation ecosystem that we have in the province, and really setting the table for having the jobs of the future, and then spreading the benefit around.

Within each of those, you can map certain programming to that. When we talk about growing the higher-paying sectors, we use our payroll rebate as a tool that gets used to grow the top-end sectors, for example. We help productivity, as an example, through the Innovation Rebate Program, which has a sustainability lens to it. It's looking for projects that are not only driving productivity but are enhancing environmental outcomes.

When we talk about the innovation ecosystem, one of the things that we've had a real focus on there is how do we ensure that there is access for underrepresented groups. When we work with Volta, as an example, some of the reporting - how many of the founders are from traditionally underrepresented groups? What percentage of the cohort are female-led companies?

As an example, the Province has an investment through Innovacorp in Sandpiper Ventures, which is a women-led venture capital fund. It's been extraordinarily successful. The data would say that women-led venture capital funds on average are more successful, yet only a very small percentage of company founders are female-led, and fewer venture capital funds are female-led. We're very proud to be supporting that through Innovacorp.

When we talk about how we ensure that we have a local impact, a lot of that is through partnerships that we have around the province. We've got an excellent partnership, as an example, with Futurpreneur. We've got an excellent partnership with Mashup Lab. In both of those cases, in our contribution arrangements with them, part of the programming is focused on African Nova Scotian or Indigenous clients, and we look for that in those partnership agreements.

One of the organizations that we're really proud to work with - and many will be familiar with - is IGNITE Labs. They've got a location in Yarmouth and one in New Glasgow, and we were really pleased to be part of a program that they ran this Summer. It was led by a young varsity athlete from St. FX - Aliyah Fraser was her name, African Nova Scotian. She started a program for youth to learn about science in sports. Part of the day was a half-day science program partnered with the Discovery Centre, part of the day was

half-day sports program partnered with St. FX basketball and the Halifax Wanderers. We had 40 kids who had a great time.

THE CHAIR: Order. Time for witness questioning has come to an end. I would ask each of you if you want to give us a very brief closing remark. I'll let you go about that. Mayor McDougall.

AMANDA MCDUGALL: I just want to quickly touch on three quick points in my closing remarks. Number one, during COVID-19, the entire planet got to take a break - take a breath and start healing a little bit from the environmental catastrophe that is human impact. We saw what happens when we reduce our carbon output, when we reduce our travelling and our impact on the environment.

I think that's something we really have to keep focusing on as we talk about recovery. How do we always have this lens of climate resiliency top of mind as we're recovering and growing our communities and strengthening our economy? There are things we should be thinking about, like transit - investment in moving many people in fewer vehicles, investment in active transportation. What do we do with old rail lines that are no good to anyone else but could be enormously beneficial to active transportation trails and connectivity between our communities?

That would also lead into where we put housing. How do we make sure that the housing that is being developed and invested in to support our growing communities don't negatively impact our watersheds and don't take away from the important old-growth urban forests and trees that we have that are very important to decreasing the impacts of flooding? All of this needs to be taken into account. I know they're not huge budget lines, but things like investing in rain gardens that will help support our stormwater sewers when they're inundated with heavy rainfall amounts in short periods of time.

All of this is to say, we can't do this alone as separate levels of government. We really do need to focus on an intergovernmental relationship between municipal, provincial, and federal governments. Coming together to have this conversation at the committee level is wonderful, but to have regular coming together of various levels of government to talk about, okay, what is your strategic vision? What are your plans? What are your investments going forward? How can we collaborate with one another, and all be at that same table, instead of being surprised through, say, legislation or decision-making through budgets.

I hope that spirit of collaboration is always top of mind. We saw during COVID-19, with the relief funding and how wonderfully we all came together as various levels of government, how we can do really good work that impacts everybody. Separately, just a disaster.

EMILY LUTZ: I would just note that we spent years before COVID-19 in infrastructure equilibrium, and the disrupter that has been COVID-19 is hugely impactful. I would encourage you all to remember that just because it's underground and you can't see it does not mean it is not one of the most crucial pieces to solve, for one of the biggest problems facing our community. If you have developers ready to go with plans and beautiful developments, but your municipality does not have the resources to supply the infrastructure to support that development - or to even know if they have the infrastructure capacity to support that development - that is a huge problem.

Economies of scale with municipalities would help this. Regionalization would kick us into high gear and allow us to reach our potential. That doesn't have to mean loss of local representation. I think that's a huge piece of it. It does not have to mean loss of local representation, but it would allow us to really move at a lightning pace. Currently, we are not moving at a lightning pace.

The next biggest challenge after housing, as we've talked about, is labour. That is intimately also tied to the care economy. Without child care, young people cannot get back to work to replace our workforce that is retiring. Women are disproportionately affected by this when people can't go back to work.

CCAs and ECEs - we've done great work in supporting them to have a better wage, but they still make half of what a plumber makes, or someone in construction makes. That's a real issue. That is a real issue that we have - that we don't value the work of caring for people. It's not only a moral imperative but essential to our economy functioning. That's another way of looking at it. It also creates an equilibrium between folks in our society. That's not fair.

Finally, I would just say, in talking about recovery, I would encourage the committee to look at what was broken to begin with, what has gotten better through COVID-19, and what has gotten worse - and also to encourage you to look at the data on quality of life from Engage Nova Scotia. They actively measure, with real numbers and real data, how rural areas are doing compared to urban areas in this province.

Municipalities are very willing partners in helping you solve your challenges, helping you meet your priorities helped us get to doubling the population, or whatever types of priorities the Province has, and municipalities are here to support you but we have to be at the table and we have to be empowered to do the work. There are very small changes that the provincial government can make. There are big ones, too, but there are also very small changes that can be made to make our ability to do good work for our citizens much easier. Thank you for having me here today.

SCOTT FARMER: I'd just like to thank the committee for the questions and the opportunity to join you today.

GORDON STEVENS: I would like to thank the committee and would echo Mayor McDougall's comments. As bad as COVID-19 was in many regards, one of the best things that came out of it was the level of collaboration that we have between levels of government, between various members of the community, and I'm very, very proud of the work that Develop Nova Scotia did in that regard.

THE CHAIR: I appreciate the witnesses coming in. Thank you very much. Some excellent information. I'm sure everybody agrees we had some great opportunity to listen to you.

I would ask you to please leave. (Laughter) I don't know how to say it politely. Thank you very much. We do have a lot of business to do in a short time, thank you.

Two-minute recess. That's two minutes, literally.

[2:41 p.m. The committee recessed.]

[2:43 p.m. The committee resumed.]

THE CHAIR: I call the meeting to order again. I think the agenda setting is going to take a few minutes, so if you guys don't mind, I would like to move ahead to setting the date for the next meeting.

The next meeting is scheduled for December 27th - which I don't think anybody wants to be here for, right? The Clerk has indicated that dates available will be Thursday the 15th or Tuesday the 20th before Veterans Affairs. If that one happens, it has to be 10:00 a.m. to noon. If it's December 20th, it has to be between the hours of 10 and noon. If it's the 15th, it'll be between 1:00 p.m. and 3:00 p.m.

Okay, so the next meeting will be December 20th between the hours of 10 and noon.

Okay, agenda setting. MLA Boudreau.

TREVOR BOUDREAU: If we're going to go through each individual one, I can go through our topics individually. I think all members have our three topics that we're interested in.

I move that the first topic for the PC caucus be the provincial government investment in the Verschuren Centre, and the witnesses include Scott Farmer, Deputy Minister of the Department of Economic Development; and Dr. Beth Mason, representative from the Verschuren Centre.

THE CHAIR: Any discussion? You heard the motion.

[2:45 p.m.]

All those in favour? Contrary minded? Thank you.

The motion is carried.

MLA Boudreau.

TREVOR BOUDREAU: Secondly, I would move that the second topic for the PC caucus be Nova Scotia's clean renewable energy sector, including green hydrogen production and offshore winds. The witnesses would be Associate Deputy Minister or Deputy Minister of the Department of Environment and Climate Change; a representative from the Department of Natural Resources and Renewables; and Michael Branchflower, Vice President of Strategic Marketing and Sales for NSBI at this point.

THE CHAIR: Any discussion? You heard the motion.

All those in favour? Contrary minded? Thank you.

The motion is carried.

MLA Boudreau.

TREVOR BOUDREAU: Finally, I move that the third topic for the PC caucus be the Innovation Rebate Program, with the witnesses being Peter MacAskill, the COO of NSBI and Scott Farmer, Deputy Minister of the Department of Economic Development.

THE CHAIR: Any discussion?

All those in favour? Contrary minded? Thank you.

The motion is carried.

MLA Kerr.

CARMAN KERR: On behalf of the Liberal caucus, I move to add the following topics for future consideration, one being the success and future of Nova Scotia's Green Fund. The witnesses we would like to see or speak to or hear from are the Deputy Minister of the Department of Environment and Climate Change; President and CEO of EfficiencyOne, Stephen MacDonald; and the President and CEO of the Clean Foundation, Scott Skinner.

THE CHAIR: Any discussion? MLA Smith.

KENT SMITH: We appreciate this topic, but we're not going to support it as it's presented. Wondering if you would consider changing it to the future of the Nova Scotia Climate Change Fund, because the Green Fund is no longer. There is an opportunity to discuss the Green Fund coming up in the Public Accounts Committee, and we feel it's more appropriate to be discussed there.

CARMAN KERR: I appreciate the comments, MLA Smith, but we'd like to have that topic if we could.

KENT SMITH: Unfortunately, we're not going to support it. The Auditor General's doing a report on the Green Fund. That's coming up on February 28th, so there will be ample time to discuss it and look at the past performance of the Green Fund. We're excited for the future of the Nova Scotia Climate Change Fund.

CARMAN KERR: I have no more comment on that, but I could introduce other topics. We want to present that, and we'll have to vote on that, I guess.

THE CHAIR: The motion is for the success and future of Nova Scotia's Green Fund with the witnesses you mentioned.

All those in favour? Contrary minded? Thank you.

The motion is defeated.

MLA Kerr.

CARMAN KERR: We'd like to present a second topic, as you can read in front of you: The impact of inflation and the labour shortage on Nova Scotian business. We're asking to hear from a representative from the Department of Economic Development; a representative from the Department of Labour, Skills and Immigration; a representative from the Canadian Federation of Independent Business; a representative from Invest Nova Scotia; and a representative from the Atlantic Chamber of Commerce.

THE CHAIR: Any discussion? MLA Palmer.

CHRIS PALMER: Our side of the table feels this is an excellent topic for discussion, and we'll be supporting this.

THE CHAIR: You heard the motion.

All those in favour? Contrary minded? Thank you.

The motion is carried.

MLA Kerr.

CARMAN KERR: Thank you, welcome back. Maybe I could ask MLA Smith: would your side consider - with the same witnesses - looking at the success and future of the new fund that the Green Fund has segued into? We certainly have other topics, but we'd like to find some middle ground there.

KENT SMITH: I'll have to consult, obviously, but my thought is that the Green Fund is no longer, right? We passed legislation that it's gone. It's a public account that can and will be reviewed at Public Accounts Committee. We're excited for the future of the Nova Scotia Climate Change fund, so what I wouldn't want to see happen is we get the witnesses here and then questions start going to them about the Green Fund when that's going to be talked about at PAC.

Again, I mean, we are short on time. If I can ask for 30 seconds, Mr. Chair, to consult with my colleagues?

THE CHAIR: Yes, please. (Interruption)

MLA Kerr, would you like to make the amended motion?

CARMAN KERR: I would like to make a motion to the success and future of the Nova Scotia Climate Change Fund, with the witnesses listed as Deputy Minister of the Department of Environment and Climate Change; President and CEO of EfficiencyOne, Stephen MacDonald; and President and CEO of Clean Foundation, Scott Skinner.

THE CHAIR: You've heard the motion.

All those in favour? Contrary minded? Thank you.

The motion is carried.

MLA Lachance.

LISA LACHANCE: I just want to ask a question, just to make sure I'm understanding correctly. We didn't talk about the blue economy. You're proposing two of the three to bring forward?

CARMAN KERR: We are proposing two of the three just because we found a lot of similarities between this and what they brought forward, so we, right, we triaged it that way. Feel free.

THE CHAIR: MLA Burrill.

GARY BURRILL: On behalf of our caucus, I'd like to move first that we bring forward the topic of open pit mining in Nova Scotia with the witnesses as named here.

THE CHAIR: You've heard the motion. Any discussion? MLA Smith.

KENT SMITH: We won't be supporting this topic. This committee is about developing our economic development, and we're worried this could easily identify companies that could have market implications. For that reason, we will not be supporting this topic.

THE CHAIR: MLA Burrill.

GARY BURRILL: Well, I wish to say for the record that the idea that we would ignore a subject under the heading of an economic development committee because it has market implications is ridiculous. Open pit mining in Nova Scotia is a very important economic development consideration, and we will certainly vociferously oppose the government's opposition to our bringing forward this subject.

THE CHAIR: Any more discussion?

All those in favour? Contrary minded? Thank you.

The motion is defeated.

MLA Burrill.

GARY BURRILL: The other subject we would wish to bring forward is challenges in the agricultural sector, with the witnesses as listed in this document.

THE CHAIR: MLA Palmer.

CHRIS PALMER: I want to thank my colleague for bringing the topic about agriculture forward. It does seem to be a topic that I think we would be willing to have a good conversation about, but I do wonder if there's any way that you might be willing to narrow it down, the topic of discussion? Is there a focus you were considering on this that you could elaborate on for consideration?

THE CHAIR: MLA Lachance. Four minutes left.

LISA LACHANCE: I'm under the gun this meeting. I guess I would think of the confluence of increased costs and inflationary impacts, sort of where we go from now with the agricultural sector. This will be after the harvest of 2022, which a lot of folks were concerned about, so I think a time to take stock.

CHRIS PALMER: If I could just have a friendly suggestion to possibly add the executive director of the Nova Scotia Federation of Agriculture - I don't have their name with me - to accompany Mr. Marsh, possibly.

THE CHAIR: The motion is for challenges in the agricultural sector, with the addition of the executive director of the NSFA.

All those in favour? Contrary minded? Thank you.

The motion is carried.

MLA Burrill.

GARY BURRILL: Just to register for the record that we will at a future meeting be bringing back our proposed second subject and topic, and hope to be able to get the committee's agreement to it.

THE CHAIR: MLA Boudreau.

TREVOR BOUDREAU: Just for clarification, my understanding for this committee is that it is three topics for the PC party, two for the Liberals, and one for the NDP. We've approved one, so I just wanted to get some clarification on that.

GARY BURRILL: Yes, the member is right.

THE CHAIR: I wasn't going to correct you, so there you go.

Moving to correspondence. We only have a few more minutes. Correspondence from Chris Trider. You folks have all had it out. It was in relation to Matt Parker's presentation. Any discussion on that?

MLA Smith.

KENT SMITH: I don't really wish to discuss, but can we make sure that the Department of Natural Resources and Renewables has a copy of that correspondence as well?

THE CHAIR: We sure will.

Now to the meeting with Mr. Huw Irranca-Davies - apparently you folks had conversation with him. Any discussion you want to share on that?

Moving forward - the follow-up information with Peter Geddes. Any conversation on that?

The annual report - the approval of the annual report. Can we have a motion to approve the annual report? Motion by MLA Palmer to approve the annual report.

All those in favour? Contrary minded? Thank you.

The motion is carried.

That brings to an end our meeting. Thank you very much.

[The committee adjourned at 2:59 p.m.]