

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, April 12, 2023

COMMITTEE ROOM

**Department of Public Works
Most Recent Accountability Report and Business Plan**

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Public Accounts Committee

Hon. Kelly Regan (Chair)
Nolan Young (Vice Chair)
John A. MacDonald
Melissa Sheehy-Richard
Tom Taggart
Kent Smith
Hon. Brendan Maguire
Susan Leblanc
Kendra Coombes

[Kent Smith was replaced by Chris Palmer.]

In Attendance:

Kim Langille
Legislative Committee Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Public Works

Peter Hackett - Deputy Minister
Mark Peachey - Chief Engineer of Highway Programs
Mark Peck - CEO, Joint Regional Transportation Agency
David Benoit - CEO, Build Nova Scotia
Gerard Jessome - Chief Executive of Engineering, Building Infrastructure



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, APRIL 12, 2023

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIR

Hon. Kelly Regan

VICE CHAIR

Nolan Young

THE CHAIR: Order. I now call the Standing Committee on Public Accounts to order. My name is Kelly Regan, I'm the MLA for Bedford Basin and the Chair of the committee. A reminder to all my colleagues to place their phones on silent. I'll ask the committee members to introduce themselves, beginning with Mr. Young.

[The committee members introduced themselves.]

THE CHAIR: I will note that officials from the Auditor General's Office - the Auditor General, actually - the Legislative Counsel Office, and Legislative Committees Office are in attendance as well.

On today's agenda, we have officials with us from the Department of Public Works with respect to their most recent accountability report and business plan. I'm going to ask the witnesses to introduce themselves. I will begin with Deputy Minister Hackett.

[The witnesses introduced themselves.]

THE CHAIR: I invite Deputy Minister Hackett to make opening remarks.

PETER HACKETT: I am Peter Hackett, the Deputy Minister of the Department of Public Works. Here with me today are Mark Peachey, our Chief Engineer of Highway Programs; Gerard Jessome, Chief Executive of Engineering for Building Infrastructure; David Benoit, CEO of Build Nova Scotia; and Mark Peck, CEO of the Joint Regional Transportation Agency.

Along with thousands of people at the Department of Public Works, much of the work we do centres on building and maintaining critical infrastructure for Nova Scotians. This includes health care infrastructure, highways, roads, bridges, schools, and many more projects that we're assigned.

The list of priorities for our province is long. We have a dedicated group, and we accomplish government's priorities every year. The Department of Public Works has completed six of the items laid out in our mandate letter, and we are making progress on all the other items.

Last year, we doubled the Gravel Road Capital program budget and added \$60 million more to repaving. This year, that level of investment continues. We're adding another \$15 million to the Gravel Road Capital program budget. Two years ago, the budget for the Rural Impact Mitigation program was \$11 million. This year, that fund is now \$36 million to improve our roads. The bridges budget was doubled, we've removed the tolls from the Cobequid Pass for Nova Scotia motorists, and we continue to work on current and future major projects under the Five Year Highway Improvement Plan.

Most importantly, we are making progress on government's top priority, which is fixing health care. We have a real plan to build and renovate the buildings we need to deliver better health care for Nova Scotian families. We move quickly to build more beds, more operating rooms, and bigger emergency departments. Modern, high-quality infrastructure is what our health care workers want and what they deserve. It enhances access to services and supports the retention and recruitment of health care professionals.

The Department of Public Works continues its work with the Department of Economic Development to attract airlines and new national and international air routes to the province. We're doing our part to meet the targets set out in the Environment Goals and Climate Change Reduction Act. We've conducted more than 100 energy audits on government buildings, and another 150 are planned for 2023-24. Finally, we have identified nearly 200 provincial assets that are not core government services, and we are in the process of determining how better to move them forward in the future.

These are just some of our mandated responsibilities, but it is a good representation of the work that's happening in my department, and this has happened over the last year. It's a significant amount of activity, and we are lucky to have a dedicated group of professionals doing this work every single day on behalf of Nova Scotians. Thank you, and I'd be happy to take your questions.

THE CHAIR: The way this works is - refresher course, although I will just say that this is a familiar cast to most of us - we do rounds of questioning. We begin with the Liberal caucus, then the NDP caucus, then the PC caucus. The first round of questioning is 20 minutes long. The next round will be determined by how much time is left. When your time is up, I will just call order. I'm not being rude; it's just I'm trying to make sure that each caucus gets the same amount of time. Also, before you answer, please wait for the Chair to recognize you so your microphone is on.

Beginning with Liberal questioning, Mr. Maguire.

HON. BRENDAN MAGUIRE: Thank you, everyone, for being here today. I have a lot of questions, so I'm going to try to keep my questions short, and hopefully we can do the same with the answers.

allNovaScotia has just reported that the health care hotel price - we're calling it the health care hotel now - has reached \$50 million and climbing. That's what they just reported. We know that Public Works is usually involved when it comes to larger renovation projects. This is now a \$15 million renovation and climbing that was sole sourced to Lindsay Construction. Who decided not to send this contract out for tender?

THE CHAIR: Mr. Hackett.

PETER HACKETT: To answer the first part of your question, you are correct that the department is looking after the renovations of Hogan Court, I think you're referring to. We're looking after the renovations to that. Our department was assigned the task of looking into how we're going to renovate that as efficiently and as quickly as possible. The decision was made in our department to do that renovation.

The cost, I think you're referring to the \$50 million that was discussed somewhere in the media - the \$50 million is an approximate number. I don't think that's an exact figure. Obviously, we're in the process of starting that project and the final number isn't there. That's an approximate number. We were the ones who basically got to the point to procure that renovation.

BRENDAN MAGUIRE: The thing that we keep hearing from this government is: as quickly as possible, and quick, fast, hard. There are all these adjectives that they're using when they're talking about moving forward. One of the things that seems to be happening is that the process is being skipped.

I use a comment that was made by the minister responsible for health care redevelopment projects one day on the floor, where he said: We don't have to tender these things. We've heard from the Auditor General that when these projects aren't tendered, and we know from history, there tends to be issues. I think in my eight years in government,

we've never seen a project this large not tendered. Is the reason why these projects are not being tendered because the government's mandate is to go quicker?

When you don't tender a project, how do you choose Lindsay Construction over Municipal Group of Companies? How do you choose Lindsay Construction over the million different companies out there? We know for a fact there's more than one company that can do this work. How does the government decide that Lindsay gets this contract and not Clayton Developments Limited, and not whoever else is out there?

PETER HACKETT: I'll answer the first part, and then I'm going to send that over to Gerard Jessome for the second part of that. Like I said, we are tasked to look at the renovation of the project. We're looking at trying to get things done as quickly as possible. We aren't trying to break the rules of procurement or break the rules of government. We are trying to do it through the right procedures, and doing things so we can get things on the street and get things moving. We're not in that business of trying to do things under the cloak of darkness.

We did do a process on that particular structure. I'm going to let Gerard Jessome speak about that a little bit, how we got to choosing Lindsay.

THE CHAIR: Mr. Jessome.

GERARD JESSOME: When we were approached to do this renovation project, our client wanted - speed was the factor here to get beds quicker, I guess. There's an urgent problem at the Halifax Infirmary site, so we were asked to help with that and to move this project along as quickly as we possibly could. We knew at the onset that in order to do that, we needed a construction lens at the table. We needed somebody who knew construction, so that when we were doing renovations, we knew we could judge schedules and judge budgets quickly. We needed that lens at the table, and a collaborative approach.

That's why we approached procurement and we worked with our procurement colleagues to find a way to engage a contractor or construction manager fairly quickly. So we did - there are standing offers that we have reviewed with procurement. There is a standing offer that NSCC has for construction managers. We evaluated a number of construction managers who were on that standing offer, and included those in the evaluation process.

That standing offer didn't have all the conditions that we needed for this project, but we used an evaluation tool to evaluate Lindsay Construction against the other construction managers who were on that standing offer.

Again, we worked with procurement, looked at other standing offers that we could tap into, but really nothing fit what we were actually looking for. So we did evaluate a number of contractors and construction managers. We worked with procurement and

followed the procurement process of an alternative procurement. We also ensured that we're getting good value for Nova Scotians when we were going through the process. We evaluated the best company based on the evaluation we did through the standing offer, and were able to proceed in that manner.

BRENDAN MAGUIRE: It was reported in allNovaScotia that the current price tag is \$15 million, so we'll just say around, give or take, a couple million here or there. As we sit here today, is \$15 million a solid number, or will we see increases? Is this thing going to be \$20 million, \$25 million? Are you confident in the report that said that this is a \$15 million renovation to a \$34 million? I mean, we're up to \$50 million. Are we confident that this is a \$15 million renovation?

PETER HACKETT: I can let Gerard speak to you again to that as well. I'm not sure if the \$15 million is all-inclusive in just renovation costs. There are other costs, I think, associated with that too. I don't want to speak on behalf of Gerard, but I think in the process right now, we're just at the early stages of this with Lindsay Construction getting involved and getting into their renovation. That's the number they're sort of working with. As they get into this a bit further, we'll get a better idea of where we're at.

BRENDAN MAGUIRE: We can't get these contracts, unfortunately. Whether it's in Estimates or on the floor of the House, we can't get these contracts. The Premier and the minister will not give us any information on any of these contracts. Even after they're signed, sealed, and delivered, we can't get any of this information.

Was the contract that was signed with Lindsay Construction - was it for \$15 million or was it a floating number?

PETER HACKETT: My understanding is that there's more involved than just the construction part, but I'm going to let Gerard speak to that.

GERARD JESSOME: The contract for Lindsay Construction is not currently \$15 million. It was signed for their construction management services, so they're providing oversight, they're providing advice on construction. As a construction manager, they'll manage the contracts that the trades . . .

BRENDAN MAGUIRE: Is there a dollar sign associated with the contract?

GERARD JESSOME: Yes, there is. I can get that for you.

THE CHAIR: Just so folks know, the clerk does keep track of requests like that. We send you a note after the committee is over - just so you know that you don't have to keep track of everything. She will keep track of that for you. Mr. Maguire.

BRENDAN MAGUIRE: I'll move on a little bit. I appreciate the answers.

To Mr. Benoit: the Lunenburg Foundry shipyard potential purchase by the government that came up, that they pulled out of - was there any - oh my God, my brain just stopped. Do you ever have one of those moments? That's now on record. That's awesome.

[9:15 a.m.]

Were there any cleanup costs associated with that shipyard? Going into that shipyard, obviously the government and Build Nova Scotia would have assessed the property, the asset. Were there any remediation costs associated after that shipyard was bought?

THE CHAIR: Mr. Benoit.

DAVID BENOIT: Just to put that all in context, I arrived in my job on the 23rd of January, so that process was already under way before I arrived. In the end, I was there when we concluded it. As I got briefed on the file, what I was told was that this is the type of strategic infrastructure that Build Nova Scotia is to be looking for and that the Province should be paying attention to. It's the type of infrastructure that's not easily redeveloped or easily built over a short period of time, if it's absolutely needed.

The Province put a bid in, as per the public record, and then we conducted the due diligence that would be associated with that. All of that proceeded before I arrived in my actual position. On the conclusion of that, we determined - as it was recorded publicly - that it was not something the Province needed to pursue, because there were other bidders in the mix. I think it was mentioned that it wasn't something the taxpayers needed to cover in terms of the property.

BRENDAN MAGUIRE: I appreciate the answer, but the question was: When the Province did its due diligence, did they see any remediation costs associated with the Lunenburg Foundry shipyard? Were there any extra costs? After the purchase, if the purchase had gone through, were the taxpayers on the hook for any type of remediation of the site?

DAVID BENOIT: Thank you for that clarification. As part of that process, we were given confidential information about the site that, unfortunately, we're not allowed to talk about because of the arrangement under which we got access to that information. I would not want to speculate further than that, because I wouldn't want to put myself, or the Province, in a position where we would have breached that agreement.

BRENDAN MAGUIRE: I will say for the record, it was reported that there were remediation costs associated with the Lunenburg Foundry shipyard. That was one of the reasons they were having such difficulty selling the shipyard - because there was a larger cost associated with it.

I know that you came on later on, and obviously this doesn't rest on your shoulders. But I will say that it is very concerning that the Province - if not caught by the Auditor General and this committee - was moving forward with the purchase of the Lunenburg Foundry shipyard at twice the cost of the private sector offer, with a potential multi-million-dollar price tag associated with remediation of the site.

I'm now glad that we have somebody of your capability and a full-time CEO. We just hope that these types of things don't happen again. Quite honestly, if we had not caught that, and if the Auditor General had not caught that, we were probably looking at a \$10-million bill with purchase and remediation for a piece of property that the private sector did not see that type of value in.

I would just say that Build Nova Scotia is in charge of a lot of money, in charge of a lot of investments, and in charge of a lot of people's futures. It's a big responsibility. Looking forward to seeing what you do.

Let's move back to transportation. When can we expect more details on the health care redevelopment? We just went through Estimates. We're now going through the shortest budget House session in the history of the Province which, when you think about it, is absolutely insane, but that's not on you guys.

We did not get any answers on health care redevelopment. What we kept getting was: Well, this is something we can't release; we don't have the timelines; we can't release the timelines; we can't release the price. There's a lot of secrecy around this.

What I would like to know is: Can we expect more details on the health care redevelopment, and when can we get year-over-year basic timelines and estimates of cost?

Again, I will say, listening to the Auditor General, when we hear about these projects, historically - I'm not saying in Nova Scotia, but I'm just saying, historically - when these projects have this level of secrecy around them from a government standpoint - not from a department standpoint, but from a government standpoint - when a government's not releasing the details in a timely manner, and when there is no competition on these bids, this is when projects balloon.

One of the things that really concerns me about this government's taglines, slogans, hashtags, and everything else they want to do to make it look like they're doing something, is that it's faster, harder, quicker - but not better. It's not done right. It's not done with consultation, and it's not done with an eye on public dollars.

My question is: When can we see more transparency around these projects? Right now, there is absolutely - as a health care critic, there is absolutely none. That's very troubling, from a government standpoint.

PETER HACKETT: I'm going to start this, and then I'm going to give it over to Mr. Benoit as well.

I just want to talk a little bit about the project itself. I've been involved with this now for a little while - since I took the position back in September 2021. Just so people are aware, the Halifax Infirmary project, and even the Cape Breton Regional Hospital project, are legacy projects. They're very big. The Halifax Infirmary project rivals some of the bigger projects in Canada, and maybe even in North America right now for health care. It will be legacy. It will be many years to come - it'll feed the province and it'll help the people of Nova Scotia.

Because of the size of the project, where it sits and where they want to get to - this is the Department of Health and Wellness and the Nova Scotia Health Authority - it's taken a few turns through the process, obviously. It's challenging because of its size. It's challenging because of the workforce. It's challenging because of materials.

You saw back in last June that one of the bidders did drop out of the process. We have one bidder still in it. We are still in a procurement process. That hasn't stopped. That's probably why some of the information you're looking for is not getting out - because we are in procurement. But when you talk about one bidder, just in defence of the project - it was still procured. It was still procured with bidders. We short-listed it. We got down to two, and one bidder dropped out of the process.

Because of the size of the project, you're not going to get a lot of bidders for this type of work. It was competitive, and that's where we're at now, with one proponent that we are working with to get to the finish line.

I just wanted to make that clear - that it is a very large and substantial project, and a very good project for Nova Scotians. But I will ask Mr. Benoit to continue that - to answer the remainder of your question on the issues with regard to timelines.

DAVID BENOIT: Just to continue on from Mr. Hackett's initial explanation, we continue to have internal estimators and experts advising us throughout this process. We continue to be able to make sure that we get value for money for Nova Scotians in regard to the overall project.

From a timeline perspective, we are expecting early works to begin later this Summer, or earlier this Summer. These would be focused on things that we know need to get done to the site in order to prepare it regardless.

Then we also expect financial close, so when we get all the final details in the early part of 2024 - in Spring 2024.

BRENDAN MAGUIRE: I was there at the press conference when this project was announced, and I was actually standing by the developer, the proponent. When the Premier said that cost is not an issue, I've never seen anyone smile bigger in my life. I think it's troublesome when we have a Premier talking about a project of this magnitude, who when asked by the media, what is the cost associated with it, get aggressive toward them and say to them, that's not a concern. Well, it is a concern. This is taxpayers' money.

You said that you had estimated costs within the department. Where are we at on the QEII redevelopment rebuild? What is the estimated cost as of today, if you had to put a number on the scope of this project and the total cost? Where are we at today?

DAVID BENOIT: The estimators are not unique to what we're doing right now. They've been along with us for the whole journey, right from the very start. It's part of the due diligence process that the Province uses, or that any project uses, in order to make sure that we continue to have that value for money. Those individuals continue to update the numbers. They continue to work with our internal experts, and they continue to provide . . .

THE CHAIR: Order. The time for Liberal questioning has elapsed. We'll now continue with NDP questioning. MLA Leblanc.

SUSAN LEBLANC: Mr. Benoit, if you want to finish that answer quickly, I'm happy to hear it.

DAVID BENOIT: We continue to work with them in a very collaborative way - both with our proponent and obviously with the internal estimators - in order to make sure that we continue to have value for money.

It is an open procurement, as Mr. Hackett has mentioned, so it would be reckless and irresponsible for me to start saying what we think the cost is, because that's what the cost will turn out to be. It would be equivalent to saying to somebody, I have this much money to build this, could you build me for that much money? Well, the answer is probably yes. What I can tell you is that, as we get through the process, then it is the intent to make it transparent.

SUSAN LEBLANC: I hear that. I understand what's happening here, but I don't understand how - if there's only one proponent - we can make sure we're getting value for money. What's the alternative to their offer? If you say, I've got \$50 million or \$50 billion to build this thing, and they're like, actually, we can only do it for \$55 billion, then how do you know that's true? How do we know we're getting value for money in that situation?

PETER HACKETT: I can start that. As Mr. Benoit mentioned, the estimators inside the department who are working for us would basically look at the estimates and figure out what we're looking at, what the costs would be, and compare that to what we would be

getting from the contractors. They also don't just compare that with what they're getting here. It also compares with other projects and builds across the country, square footage, and so on and so forth.

[9:30 a.m.]

SUSAN LEBLANC: What leverage do we have in making a deal? We can say, is this the leverage? We know that these projects are being done for less elsewhere, how come you can't? Also, where does the buck stop? Do we say, fine, we're not dealing with you, and then the project is on hold again? Is that a contemplation? If we can't get value for money from the main proponent right now, do we pause?

PETER HACKETT: That would be a decision of government, but it is an option. If they decided that the price was of a certain magnitude that they didn't want to afford, they could certainly walk away from the project. I don't think it's a blank cheque. That's what Build Nova Scotia is working with on this. They're trying to get into a spot that they feel comfortable - that this would be value for money for the project, and that's where they're working with the proponents.

SUSAN LEBLANC: I just want to go back to the health care hotel. I think we should call it the "Hogan Health Care Hotel." I just want to understand a little bit more about the tendering process or the way that we can not tender. Forgive me, because I'm ignorant about this. Is there a top number or a number where, if it goes above, we must tender - according to the laws of the land of the Province - or are there ways around a tendering process? Or, if we don't do a tendering process, do you have to tick off boxes to satisfy the reasons why?

PETER HACKETT: Yes, through Internal Services and the procurement department, there is the Procurement Act, and you've got to follow the transparency and fairness in the Procurement Act - but there are many different ways to procure items. Whether it's by alternate procurements or low bids, there's construction managers, there's management, there's P3s - there's all kinds of ways to go through those. In this particular process, we followed a process that was in line with the procurement policies to get what they - the client - wanted to get this process started.

I'll let Mr. Jessome finish off where we were with how we got there, if you're okay with that.

GERARD JESSOME: In this project, we felt to meet the quick timelines - and to get action on site very quickly - we needed a construction lens at the table with the designers. That construction lens was a construction manager who's an expert in construction techniques - can advise on schedule, the impacts of moving a wall, how much schedule impact there. We needed that lens very quickly at the table when we were sitting down - whether clients, with their clinical folks - and envisioning what this project would

be, and what it would look like in the end. That's why we went down this road and we worked with our colleagues in procurement through an alternate procurement process to engage Lindsay Construction.

SUSAN LEBLANC: Flipping back again to my previous question. Mr. Hackett, you mentioned the estimators in the department doing the work and comparing, and then putting it against the proponents' schedules and estimates. Is there anything that the department produces that can be released publicly that's not connected to the proponent? So it's not proprietary information, but it's the step - the work that the department's doing. Can that be released publicly so that the public has some kind of touchstone on the work?

PETER HACKETT: My understanding would be no, not at this point, because it's all estimates and we would be working internally for our own - for the purposes under the procurement at this point. But I will ask Mr. Benoit if he has anything else about this particular project. I don't think - normally we wouldn't do that when we're in procurement stages, and we wouldn't release any estimates.

DAVID BENOIT: No, I have nothing further to add from what Mr. Hackett mentioned.

SUSAN LEBLANC: I just wanted to ask quickly about RFPs in general. As you may remember, a couple of years ago, an RFP went out to amalgamate the mental health and addictions services in Dartmouth. There were a number of different small locations in downtown Dartmouth, and then an RFP went out to put them all under one roof. The preference was that they would be in downtown Dartmouth or in North Dartmouth, but no bids came in. No one came in to be able to do that work in that location. Then the project went to a company that was willing to put the space into another building that was being built way out in Portland Hills. Anyone - does this ring bells? Anyone? No? No? Honestly? Oh my God.

Anyway, when everyone was questioned about that in the Office of Addictions and Mental Health, and in the Department of Health and Wellness, it was like, well nobody bid on the thing. So we had to do it over here - which was a big mess. Lots of criticism about it. Then in the end, it sounds like a lot of it's moving back downtown into Dartmouth North, actually, to a rented space. It feels like a little bit of a wasted amount of money there in some way.

Anyway, my point is that if an RFP goes out and there are parameters around location or whatever, and then there are no bidders, is it not possible - as we see with the hotel project - for government to step in and just get it done anyway? How does that work? Is the, "oh, there are no bidders" a legitimate reason for not doing a project as planned?

PETER HACKETT: Once again, I'll start this and then I'll probably hand it off for a more detailed answer. When you go through a process of procurement and no bidders

come to that procurement, there are a number of things you can do. I don't want to speak on behalf of the procurement department or ISD. They have their rules, and they have their processes, and we follow those. There are details, and they can probably tell you better on some of the ways these happen. From my experience, when we get into those situations, we can go to an alternate procurement. We can sometimes go to sole source, if that's the only person that we go to. We can go to invite at that point.

There are other ways we can get around this. We've done that, because we went to the street, and then we had to work through procurement to get to another conclusion. We rescoped the project to see if we can go back to the street, and see if someone else will bid it - make it more appetizing for somebody else. So there are ways around doing it, but like I said, we would do it with the help of procurement.

I just asked Gerard - he's had some experience in these before too - just to elaborate on that a little bit.

GERARD JESSOME: Deputy Minister, I think you covered it very well. Certainly, we would work very closely with procurement to find a solution to build a project.

SUSAN LEBLANC: That's great to know. It gives me more information to go back to when those kinds of things happen.

I want to ask a little bit about the Joint Regional Transportation Agency. My first question is: Our caucus has had difficulty obtaining terms of reference or any strategic framing for the Joint Regional Transportation Agency. We're glad to see a CEO finally appointed, but we were wondering if it's possible to get more information about how the agency is going to work and what the priorities are. Is that something that's being formulated? Can we have that?

I'm also wondering if there's any thought to having similar Joint Regional Transportation Agencies in other centres in the province that are quickly growing.

MARK PECK: Thanks very much for the question. There were two parts. The first part is what our mandate is, what the plan is. Terms of reference. The terms of reference are really set forth in Bill No. 61. Bill No. 61 is the Joint Regional Transportation Agency Act, which sets forth the guidelines and the to-dos for the Joint Regional Transportation Agency. I think it's Section 26(1) that states that we have to provide a master transportation plan to the minister, and then the minister will then submit it to Governor in Council. That in essence is the terms of reference for the work of the Joint Regional Transportation Agency.

The second part, in terms of the deliverables of the Joint Regional Transportation Agency, the primary focus one is that master transportation plan and the regional transportation plan. It's currently focused. You read the Act and it talks about the

municipality is defined as Halifax Regional Municipality, but there are also the 14 other municipalities. I'll describe it as the one-hour commutorship that are involved in the development of this regional transportation plan, or this master transportation plan.

We're going to focus on that area first. That's probably years out. I can't estimate, but right now that's the primary focus - the 14 municipalities, including HRM.

THE CHAIR: I'll just point out to my colleagues that the kind folks at the Committees Office have provided us with earpieces if we would like to use them, because it's a lot easier to hear with those.

Ms. Leblanc.

SUSAN LEBLANC: Can you, Mr. Peck, talk at all about how the work that you're doing will be linked - at least in the HRM - to the special planning areas work, and if you're working together or how that's happening?

MARK PECK: The work is connected. If you think about a regional transportation plan, it's connected with the inner workings of government in terms of health care, housing, education, and in terms of the work of municipal government.

What I will say is that it is connected, and it has to be connected. We've met on several occasions with members of the Halifax Regional Municipality Housing Task Force to ensure that some of their thoughts and ideas align with the potential work and deliverables of the Joint Regional Transportation Agency.

What I will say is that HRM have done tremendous work in terms of transportation. What we need to do is ensure that the plan that is brought forward to government takes into account housing, education, health care, other communities within HRM and without, and the other municipalities as well.

SUSAN LEBLANC: Are you contemplating in all of that work our climate goals? Also, you mentioned the subsection of the bill that requires a plan. What's the timeline for that?

MARK PECK: The timeline is a deliverable by November 2024, I believe. That's the estimated target to have the draft plan presented. It does take into consideration climate goals as well, absolutely, in terms of the net zero.

SUSAN LEBLANC: I want to ask a little bit about climate, because I'm running out of time. A few years ago, the province identified around a hundred public buildings that could have had small-scale wood-heat systems installed - which is a more efficient and green option than, I guess, oil-fired boilers.

What is the progress of that project? How many wood-heat systems have been installed? How many will be this year? When will all 100 be installed? What is the budget for this? I'm trying to get all of that in in my time.

[9:45 a.m.]

PETER HACKETT: There was a pilot project done, I believe, that Mr. Jessome can talk a bit more about. Some of the details we may have to provide after this as well, with regard to cost and where we are with the overall process.

Maybe, Gerard, you can elaborate a little bit on where we are with the pilot.

GERARD JESSOME: I'm very excited about wood heat. I think that the province is doing some great work there. The Department of Public Works worked with our colleagues at the Department of Natural Resources and Renewables. They kind of led the first phase of the project to install wood heat in a number of provincial-owned buildings across the province. That was completed and successful.

Internally, we in Public Works do a lot of work in our own buildings that we manage across the province. We look for opportunities for wood heat. We see them as being very efficient and very short payback period. So we'll take every opportunity to ensure that wood heat is in our buildings where it can be and it's feasible.

SUSAN LEBLANC: That's great, but it would be great to have the answers to those particular questions too. I know that the clerk is nodding.

The government included the following targets for active transit in the Environmental Goals and Climate Change Reduction Act, "9(a) to establish a Provincial Active Transportation strategy to increase active transportation options by 2023" - that's this year - and "(b) to complete core active transportation networks that are accessible for all ages and all abilities in 65 per cent of the province's communities by 2030."

Can the department please provide an update on the development of the provincial active transportation strategy, who's involved in the work, what is being considered for inclusion in the strategy, and when it will be available?

PETER HACKETT: I'm just going to refer to my notes here. We are consulting with our internal and external partners, and what's going on with the active transportation strategy, and implementation of the goals, as you mentioned, and looking at the governance structure of the active transportation.

The Environmental Goals and Change Reduction Act received Royal Assent in 2021, and the Provincial Active Transportation Strategy was done in 2023. The Provincial Active Transportation team is led by the Department of Public Works, which includes

members from the Departments of Health and Wellness; Municipal Affairs and Housing; Natural Resources and Renewables; Communities, Culture, Tourism and Heritage; Environment and Climate Change; and Education and Early Childhood Development. So the committee is put together. The interest of government initiatives are shared by the Nova Scotia Accessibility Act, the Action Plan for Education, and Let's Get Moving.

The process has just begun. The group is just getting together. The governance of that group is getting together, so we'll be able to give you a bit more of an update as things progress forward. There hasn't been really anything tangible at this point, but just getting that going forward.

THE CHAIR: Ms. Leblanc, you have 11 seconds.

SUSAN LEBLANC: Well, in my next time, I'm going to ask about the Migratory Birds Convention Act, if anyone wants to get ready for that question.

THE CHAIR: Order, we will now move on to the PC caucus. MLA Young.

NOLAN YOUNG: I can't help but hear the sounds of an expanding economy, good paying jobs, and how are we going to get them here? Roads, roads, roads. Switching gears to roads, there's extra capital on asphalt and gravel. Could you talk about what this money's going to be spent on?

PETER HACKETT: I will defer that question to Mr. Peachey, thanks.

MARK PEACHEY: We've been given an extra \$60 million for asphalt, and \$15 million for gravel roads. We're going through a similar process that we do with our capital plan as we speak. We go across the province to each of our managers, establish the list that they've got of roads that need attention with a focus on local roads, trunks, and routes. That is the plan right now. Obviously, for the gravel roads, we have internal criteria. We're able to identify those through [inaudible].

NOLAN YOUNG: I'm wondering, can you take me through the process, how the department manages tendering the capital work to get their projects completed within time frames?

MARK PEACHEY: I think I heard you correctly, that you're wondering about how we established the . . . (Interruption) Yes. When we tender our work, we want to put out our tenders as early as possible in the year. We also want to set completion dates on each of those tenders. Often, we'll quickly liquidate the damages associated with them, so that there's a bit of a motivation for the contractors to get that work done in a timely manner.

NOLAN YOUNG: How is the government supporting community transportation?

PETER HACKETT: Just a really quick one on that. In the 2022-23 budget, we spent - I guess it was overall for community transportation - we spent \$28.6 million across the province. There were a number of different initiatives that were taken as part of that. There was community transportation dispatch solutions, which was a centralized dispatching for community transit around the province that didn't have that. That will take affect some time in 2024, but that we're working on.

There was the Rural Transportation Solutions Fund, which was \$250 million over five years that we're helping with local transit and transit communities. There was a COVID relief fund. There's a project with the EHS projects that allow more people to be using community transit to get to hospitals than calling EHS because they didn't have transportation - so that's a process that we're working on as well.

Then there are some other options outside of the communities, such as the Climate Change Initiative for community transit, using work community transit and the cost with that. The finance that I mentioned earlier was spread across the entire province on many of the local transit divisions, I guess. Some were very small, and some are much larger - like here in HRM.

NOLAN YOUNG: One more question before I pass to my colleague - directed at Mr. Peck. I'm wondering if you could talk about any of the progress that the joint Regional Transportation Agency has been making?

MARK PECK: I'm nine weeks in - I think it's eight weeks, three days in - so I'll try to be brief, but this is typically not my style.

The Act was November 2021, and since then, the Joint Regional Transportation Agency had appointed an interim CEO, Guy Deveau. The work that Guy did really was from having to create an organizational structure. Guy had to hire staff, had to look for space, had to create an office, and had to hire employees. That work has been done.

Look, I'd be missing an opportunity to recognize Guy's great work in terms of establishing the organization with me coming in nine weeks ago. Some of the staff we've hired, I would say are some the best in the industry. We have Tanya Davis, who's been hired as the lead. She's a transportation agent with years of experience in the transportation sector. Dave Espeseth, planner, who is second to none in the industry as well. Justin Tanner - we acquired Justin Tanner from Public Works, who's an engineer as well.

Between Dave, Justin and Guy, they've created requests for proposals for the work that's currently under way. Those requests for proposals were released and went through the process, and we were successful in awarding three requests for proposals.

One was issued to a company, HDR, Inc. They're recognized in the transportation world, I would say, as a company on the leading edge of transportation. HDR did work in

Edmonton, Moncton, and Vaughan, and they did the work in the Greater Golden Horseshoe transportation system in Toronto. They're leading that work for us, and that work is under way. That's one part, in terms of progress.

The second part: we hired a company, WSP, who are also working in concert with HDR. WSP are doing what I would call leading-edge work in the industry. They're looking at the movement of people and goods throughout this area, which will not only be HRM-focused but also within the - I call it the one-hour commutership.

Their work is also partnered with Dr. Eric Miller of the University of Toronto. Dr. Miller is well respected in the transportation industry or the transportation sector. He's working with WSP, and working with the Joint Regional Transportation Agency. They too have been to Halifax. We've met with them. Their work continues. They're doing household surveys in terms of the movement of people throughout.

Then we have a company called Believeco that's helping us assist with the creation of a website, which we hope will go live in the next two or three weeks. Right now, we're without a website, but we'll have one up and running, which will have more information that we'll be able to share on the Joint Regional Transportation Agency.

The work is under way. Look, it's what I would describe as transformational. We're looking to grow. The population is growing. We're over the million, and the trend points to a doubling of the population by 2060. In order to accommodate that population growth, we need a good transportation plan. That work is under way.

So there's a lot of work under way. We have a small but mighty team. It's exciting. I'm really excited about this transformational opportunity.

THE CHAIR: Now I believe we'll go to Mr. MacDonald.

JOHN A. MACDONALD: One of the things I always hear - and I'm sure most hear - is roads and safety. I just want to know about - and I'm not sure who the deputy minister wants to put this to - the Five Year Highway Improvement Plan. Can we get progress? Does anybody want to highlight some nice accomplishments?

THE CHAIR: Mr. Hackett.

PETER HACKETT: I can speak a bit to that, and I can put it over to Mr. Peachey as well.

In the past five-year plan that we completed this last fiscal year, we crept further toward opening up our 100-Series highway twinning projects. Some of those will be completed this year, in 2023-24. Highway No. 104 in Antigonish will be completed this

year. We're looking at Highway No. 107 late in the year, and Highway No. 103 down to Hubbards should be completed this year.

Those are big-impact projects that will help with the capacity of the highway and create a lot more safety when you get a twinned highway.

Then for this year, I'll pass it over to Mr. Peachey on his program - what they've announced, the new projects coming forward.

THE CHAIR: Mr. Peachey.

MARK PEACHEY: Thank you very much for the question. I'll start a little bit smaller and work my way up to the major stuff, I guess.

This is another strong capital program with an envelope of about \$215 million - major we'll see \$220 million of expenditure. We'll be spending approximately \$170 million on asphalt, \$55 million on gravels, \$60 million again on bridges, as we've doubled the bridge program in the last couple of years. We have some money set aside for our equipment as well. There will be 18 major bridges worth over \$2 million that are set for this year. There'll be some 100-Series paving done - about \$20 million for that. Through the gravel road program, we anticipate that we will improve 500 kilometres' worth of roads, approximately, this year, and over 600 kilometres of paving.

I'm kind of dovetailing to what the deputy minister mentioned earlier. Government announced that there will be \$584 million worth of new major capital, which we're starting to work on now. Staff are starting to do the environmental assessments and that sort of thing, like acquiring land, which would be the Highway No. 103 Argyle Interchange, continuing the twinning down Highway No. 103 between Exits 6 to 7 and 7 to 8. They'll also be working on the twinning of Highway No. 107 from Burnside to Loon Lake, which is an extension of the work that's happening now. Also, another continuing section, which we're putting in place at the Highway No. 104 twinning from Taylor Road to Paqtnkek.

I think that answers that for now.

THE CHAIR: Mr. MacDonald.

JOHN A. MACDONALD: Thank you, Madam Chair. The Rural Impact Mitigation - can you explain it to, like I love to say, the millions watching this, so that they understand what it is? We love using these acronyms - RIM - but until I was in government, I had no idea what RIM is other than the top of a coffee. So could you actually explain that and give a breakdown of how it's actually divvied out amongst the province?

MARK PEACHEY: RIM is our Rural Impact Mitigation program. We have capital work where we do the bigger jobs, which is TCA work. This is operating based. It's smaller

contracts set out across the province, usually with smaller contractors who will perform the work. We do work such as asphalt patching, shoulder gravelling, gravel patching, brush cutting - we've put a big emphasis on brush cutting in the last couple of years - ditching, and guardrail. In the last couple of years we've done some shoreline protection as well.

[10:00 a.m.]

In terms of how we divvy it up, I'll just refer to my notes here. Our standard program, as you know, government doubled the program from \$11 million to \$22 million in the last couple of years. Through that, we are doing about \$9 million worth of asphalt patching; \$5 million worth of gravel patching; shoulder gravel would be about \$2.5 million; brush cutting on the core would be \$2 million; ditching is \$2.5 million; and shoreline protection is \$1.4 million.

As the deputy minister alluded to earlier in this budget, there's going to be an additional \$14 million worth of work. That's not a coincidence, because we have 14 area managers across the province. Essentially, each area manager is going to get an additional million dollars of work within their area. That will be - we're putting a big emphasis on brush cutting. We've met with a number of MLAs - all of the MLAs - across the province, and one of the biggest things that's come to the surface is brush cutting. So we're putting approximately 60 per cent of that \$14 million towards brush cutting, and then supplementing those other items that I discussed earlier.

JOHN A. MACDONALD: Deputy minister, as everyone is aware, supply chain issues have caused issues with every industry in government - it's not any different. Can anybody explain how that's impacting our project timelines and some costs?

MARK PEACHEY: For the highway program side of things, we have certainly encountered those issues. We have seen those. It could be anything from the line painting that we have on the roadways - there have been challenges and delays through the manufacturer in the U.S. getting that material. That has pushed it out later into the year typically than we would normally do it. We have seen that with equipment that we purchase - delays in obtaining that. Then on the construction side of the business, we are seeing cost escalations and challenges of getting things through the supply chain, particularly around bridges - whether it be through steel components, concrete components. That trickles into the labour force as well because the form work and that side of stuff that has to be done is causing delays, which has driven up the pricing as well.

THE CHAIR: Over to Ms. Sheehy-Richard, five minutes.

MELISSA SHEEHY-RICHARD: I will jump right in. In your opening remarks, you talked about identifying nearly 200 provincial assets that are not core government services, and that you're looking at the best way to determine how to move these forward. Can you let the committee know, are these assets distributed across the province?

PETER HACKETT: I can start, and Mr. Jessome may elaborate a little bit more. They would be right across the province. I think we have about 2,400 assets that we look at - as far as building assets are concerned, not land assets; we have a lot more than that. They would be right across the province. Gerard, do you want to elaborate a bit?

GERARD JESSOME: We have a great team at the building infrastructure management group, which really manages those assets. They look at opportunities. They're completing energy audits now across the province on all of our owned assets. Those will feed into our goals for climate resiliency and net zero. We have a large challenge there, but we have a great team that manages those assets in every nook and cranny of the province. That includes plow sheds, any provincial buildings - all those types of infrastructure.

MELISSA SHEEHY-RICHARD: That was kind of my next question - what would be some examples of those assets? You said how best to use them moving forward. Could you elaborate on what they might be considered for moving forward?

GERARD JESSOME: Those assets could include salt sheds, plow sheds, mechanical branches for Public Works folks doing the road maintenance, provincial buildings that provide services for Nova Scotians - all those. When the buildings are deteriorated to a point where they require more maintenance, we always look at what we replace that building with going forward. What type of structures are there? Can we combine services? Can we look at other departments and co-locate? We always look at those opportunities if we have to replace an existing structure that has deteriorated to the point that we can't maintain it efficiently.

MELISSA SHEEHY-RICHARD: That clarifies that. I wasn't quite sure what that would entail, but now I can see how that is a good thing to be doing right now. Having safe transportation infrastructure is also core to your department's services. Can you discuss in a little bit more detail how the department determines where safety improvements are needed on highways, and what those safety improvements might be?

MARK PEACHEY: We would have staff continually interacting with the public and with elected officials, and doing internal studies. Safety improvements - we have an allotment within the capital program that we set aside each year for things like intersection improvements, lane extensions for acceleration ramps, passing lanes, climbing lanes, wildlife fencing to prevent animals from getting on to predominantly the 100-Series Highways, wildlife tunnels, that sort of thing.

We identify those internally and put those on the capital plan accordingly.

MELISSA SHEEHY-RICHARD: I can make a comment on the deer tunnel because of my twinning project. When I had a tour with the minister, that was one of the things we looked at, where the deer tunnel was. So I got to actually see the little path that the deer are taking and using the tunnel to cross. Anytime you drive by there, there could

be 12, 15 deer grazing in the field. That would be something that you are looking at on probably the newer projects.

Would that include when you are paving trunk routes, maybe a little widening of the road shoulder? Would that be considered when you do the bike accommodations? Is that something you would consider under that budget as well?

THE CHAIR: Mr. Peachey, 10 seconds.

MARK PEACHEY: When we're doing trunks and routes, yes, we do look at Blue Route. In terms of safety accommodations, we may have rumble strips down the centre line.

THE CHAIR: Order. The time for the PC caucus' questioning has elapsed. We will now move back to the Liberal caucus. Everybody is getting 14 minutes today. Mr. Maguire.

BRENDAN MAGUIRE: Alright, let's get into it. The \$15 million that was reported - that I had said - actually came from the minister. The minister said to the media that there was a \$15 million fee associated with Lindsay Construction.

My question to the department or to Build Nova Scotia is: What is the management consultant fee for Lindsay to manage this project? How much of that \$15 million is for management fees?

PETER HACKETT: I think Mr. Jessome answered that question at the last round - that we would get that to you. Is that correct, Gerard? Maybe you can answer that better.

GERARD JESSOME: Yes, that's correct, we can get you that information, Mr. Maguire.

BRENDAN MAGUIRE: To clarify, I am looking specifically for how much Lindsay Construction is being paid to manage this project, a project that would normally be managed - correct me if I am wrong - by the department. The department has the engineers and the expertise, and we've seen them take on some very large projects in the past. I would argue that the renovation of a hotel is probably not outside the scope of the department's expertise, but it has now been outsourced.

I would like to know specifically how much is being paid.

The other thing that kind of triggered me here a little bit - got the hamster wheel turning in my head - was who is in charge of the costs of this project? Lindsay, that stands to profit, is in charge of the management of this project. As the price of this project goes up, it would make sense that Lindsay would probably make more money from this.

What is the ceiling on this project? We know right now that the floor is \$15 million, because that came from the minister. We know that Lindsay is now in charge of the renovations, not the department that is usually in charge. What is the ceiling on this project for renovations, cost-wise?

GERARD JESSOME: Thanks for the question. I'll just go back a little bit, Mr. Maguire, regarding Lindsay as a construction manager. We definitely have good expertise within Public Works, we have a great team. But when we have a construction project we hire a general contractor. We hire a construction manager to help manage those contracts for us. It's just the normal way we do business. We work with them as a team in getting the infrastructure built.

In this case, Lindsay is a construction manager. They work directly for us. They take direction from the Public Works team, who are in consultation with all our stakeholders - including the Department of Health and Wellness, and NSHA - regarding their needs for the project.

Lindsay Construction is there to provide constructability advice and to manage the sub-trades on site - to manage the drywall sub-trades, the plumbing sub-trades, the mechanical/electrical sub-trades. They'll be managing those sub-trades that will be on site and will be actually doing the work - and we're committed to giving their fee for doing that work.

BRENDAN MAGUIRE: The second part of the question, is: What is the ceiling on this project? We know the floor is \$15 million for renovation - well, we know the floor is \$50 million. Where is the stop? If tomorrow, this project is \$75 million - you know, faster, harder, quicker, stronger, whatever the slogans are - not the department slogan, the Houston government slogan - where is the stop on this? Have there been discussions internally with the department, with the Premier's Office, with the ministers about: here's how much we're willing to go, we're not going over that amount?

PETER HACKETT: I can start part of that, I guess, or maybe I can finish it. What Mr. Jessome mentioned about the CM model - the CM model is just basically the contractor or consortium, could be a consultant, they take control of executing the project for the department. We will work with them. They basically hire the sub-trades and try to get the project completed under that method.

As they go forward, there would be a budget - I would have to see what their budget would be - and they would work toward that budget. If the budget was going to go beyond that budget, we would have to go back and ask for more money to do the work. I don't think there's an endless ceiling in any project that we do. We have to go back and ask if these projects do go over a certain budget.

The CM would work toward that. If they came back and said, it's going to cost us more for this and this, we'd have to go back and ask for approval. I don't have a number that I have anyway, but Gerard's group might have a number.

GERARD JESSOME: We work within the allotted budget. I'm confident that we can do it within the budget that's here. We have a number of different processes - checks and balances - through the design process to make sure that we're within the budget range that we have. I think we're certainly heading in that direction.

BRENDAN MAGUIRE: I'm going to switch topics, but it's just troubling to me that there's no information. This is a government that took the previous government to court for management fees, which I think amounted to \$100,000. This is a government that talked about transparency, and again, every single project along the way, there's no transparency from the government.

We just went through Estimates. We couldn't get an answer on them on a dollar, let alone \$15 million, so it's very frustrating because this is where things go off the rails. It usually ends up on the backs of our bureaucrats, and the people working behind the scenes, which is unfair - because you're taking the direction from the government which is, to hell with process, let's go as fast as we possibly can because we have a 2025 deadline for an election, and we need to make it look like we're doing things.

I do hope this is successful even though it's gone against every - the consultant that was hired said not to do this. We've seen the report. They said that this is not a good project, and it's not a good spend of taxpayers' dollars - but faster, stronger, harder.

The next question that I have is - I kind of know the answer to this one, but I just want to ask it anyway. We've done some digging and we've seen a disproportionate amount of paving and gravel being done in Progressive Conservative-held ridings. Our MLAs have been contacted about projects, and the projects are still on the list but they're being pushed out a couple of years, or pushed out a year or two. This is what's happening now. When we did some digging, we found that a lot of the money that this government is bragging about spending is actually going in their own backyards.

My question to the department is: Has there been any conversation via phone call, text, in-person, or email between the department and anyone from the government or the Premier's Office with regard to the allocation of resources for paving and gravel, knowing that there's FOIPOP?

PETER HACKETT: I can start again, and then I'll hand it over to Mr. Peachey. I don't get that involved with the Five Year Highway Improvement Plan anymore in my position. I did that for a number of years and put that together. It's a daunting task, it's a hard task. It takes a long time to actually build that. It starts probably in February of this year and continues on to get it together.

[10:15 a.m.]

As Mr. Peachey mentioned earlier, there's a whole process of talking to the MLAs, the staff, trying to put a program together that identifies and addresses the needs of the province and the needs of the roads - that would be both roads and bridges - and what the most severe would be, and trying to focus on those, which would be getting the worst case done first.

That's the way the process goes together. We vet that through our whole group and our system. I'm assuming it's done the same way. Then it goes off for final signature from the minister and then released, as you've seen, to make it public. That's good for the next year.

What your question is about different ridings and so on, so for where the money is spent, I'll hand it over to Mr. Peachey just to say where it's distributed. My understanding is most of these things are put together worst case first.

BRENDAN MAGUIRE: The recommendation comes from the department on the roads and where that money is being spent, based on consultation with the MLAs. I've done, and I think it's a very fair process. The last year, when that recommendation came from the department to be signed off by the minister, did that recommendation stay the same, or were there changes made to the department's recommendation to what the final sign-off by the minister was?

PETER HACKETT: I'm going to hand this over to Mr. Peachey, but I will say this. The Five Year Highway Improvement Plan has been in play since 2009. Every time we've taken it to a minister - it doesn't matter whether it was the NDP, the Liberal government, or the Progressive Conservative government - the minister has the final say on it. There's always a change somewhere along the way. There are always changes as we go through it. There's not just the change of the fact of a road to a road, but also budgetary things like: can we squeeze this project in and we take that project out. Final say has always been with the minister.

I don't know in this particular case, but every year there have been changes since I've been involved with this from 2009. Mark, I'll let you speak to this year's.

THE CHAIR: Mr. Peachey, just over two minutes.

MARK PEACHEY: The deputy minister basically stole my thunder. The process hasn't changed. I think this is the fourteenth or fifteenth year that we've had the Five Year Highway Improvement Plan. I personally go around and meet with as many MLAs as I can and go through the process. How it works is the area managers will go and they'll have meetings with MLAs throughout the year. Other elected officials have generated complaints from the general public. They tally a list internally.

There are 14 area managers. They take it to their directors. There are four directors. The directors then prioritize based on what was given to them. The directors then will bring it in to head office to me, and to the Executive Director Highway Design and Construction Don Maillet. At that point, we will meet with all the elected officials, go through what we think might be it. In terms of changes, yes, there might be budgetary things that come up where we're overcommitted - which happens almost every year - whether it be through paving, bridges, that sort of thing. Then we present it to the minister, and off it goes.

BRENDAN MAGUIRE: Was there any input on the final list, or was there any input to the office from anyone within the Premier's Office? Was there any input from the Premier himself, or was there any input from the minister?

The thing I'm trying to get at is that we have seen - we know that the Progressive Conservatives hold the majority of the ridings, but if you look at it dollar for dollar, more money is being disproportionately spent in those ridings than almost ever before. We know that we've had MLAs on our side who were expecting work to be done this year, who have been told it's been pushed off a couple of years.

The perception is that the money is being funnelled into those ridings. We know, frankly, that Nova Scotia has a history of trying to garner votes by paving roads. That's not on the bureaucrats - that's on the politicians of all stripes.

THE CHAIR: Order. The time for Liberal questioning has elapsed. We will now move on to the NDP questioning. Ms. Leblanc.

SUSAN LEBLANC: This is quite relevant now, especially since Mr. Peachey was referencing brush clearing. The Migratory Birds Convention Act, which is a federal law, lists bird species whose breeding areas aren't supposed to be disturbed. It lists species like finches and thrushes in Nova Scotia. The provincial Act, the Endangered Species Act, lists species whose habitat should have a protection plan. We know that the department does a lot of brush clearing at the highways, for lots of good reasons. But I also get lots of concerned emails - especially when I was the spokesperson for Public Works - about birds being in nesting season, and that kind of thing, and then the brush clearing being done.

How are the department's trimming plans aligned with the federal law and the provincial law, and what proactive work is being done to protect bird habitats?

PETER HACKETT: I can start, but I'm going to hand it to Mr. Peachey. Just to go over the process, we do have a lot of projects, not just brush cutting - just for clearing right-of-way for existing highways. We also have a lot of projects where we do brush cutting to build highways as well. There are some processes involved in those. On the maintenance side of brush cutting, it's kind of hit and miss on how those are tendered out, and when they go out. I'll let Mr. Peachey elaborate more on the maintenance and brush clearing for construction.

MARK PEACHEY: There are two components, and I think you have identified both. One would be maintenance work along, adjacent to, trunks routes, 100-Series Highways, more small scale. We follow all policies and procedures from both federal and provincial government, permitting and such, through our contractors. On the bigger stuff, the major work, where there could be virgin ground - e.g. on the Aerotech connector, any one of these major works - there is a timeline. It eludes me, so I will have to get you the exact dates. There's a window that's dictated by both provincial and federal governments where we can go in and do that work. That is clearly spelled out. I apologize, I don't have what those dates are, but I can certainly get you that, and we adhere to that.

SUSAN LEBLANC: For these questions I'm going to be picking around in different places, so sorry about that. My next question is: Can the department table a breakdown? All these health care infrastructure projects - there are a lot of them going on. There's the HI, there's Cape Breton Regional, there's Bayers Lake, and there's stuff happening at the Dartmouth General, presumably, since land has been bought. I'm wondering if there's a way to table a breakdown of current timelines and costs for each of the projects.

PETER HACKETT: I'll speak a little bit to that. We have an extensive amount of health care work under way, and there will be planning for future health care coming as well. I'm going to hand it over to Gerard and Dave.

Just to break it up, I just want to make sure that people are aware that Dave Benoit, CEO of Build, is responsible for the HI project here in Halifax, and also responsible for the campus in Sydney at Cape Breton Regional. Those are his two big projects as well as the Northside collaborative centre project in New Waterford.

Gerard is responsible for all of the other projects throughout the province, which would be expansions such as South Shore, Pugwash - I'm just going to name a few - maybe at one point go into the expansion at Dartmouth. That may be part of the HI project as well. He can talk to that - and the IWK project. I'll let Gerard speak a little bit to his projects and timelines and what he can give you, and then maybe Dave can talk a bit about the HI project and Cape Breton.

GERARD JESSOME: We are doing something in Dartmouth - our MRI that we're installing over there. We're on a tight timeline for that one. There are other great health care projects across the province that we're involved in. I know HI and Cape Breton are both great projects - large, massive projects. I guess we're really doing health care across the province, really in all areas.

In Yarmouth, for instance, we're doing an emergency department. We're well into design on that emergency department, working very closely with the clinical folks in Yarmouth there. We are pretty much through design development. The design development drawings are being reviewed by all the stakeholders, so we'll be forging ahead with getting

a Class B estimate for that project, and then we'll go back to the Treasury Board for the funding to complete the project.

The South Shore Regional Hospital in Bridgewater, construction is well under way. I think we've got a tower crane there in Bridgewater, so it's great to see that foundations are being poured. We're on schedule for that one to open - the emergency department, the endoscopy unit, dialysis in 2025, I believe. So that project is going very well.

In the northern part of the province, in Cumberland County, we have the North Cumberland health facility, which is almost complete now. It is expected to complete construction this Summer, and we will be opening in the late Summer to early Fall.

THE CHAIR: Ms. Leblanc, did you want Mr. Benoit to proceed?

SUSAN LEBLANC: No, thank you. You are reading off a nice chart there, and I would love you to table that chart for us. It's great that all that's happening, but I want to use my time for other things. If you have that info, we want it - but thank you very much.

Other provinces have a more robust system to track and manage conditions of their assets. For example, New Brunswick publishes the number and types of roads that are in good or fair condition, attached to targets for each type. I'm wondering if the department is working on something for roads, or maybe it exists. I'm also wondering about it for bridges.

MARK PEACHEY: I think I got your question right about the road networks. We do collect data through our payment management system. We have staff who go out every year, collect data through our ARAN vehicle and other types of methodologies. It is something that we do have internally.

We do post some information on the internet - I don't know the extent of all of it - through our GIS group.

What was your question about the bridges?

SUSAN LEBLANC: Yes, the same question. We've seen very tragic consequences when bridges aren't maintained. Will the province publish the condition and related targets for the bridge conditions?

MARK PEACHEY: As part of the AG Report back in 2019, we are moving ahead quite well with a new bridge management system. It has gone through a procurement process. It has been signed-off on and that will be in play this year.

Since 2019, we've hired a bridge engineer who will administer this. We've also hired a bridge maintenance officer who oversees and collects the data, and will be putting it into the new system when we purchase it.

[10:30 a.m.]

SUSAN LEBLANC: Great. The Auditor General has pointed out that the department's business plan lacks year over year target information that would allow for tracking, and no detailed steps for achieving department initiatives - things like spend amounts, target completion dates or other relevant information. I'm wondering if the department will commit to including those types of details in future business plans.

PETER HACKETT: It's the business plans as set out for us to complete by Executive Council. It didn't require target plans to be included in those when they were documented. But with that said, we do track all of our projects. We don't just track them on schedule, we also track them financially.

Most of our projects, at least our big projects - capital projects like health, education, major road construction - they have a cash flow process. Those cash flows are done year to year. So if it's a multi-year project, this is the amount of money we are allocated to spend this year, this is the amount of money we are allocated to spend in the next year.

In those allocations, it also explains what is to be completed in those years. If it is supposed to be bridge work to be done in those years, it would show what the money is spent on. If it was a school, like the framework of the school, the foundation, that's where the money is being spent. We do have targets - we just have not been asked to publish those targets. If we were asked to do that or asked to put them in a business plan, we would do that. We do it internally, but we just haven't been asked to do it otherwise.

SUSAN LEBLANC: I guess just to clarify, the Auditor General thinks you should do it, but it's the Executive Council that dictates it?

PETER HACKETT: It wasn't asked for in the business plan. We were asked to put it together. I guess that would be the answer, yes.

SUSAN LEBLANC: I'm wondering if there are any updates on the Lancaster intersection. Is it still in the five-year plan? Is it still on track to be addressed in the 2024-25 year?

MARK PEACHEY: I'm delighted to tell you that yes, it is in the five-year plan for 2024-25. It's currently under design right now. Our folks are working diligently on that, with the expectation that it will be constructed in 2024-25.

SUSAN LEBLANC: I can't wait to stand in the middle of the intersection and cut a ribbon there.

PETER HACKETT: It is published in the plan. It's in writing.

SUSAN LEBLANC: Something that may not be published in any plan is the Art Gallery of Nova Scotia. Is there any update on the Art Gallery of Nova Scotia project? What's the timeline for getting that back on the rails?

THE CHAIR: Three minutes - Mr. Hackett.

PETER HACKETT: From the government's perspective, they asked us to pause that project for now. We have not been asked to un-pause it or unthaw it at this point. It's just sitting in pause at the moment. Our staff have got it in a holding pattern until we're told to do something different with it, but right now it's still on pause.

SUSAN LEBLANC: Recently, the Auditor General pointed out that a contract-management process for the Halifax Infirmity expansion is not complete. That doesn't bode well for a project that has major cost increases.

I understand that the Bayers Lake outpatient project remains on track and on schedule. But how can we be sure that weaknesses in the project will be identified without the AG recommendation being complete?

PETER HACKETT: I'm going to ask Mr. Benoit to address that question.

THE CHAIR: Mr. Benoit.

DAVID BENOIT: Just to go back on an earlier question, and just to make the committee aware - today, Cape Breton is doing the largest pour in the history of Cape Breton as it builds its first cancer centre as part of the Cape Breton Regional.

There are two Auditor General recommendations that we're still working on. One of them is the one that you had mentioned earlier. We will have a contract manual in place before HIEP is delivered. We are working on that right now for Bayers Lake, because as you pointed out, Bayers Lake is to open later this Fall.

SUSAN LEBLANC: I referred to an RFP earlier for health infrastructure in Dartmouth North. Mr. Jessome answered with the comment about the MRI.

My understanding is that there is an active RFP out for Dartmouth North for some kind of - I think it's a 20,000-square-foot building, space. Any information that anyone in the department can share about that RFP?

PETER HACKETT: I don't have anything that I know of, but it may have come through us. It just may not have come to me. I don't know. Gerard, maybe answer it?

GERARD JESSOME: No, I'm not aware.

SUSAN LEBLANC: Just for the record, that kind of freaks me out. It's on the website, or maybe it's just because it's the procurement department. Is that why you would not be aware of it yet?

PETER HACKETT: Yes, it may not be through us. It could be through NSHA. They could be procuring a project - and we don't do all the work for them. They do some on their own.

SUSAN LEBLANC: No further questions.

THE CHAIR: Alright. Over to the PC caucus.

Ms. Sheehy-Richard.

MELISSA SHEEHY-RICHARD: I'm just going to finish up and pass it on to my colleague.

We were talking about safety. I just wanted to go back to that and discuss a little bit. Maybe you can talk about how the Road Safety Advisory Committee works on ensuring that highways are safe in the province?

THE CHAIR: Mr. Hackett.

PETER HACKETT: Sorry, I just lost my note here on that. I'm trying to find . . .

MELISSA SHEEHY-RICHARD: While you're looking for that, I also wanted to know if you could discuss a little bit about who actually makes up the committee, and how it works together.

PETER HACKETT: The last meeting for RSAC - the Road Safety Advisory Committee - was in 2022. There were no new road safety issues at that time of the meeting. They do talk about a number of items that would be identified to road and road safety. That would be things with regard to the roads themselves, things like signage, lighting, crosswalks, those sorts of items. Also, things pertaining to vehicle -, vehicle standards, child safety in vehicles, things like speed zones. That committee looks at a variety of different items, and they provide recommendations - things to make improvements right here in Nova Scotia, but they also look at what jurisdictional reviews are across the country, too, and trying to stay with those standards.

I should just basically say, in general, the role is to provide strategic advice and recommendations on road safety, and create a forum for sharing road safety, knowledge and expertise. The current members - non-government members - are Insurance Bureau of Canada, Child Safety Link, Safety Services Nova Scotia, CAA, Injury Free Nova Scotia, Workers Compensation Board, Law Enforcement, Police Chief's Association of Nova Scotia, and the RCMP.

The provincial government would be Department of Health and Wellness, Department of Justice, Department of Seniors and Long-term Care, Nova Scotia Municipal Relations, Department of Public Works - specifically the policy planning, traffic and engineering road safety divisions, our comms, and the R and D section. We also have municipal government. HRM is involved with that. Dalhousie is involved with some of our research.

MELISSA SHEEHY-RICHARD: Very good, thank you. One more final one. The Department of Public Works is responsible for seeking federal funding - infrastructure projects that relate here in Nova Scotia. Can you confirm that all the investing in Canada infrastructure project funding has been allocated? Also, how much of this has been completed since August of 2021?

PETER HACKETT: Yes, I can confirm that all of the federal funding has been allocated - not all spent, but allocated on projects and going through approvals. Since September 2021, 40 per cent of it has been allocated.

MELISSA SHEEHY-RICHARD: Thank you. I'm going to pass it on to my colleague, MLA Taggart.

THE CHAIR: Mr. Taggart.

TOM TAGGART: Thank you, Chair. Very happy to get a chance to ask a couple of questions. Typically, you'd expect to get a bunch of questions from me about rural roads. That's not where I'm at right now, but I do want to say I appreciate what the government's done, and what you folks are doing, with rural roads right now - given we've talked about funding here, our rural roads. We've received them in deplorable condition, and I can speak to that. My CA could speak to that this morning, quite frankly, given what we face in rural constituencies. Anyway, we've got a lot of work to do there, and I appreciate what you're doing.

To the bigger picture, as a government, we're trying to grow Nova Scotia. The Halifax International Airport is a critical part of that, and you have that growth. It's outlined in the department's 2022-23 Business Plan - developing passenger and cargo routes is part of the department's mandate. Who can speak a little bit about any of those developments and how they've been made on this front? How are we getting along there?

PETER HACKETT: I can answer a bit of that. Thanks for the question. It is part of the department's mandate to help the airport with their cargo and destination. We do work hand-in-hand with the Department of Economic Development for that, and we do work with the airport authority. Part of our mandate came around because of COVID. We all lived through that - and we're still living through some of it. Obviously, through that, the airports, the tourism industry, and commercial traffic took a very heavy hit. I think cargo sped up some, but certainly on passenger traffic, it went down substantially from 2019.

We've been able to work with the airport authority on providing them with funding - \$13 million for the air access fund, which is used to encourage airlines to choose the Halifax International Airport Authority to come here and use that as a point. The fund also broadened its scope to seek new domestic routes, along with the international routes. We work closely, as I said, with the Department of Economic Development on that.

In 2023, the department worked with HIA to amend that fund agreement to provide more flexibility in the incentives available, which would increase how long air access funds could be used, and more incentive for domestic flight routes in Canada. We're working very closely on that, trying to get the airport back to where they were with 2019 numbers.

I know that on another kind of separate note - not so much on the air traffic - we are working with them very heavily with the Joint Regional Transportation Agency on providing them with better services to the airport, and better transportation to and from the airport in time. It could be bus routes or light rail train, and that sort of thing.

We are in very good collaboration with the airport quite frequently. We're really trying to help out their business there as well. It is a key point of transportation for the province.

TOM TAGGART: I do get to go back now to my favourite subject. We've seen the allocation - and you mentioned it in your opening remarks about the gravel road program - and it doubled in last year's budget. The allocation and the Rural Impact Mitigation Fund more than doubled.

Can you discuss the numbers regarding the effects that we are seeing on the ground because of these increases?

MARK PEACHY: I'll start with the gravel roads. With the funding that's in place this year, we will be able to gravel approximately 500 kilometres of roads. This is significant. To put that in context, when we first started that program six or seven years ago, we were able to do about 100 kilometres of road. We're up five-fold to that point.

I kind of went through the numbers earlier for RIM. Initially, we had \$11 million. We've doubled that to \$22 million. For this year, we're getting an additional \$14 million,

so that's \$36 million worth of funds there. There is also \$6 million that we have in operating that we put towards asphalt as well, so it's actually \$40 million.

A significant amount of that money is going to be allocated to brush cutting, as I alluded to earlier - then our standard brush clearing, ditching, shoreline protection, and guardrails.

TOM TAGGART: I actually thought you were going to say a significant amount of that money was going to be targeted for Colchester North. You want to finish that up there? (Laughter)

I just want to jump a little bit to the Joint Regional Transportation Agency. Mr. Hackett mentioned a little bit earlier about better transportation in and out of the airport. We talked earlier about in and out of the 100-mile radius. I just want to lay this out there.

I understand totally where you started, and you've got great work to do, but I just need to make the comment for consideration. It's a lot easier for somebody to get from 100 miles out into HRM or into the airport than it is for them to get to 30 miles out into those other urban centres that at least have a bus line.

As you look at this big picture, it's very difficult for folks to get from those rural communities in towards the urban hub. Rural Nova Scotia has grown significantly over the last two or three years. I think it's going to continue, so we need to make sure - sorry, but this is transportation - that we don't stymie that growth because of the inability for that type of transit.

Do you have any thoughts on that, Mr. Peck?

MARK PECK: I think I'll tackle it in two points. First is the importance of looking at that one-hour commutanship first. Within that one-hour commutanship, it's the movement of people and it's the movement of goods, as well.

About the population growing - we're looking at 2 million for 2060 - will certainly have an impact on the residents of Nova Scotia. Rural residents as well. That thought process in terms of how we move people and goods will impact - and will certainly have, under its lens, the rural component of Nova Scotia.

We're going to start with the first area involving 15 municipal units. HRM is the largest one. I've mentioned before, they've done tremendous work, but it's bringing the people in and getting the people out of the urban centre that's important - and recognizing the importance of the movement of goods and people in rural parts of Halifax Regional Municipality and others.

Middle Musquodoboit is a great example in terms of how people come and go, so to be mindful of that. I think it's really important, too, the great work that's done by the community transportation networks throughout Nova Scotia. I think Greg Sewell is the department lead on that program. I think Deputy Minister Hackett mentioned some of the numbers - the dollars that are put forward to providing community transportation for rural Nova Scotians as well.

[10:45 a.m.]

Just to summarize, I think absolutely, it is top of mind for us as we develop this regional plan.

TOM TAGGART: I appreciate that very much. I just had to get that plug in, because I'm not sure that everybody really recognizes - I don't have the numbers. The only way I look at population growth in rural communities is by increasing enrollment in schools. It's up 20 per cent in my community, so I just want to make sure. This whole picture - transportation and regional transportation - it all plays a critical role in the growth of our communities.

Another question from me would be: Who can give me an update - we already had a bit of it from Mr. Jessome there - on the important hospital projects currently under way? I know you started that, but we've had a lot of questions about: this should have been done, that should have been done, that kind of thing. There's great work being done. I'd like to hear about it, please.

THE CHAIR: Mr. Jessome, just over a minute.

GERARD JESSOME: We've got many great projects that are currently under way, some in construction. I started naming a few previously. North Cumberland Memorial Hospital will be finished construction and open late Summer, early Fall. That is a great facility there. I think the community was totally involved in developing the scope of that project and involved in what it's going to look like when we open it.

In Cumberland County, we're working on a project there that's a new emergency department, as well as a 12-unit dialysis complex. Right now, we're on the street for a collaborative design builder, which will hire a contractor and a designer as a team. We'll work with them to begin construction there. This delivery method really gets shovels in the ground a lot quicker, and it's really a collaborative . . .

THE CHAIR: Order. Time for the PC caucus questioning has elapsed. At this time, deputy minister, you're free to make closing remarks if you would like.

PETER HACKETT: I just want to mention a few things at the end. First of all, thank you for having us all here today. I hope we provided you with the information you

were looking for and answered your questions thoroughly. We will provide updates as required.

I just also want to say thanks to Mr. Benoit, Mr. Jessome, Mr. Peachey, and Mr. Peck for being here today to support me and to help answer these questions, and be in front of you. I also want to thank the department and our staff for all the great work that they do. We have a big year coming up this year, the largest capital program in the province's history, \$1.6 billion. It's going to be a big task for us to get that done, but we have the people who can do it. We have great staff in the field; we have great staff in head office. I just want to thank all of them for their hard work to date, and the hard work going forward.

Once again, thank you for having us here today.

THE CHAIR: Thank you very much to all of our panel participants today. You are now free to go out into the world and build things, et cetera. We'll proceed along with committee business.

There is no committee business.

Our next meeting date is April 19th. It's in camera. Office of the Auditor General will be our witness. It's regarding the 2023 Report of the Auditor General, Follow-up of 2018, 2019, and 2020 Performance Audit Recommendations.

If there is no further business, I now adjourn the meeting.

[The meeting adjourned at 10:50 a.m.]