



**PROVINCE OF NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY**

Second Session
Fiftieth General Assembly

**Proceedings of the Standing Committee on
Government Services**

April 28, 2023 - Issue 9

Department of Finance
Public Service Commission
Consolidated Fund Services

GOVERNMENT SERVICES COMMITTEE

Department of Finance, Public Service Commission and Consolidated Fund Services

Chair: Paul Pike, MHA

Vice-Chair: Loyola O'Driscoll, MHA

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

Clerk of the Committee: Mark Jerrett

Appearing:

Department of Finance/Consolidated Fund Services

Hon. Siobhan Coady, MHA, Minister
Julie Moore, Comptroller General
Michelle Jewer, Deputy Minister
Elizabeth Lane, Secretary to Treasury Board
David Drover, Assistant Deputy Minister, Financial Planning and Benefits
Doug Trask, Assistant Deputy Minister, Economic and Statistics/Tax and Fiscal Policy
Tom Nemec, Director of Treasury Management
Wanda Trickett, Departmental Controller
Jim Doody, Director, Human Resource Secretariat Service Centre
Diana Quinton, Director of Communications
Keith White, Executive Assistant

Public Service Commission

Hon. Siobhan Coady, MHA, Minister
George Joyce, Chair and CEO
Tina Follett, Commissioner
Wanda Trickett, Departmental Controller
Mike Smyth, Manager of Accountability and Certification
Diana Quinton, Director of Communications
Keith White, Executive Assistant

Also Present

Hon. Derrick Bragg, MHA, Minister of Fisheries, Forestry and Agriculture
Hon. Krista Lynn Howell, MHA, Minister of Municipal and Provincial Affairs
Hon. John Abbott, MHA, Minister of Children, Seniors and Social Development
Hon. Bernard Davis, MHA, Minister of Environment and Climate Change
David Brazil, MHA
Joedy Wall, MHA
Lela Evans, MHA
Annie McCarthy, Government Members' Caucus
Christine Baldwin, Government Members' Caucus
Megan Winter, Official Opposition Caucus
Steven Kent, Third Party Caucus

Pursuant to Standing Order 68, David Brazil, MHA for Conception Bay East, substitutes for Loyola O'Driscoll, MHA for Ferryland.

Pursuant to Standing Order 68, Joedy Wall, MHA for Cape St. Francis, substitutes for Chris Tibbs, MHA for Grand Falls-Windsor - Buchans.

Pursuant to Standing Order 68, Derrick Bragg, MHA for Fogo Island - Cape Freels, substitutes for Brian Warr, MHA for Baie Verte - Green Bay, for a portion of the meeting.

Pursuant to Standing Order 68, Krista Lynn Howell, MHA for St. Barbe - L'Anse aux Meadows, substitutes for Brian Warr, MHA for Baie Verte - Green Bay, for a portion of the meeting.

Pursuant to Standing Order 68, John Abbott, MHA for St. John's East - Quidi Vidi, substitutes for Scott Reid, MHA for St. George's - Humber.

Pursuant to Standing Order 68, Lela Evans, MHA for Torngat Mountains, substitutes for Jordan Brown, MHA for Labrador West.

Pursuant to Standing Order 68, Bernard Davis, MHA for Virginia Waters - Pleasantville, substitutes for Brian Warr, MHA for Baie Verte - Green Bay, for a portion of the meeting.

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

CHAIR (Pike): Good morning, everyone.

Thank you for being here this morning on this somewhat nice day. But as the day goes on, I believe we are going to get a little bit of reprieve in the temperatures. I'd like to thank you all for being here and I'm going to call the meeting to order.

The first thing I have to do is to announce some official substitutions. We have David Brazil in for Loyola O'Driscoll.

D. BRAZIL: It's great to be here.

CHAIR: I know you are; you look happy.

We have Krista Howell, Bernard Davis and Derrick Bragg who will be filling in for MHA Brian Warr. We have Joedy Wall filling in for MHA Chris Tibbs. We have MHA Lela Evans in for Jordan Brown, and for Scott Reid, we have John Abbott who is on his way.

We don't have any unaffiliated Members here this morning. Would you like to take a break this morning?

S. COADY: There will be a natural break between changing anyway (inaudible).

CHAIR: Keep the flow going?

AN HON. MEMBER: (Inaudible.)

S. COADY: But there will be a natural break because (inaudible).

CHAIR: Okay, great.

A couple of housekeeping things to let you know about. Always identify yourselves and wait for the tally light each time. Members and officials are reminded not to make any adjustments to the chair they're seated in. Water coolers are located in the corners here and I think we have refills in most of them now, so all is good.

I'm just going to provide an overview of the process for introductions this morning. First, I'll ask Members of the Committee and any staff attending with them to introduce themselves. Then I'll ask the minister to introduce her staff. This is only an introduction and I ask the minister to wait until the Clerk calls on subheads to start with the introduction of departmental Estimates.

S. COADY: Okay.

CHAIR: Okay.

Following that, the Committee is to move the minutes of the previous meeting be adopted. Then I'll ask the Clerk to call the subhead to get started. We'll then proceed through the Estimates by subhead.

So we will now ask the Committee Members and departmental officials, witnesses, to introduce themselves.

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

L. STOYLES: Lucy Stoyles, MHA for Mount Pearl North.

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

D. BRAZIL: David Brazil, Leader of the Official Opposition.

M. WINTER: Megan Winter, Researcher with the Official Opposition Caucus.

J. WALL: Joedy Wall, MHA, beautiful District of Cape St. Francis.

L. EVANS: Lela Evans, MHA for Torngat Mountains.

S. KENT: Steven Kent, Sessional Assistant for the Third Party Caucus.

S. COADY: Siobhan Coady, Minister of Finance and President of Treasury Board, Minister Responsible for the Public Service Commission.

G. JOYCE: George Joyce, Chair and CEO, Public Service Commission.

T. FOLLETT: Tina Follett, Commissioner with the Public Service Commission.

W. TRICKETT: Wanda Trickett, Departmental Controller.

M. SMYTH: Mike Smyth, Manager of Accountability and Certification with the Public Service Commission.

D. QUINTON: Diana Quinton, Director of Communications, Finance.

K. WHITE: Keith White, Executive Assistant to the Minister of Finance.

CHAIR: Okay, do we have everybody?

S. COADY: Yes.

CHAIR: Okay.

I have the minutes of the previous meeting and if any revisions are raised, they'll be noted by the Clerk.

Is there a mover and a seconder for these minutes?

K. HOWELL: So moved.

CHAIR: Moved by Minister Howell.

Secunder?

J. WALL: Seconded.

CHAIR: Seconded by MHA Joedy Wall.

On motion, minutes adopted as circulated.

CHAIR: Clerk, could you call the first subhead grouping?

CLERK (Jerrett): 1.1.01 to 1.2.05 inclusive.

CHAIR: Shall 1.1.01 to 1.2.05 inclusive carry?

S. COADY: Thank you.

I'm going to start with an overview, if that's okay?

CHAIR: Yes, I call upon the minister to do that.

S. COADY: Thank you very much, Chair.

Thank you for being here this morning for those that are participating in this morning's debates. I find the Estimates a very important part of the budgetary process. I thank you for your questions and I thank you for your queries. Going line through line through a budget gives us all ample opportunity to understand the depth of the budgetary process.

This morning we're going to be dealing with the spending of the Public Service Commission, the Department of Finance and the Consolidated Fund Services.

Before we do that, I'd like to take the opportunity to again thank public service employees who work hard every single day – all of us recognize that – to deliver the valuable programs and services for the residents of the province.

I'd like to turn my attention first to the Public Service Commission, but I will continue on, if that's okay, on Finance and Consolidated Fund just to aid the flow of questioning, so that it won't interrupt you in the questioning earlier.

First of all, I want to thank and recognize the Public Service Commission. The last 2½ years we've been really strengthening the Public Service Commission. I'm going to talk a bit about what their activities are and they've gone through some major changes and a reorganization since September of 2020.

I can't tell you strongly enough of their professionalism, their work ethic, their incredible efforts, their dedication and the great public service that they provide. I want to thank commissioners that are here. I want to thank the team that's here. Mike, take it back to your teams because we really, really appreciate all that you've been

doing and the strengthening of the Public Service Commission and how important that is to us.

I'm pleased to say that since the transition, new programs and services have been fully integrated into the commission's culture, mandate and excellence is really what they're achieving.

So they're responsible for – it's a long list – the merit-based appointments and promotions within the public service and agencies, boards and commissions. They're responsible for the Employee Assistance Program and the Respectful Workplace Program; training development within the public service through the Centre for Learning and Development; strategic recruitment and hiring for all staff for core government departments; safety and wellness, which includes occupational health and safety and wellness workplace initiatives; harassment-free workplace programming; adjudication of management and bargaining unit classification appeals; and the Opening Doors Program, an employment equity initiative in government providing valuable work experience to those with disabilities.

In the future, via the new role of the pay equity officer, the Commission will also provide integral support to the *Pay Equity and Pay Transparency Act*. Through coordination for the Employee Safety and Wellness Division, over 700 employees have received their flu shot and over 500 received their COVID-19 booster through 14 workplace clinics. That logistically is a big thing to coordinate and organize.

There is renewed emphasis on mental wellness and physical safety through new initiatives such as the mental wellness first aid kit, which was available to employees via their desktop icon and it was launched in June of last year, June of '22.

The Graduate Recruitment Program, you've seen some great new graduate recruits

coming through our doors, launched last spring through the Strategic Staffing Division, which has been a tremendous success. This initiative is designed to attract graduates to join our workforce in a variety of entry-level leadership positions. The first round of recruitment resulted in 10 hires in September and recruitment activity is continuing for the second group of hires. They are expected to be introduced next week. So that's fabulous. We'll hire another 10. So this is the Graduate Recruitment Program. We're getting some incredibly talented, young people entering the public service.

To further support recruitment, the PSC is currently pursuing a new marketing and rebranding campaign. I'm very excited about that, to see that launch, to entice more interest in the public service as an employer, while focusing on diversity and modernization of the application processes. The Staffing Division also completed over 1,300 competitions for core public sector positions in '22-'23.

The Employee Assistance and Respectful Workplace Program division continues to offer vital support services to core government departments, as well as agencies, boards and commissions. Approximately 13,500 employees plus their immediate families and retired employees for one year post-retirement are eligible to use the service. There are 1,710 files that were opened in '22-'23. That's pretty much on average with the year before, just because I know that question will come.

The Centre for Learning and Development offers a variety of training options via e-learning, in class and virtual methods. The division has seen an increase in the overall course competitions of approximately 2,000 over the previous fiscal year.

The CLD, the Centre for Learning and Development, primarily relies on the use of public training providers to facilitate the delivery of WorkplaceNL safety courses;

however, in September of 2022, an in-house trainer was hired. Since that time, this instructor delivered 52 courses – amazing – and certified almost 500 employees. It is estimated that equates to a savings of approximately \$85,000 in that six-month period.

The merit-based recruitment process conducted by the Independent Appointments Commission, tier one, and the PSC, tier two, resulted in 79 total appointments to agencies, boards and commissions and since 2016, over 900 appointments have been made through this merit-based process.

A review of the *Independent Appointments Commission Act* is currently under way. This review conducted by David Conway will help identify improvements to enhance the overall efficiency, effectiveness and outcomes of the legislation and processes.

Current appropriations reflect operation needs for the programs and services of the PSC. You will see that there have been some variances, which are primarily due to an impact of just the general salary increases across government, I'm pleased to say and I thank the commissioners and the whole team at the PSC. They're holding the line in expenditure growth. They are able to manage within their budget and I appreciate that.

So I can pause there or I can continue on and talk about Finance? Continue on? Okay.

So you're also going to have this morning before you the Department of Finance, which is responsible for setting government's fiscal and economic policy. We do this by providing both timely analysis and advice to departments and agencies, Cabinet and Cabinet committees. While we are separate from Treasury Board, we work very closely with them as we work to transform government.

In some instances, we also provide centralized technical services to other departments, such as economic and project-specific analysis, Treasury advice and statistical services. Of course, we are responsible for the budget.

I will say that we are a very busy department. About half the legislation that went through this House of Assembly last year came through the Department of Finance. So we have a very, very busy department. Same as the Public Service Commission. We have about 146 employees; the Public Service Commission, a similar number. So you can appreciate that it's a heavy lift by a small team.

We also tabled our budget this year early. I'm pleased to say we're now into March 2023 and that is my fourth budget that has been put before this House of Assembly that's working its way through the House of Assembly processes. I know my critic has been very, very focused. I think you've spoken for about five hours so far on the budget. So thank you for those interjections and for those comments. But we're really focused on improving the province's health and financial well-being. I'm looking forward to sharing with you how we are responsibly managing the province's finances.

I will give you a few highlights of the last year in the Department of Finance. Under Treasury Management, which we're going to look at today as well, we've established the Future Fund. We established the European borrowing program. We developed a new investment policy for the Newfoundland government's Sinking Fund and the Newfoundland and Labrador Future Fund. We've made amendments – thank you to the House of Assembly – to the *Financial Administration Act* for the diversification of the Sinking Fund investments and we've ensured those Sinking Funds are attached to debt. We've done a significant increase in investor relations activities.

As you know, over the last two years, starting last year, we went from a negative outlook from bond-rating agencies to stable and now we've had one bond-rating agency move us to a positive. So I think we've made good progress.

Under taxation, the tax credit and rebate programs, we introduced and implemented the Manufacturing and Processing Investment Tax Credit, implementation of the Green Technology Tax Credit, implementation of the sugar-sweetened beverage tax. We did the cost-of-living relief cheques. We processed approximately 412,000 payments at a cost of about \$205 million. The largest cheque run in the history of the province, I think.

We did a review of the cannabis policy framework. We did an extension of the Film and Video Tax Credit. We implemented the All-Spend Film and Video Tax Credit and we introduced and developed the Home Heating Supplement Program. We had approximately 28,000 applications. So a busy, busy, busy department, same as with the public service.

I'll conclude with the Consolidated Fund Services, which I'm sure you'll have lots of questions on this morning, because I think it's very important. Consolidated Fund Services is managed jointly by Finance and Treasury Board Secretariat, all under the direction of me as minister. Consolidated Fund Services represent the interests, costs and management expenses related to the servicing of the public debt, which is incredibly important and the funding of pension plans for the government and government agency's employees.

We have a tremendous team, very professional team. I'm proud to work with them and we're happy to take any questions that you may have. I guess we'll start with the Public Service Commission.

CHAIR: Okay, thank you.

We'll start with the first questioner.

D. BRAZIL: If I could just have a few comments before I'm going to pass it off to my colleague and my shadow Cabinet critic, MHA Wall.

CHAIR: Sure.

D. BRAZIL: I do thank the minister for an overview here and very detailed and, no doubt, we'll have an opportunity to go through line by line. I do welcome, particularly the staff of her department and the Public Service Commission, and do understand and appreciate the value of work that is done in representing the public service itself and keeping it in line with the respect that the citizens of our province expect from our public service providers in this province.

As a former civil servant, I see the value of that and as somebody who has worked as a minister, I see the value of the work that needs to be done. Maybe it's not always appreciated, and it's easier to be critical than it is to be supportive, but I do see the value in that.

But with that being said, there are still some challenges. There is some clarification, no doubt, that we'll be looking for. My colleague, MHA Wall, will take you through and we will look forward to an informative morning. As I said to the minister in the House of Assembly a number of times, Estimates is not about being critical or confrontational of what's there, it's about clarification, getting information that we can share as an Official Opposition to the general public, and there may be a misconstruing of what actually was meant in the interpretation of a program or a service that we'd like clarification. There may be things here that we right now don't see as being something that we would support, but hopefully at the end of this there may be a number of other things that are there. So I do thank you for that, I do thank the minister for the work she's done and again, as a

former minister, I do understand when you're making decisions you can't be the be-all and end-all for everyone, as much as you'd like to be, as part of that.

The issues we will have discussion and I'll get heavier into it, and I know my colleague will too, will be around, specifically, the monies that are being spent and are we getting the best return on it and are there other ways to do it, or have we covered all the bases in doing these things. Keeping in mind, as the minister has talked about, there are a number of new programs here, and it's the largest expenditure that we've done in our history from budget point of view in government.

S. COADY: No, it's not.

D. BRAZIL: Nine billion dollars is not our largest budget? Oh, I stand corrected then.

S. COADY: I will talk to that –

D. BRAZIL: There have to be a variation from that in a different pot of money for other expenditures but from what I would label as paying directly to services for taxpayers, to me, it's the biggest investment that's been made in our history here to address particular needs.

It's a challenging time because there are specific challenges that didn't exist previously, no matter what administration was there. Coming out of COVID, the economy itself, factors outside from a global perspective that we don't have control over as part of those perspectives and slow downs in certain industries and increases in other ones that have an effect, not necessarily positive, but negatively on the costing as part of their process.

We're looking for some more clarification. We'll have questions. I would hope I'll be given enough leave from the minister that I may talk a little bit about some policy-related stuff and ask her for some explanation there as part of it. Sometimes in

the past some ministers have been very apt to be open and explain why the policy is as it is. Some have sort of said no, we're sticking to it. I think it's easier if we have that open dialogue, it will save time in the House of Assembly and it'll make it easier for us to clarify to people whether or not we think this is a good program and how we can support that and help move it forward as we get to the conclusion of the debate when it comes around the budget process in the next number of weeks.

So, with that being said, I am going to pass it on, my remaining time, to my shadow minister and he will have some very in-depth discussion and conversation around the Public Service Commission itself.

Thank you.

J. WALL: Thank you, Chair.

It's a pleasure to be here this morning. Minister, thank you, as my colleague said, to all of our staff. One is only as good as the staff around you. I

S. COADY: Absolutely.

J. WALL: I always am a firm believer in that.

Minister, I do have some general questions before I get into the actual line items, and you answered several of them in your preamble so I did make my notes on that as well.

Minister, first of all, Mr. Joyce has been the acting chairperson and CEO of the Public Service Commission for quite some time. Last year in Estimates my colleague, who was here, was told that the position had been advertised, interviews held and reports submitted to government.

Could you please explain where we are to now with that process?

S. COADY: Thank you for the question. I can say that Mr. Joyce has done an exceptionally strong job as a commissioner and we really appreciate the hard work he has done. We have a very good working relationship and I really appreciate Tina Follett coming onboard as a commissioner as well. We do have funding available for a third commissioner but right now we're building capacity within the Public Service Commission. We've been focused on that.

So it's not that we haven't moved forward. It's just that the big focus here is on rebuilding and re-establishing, I think, the strength within the Public Service Commission. Once fully implemented we'll look at the positions. There are three positions for commissioners. We'll look at those three positions. We'll look at all of them again and make sure that we do a good, thorough merit-based process. But I will say again the work that minister – Mr. Joyce – I've given you a new title – and Ms. Follett have done has been exemplary and we certainly appreciate them for their efforts.

The focus right now is on rebuilding, re-establishing the work of the Public Service Commission to rebuild that capacity. We'll be moving forward then once we have put that into place.

J. WALL: Just for clarification, Minister, in no way, shape or form was I judging, just looking for the process.

S. COADY: Oh no, I know that.

J. WALL: Thank you for that.

Minister, last year there was also a discussion about vacant positions in government. At the time, there were approximately 524 active recruitment files. We were given some data on each stage of the process. Could you please provide some information on how many current vacancies are being recruited for, how many are on hold, how many are posted, how

many are in interviews? That information, if you would, please.

S. COADY: Absolutely. I'm going to turn to Mr. Joyce to provide that information to you.

G. JOYCE: As we speak, there are 324 active recruitment files outstanding today in the public sector. We also have, out of those 324, 100 are at the job ad development, 91 are at the screening stage, 65 posted and 68 at the interview stage.

J. WALL: Thank you.

Minister, when we were in Estimates last, there were 49 outstanding management classification appeals. Could you please provide an update on that one as well?

G. JOYCE: Okay, thank you for the question.

In terms of management classification appeals, that's with respect to the management positions in the public service. I'm happy to say now I think we're down to about five or four. I can basically clean them up any time, but that's just natural. We had the latest hearings a couple of weeks ago.

S. COADY: I can tell you that there has been significant work. I want to thank George Joyce and Tina Follett for their incredible heavy lift on this.

If you go back through Estimates of the last couple of years, we had a large outstanding file. We don't have that anymore. But that was a significant heavy lift by the commissioners to make sure that they had the team in place to go through them.

Now we have what I'm going to call a natural flow – not overwhelming – a natural flow of review. So I want to thank them for that. Their attention to this file has been incredible.

J. WALL: Thank you.

G. JOYCE: Just for context purposes, the minister just alluded to – that was management classification so to remove any ambiguity. We also have the JES, Job Evaluation System, on the bargaining unit side. We're up to 1,700 about a year ago. We're down to five or 10. We've put in place a big process to deal with it all.

J. WALL: Thank you for the information.

Minister, you answered one of my questions with respect to the 79 positions from the Independent Appointments Commission, but has the LGIC made any appointments not on the recommendation of the IAC or the PSC?

S. COADY: I think it may have been maybe one. I'm trying to remember. We're talking about 900 positions now. I think there may have been one which was a timing issue, I think. But I can get that information for you. My recollection is maybe one, maybe two. One I know of because it was through – yeah, it was the chief of police and it was a timing issue. We had some information coming in and we were recruiting internally, so I think that was a timing thing.

There might have been one more. We wanted to make sure that there was a representative from Newfoundland and Labrador and not someone from the Mainland. So we drew upon some people that we knew in Newfoundland and Labrador to go on a board. But that was because we wanted Newfoundland and Labrador representation. I think that's the only two that I can recall.

J. WALL: Okay.

So we look forward to that information.

S. COADY: Yeah, I think it's just the two.

J. WALL: Yeah, not a problem. Thank you, Minister.

How long on average does it take for a posting to get filled through the IAC process?

G. JOYCE: When it started seven years ago, we were six months from the day a request was received – the minister received the request – to the day that appointment was made. Since that time period, we're down now – I stand to be corrected, Mike – I think we're down to about close to five months.

S. COADY: If I may. One of the challenges that we have is making sure that we have a good number of résumés within the database. So when I'm speaking about budget, I often encourage people in communities, and I ask MHAs to encourage people in their communities, to make sure that they are in the database because we want a good cross-section of individuals. We're talking 900 appointments, so a good cross-section of individuals in a broad capacity across the province. We do appoint from outside the province, but we want a broad cross-section across the province.

So if I could ask for your assistance in making sure that we have a good list within the database because one of the things I think the IAC is challenged with is going through that database and trying to find qualified individuals and find a diverse cross-section of individuals. So your help in getting people to put forward their names and résumés would be greatly appreciated.

The work of the IAC, if you remember they're all volunteers. They're stellar individuals in our communities that look at merit-based appointments, some 900 merit-based appointments. They do a very thorough job and we thank them for their efforts. Karen McCarthy is now chair and she's doing an incredible job of making sure the people who are, not only on the Commission itself, but also working through the community to try and recruit the best possible candidates we can get.

J. WALL: Thank you, Minister.

Is the Public Service Commission or is it the Office of Women and Gender Equality who is responsible for the training of employees on the gender-based analysis?

S. COADY: I don't know if it's CLD. Do they do that? No, it is the – okay, go ahead, please, Tina.

T. FOLLETT: Thank you, Minister.

The Office of Women and Gender Equality are primarily responsible, but they work in conjunction with our Centre for Learning and Development to provide training and offerings. We just had an offering this past year as well in that regard.

J. WALL: Thank you.

How many employees, Minister, in the PSC were trained over this past year, any additional training?

S. COADY: Just let me get my data out here.

In training itself, a grand total of about 20,000 course completions this year – 20,000 course completions. This is generally an average year, but they've done a tremendous amount of work in both e-learning – this is a combination now of e-learning, in class and some virtual. That's a combination of about 20,000.

J. WALL: Okay.

Are you able to provide a breakdown with that information going forward?

S. COADY: A breakdown of what?

J. WALL: Of the various courses of what we're providing

S. COADY: Oh, all the courses that we're providing?

J. WALL: Yes.

S. COADY: Absolutely. I mean, the list is available online.

J. WALL: Oh, thank you.

S. COADY: The list is available online, but just so the people know, in the last year, CLD, the Centre for Learning and Development, developed courses, e-learning courses in civility in the workplace, emotional intelligence, communication fundamentals, OH&S risk management, psychological health and safety awareness, practising plain language writing, the basics of plain language writing, writing briefing notes. So it's very diverse and all geared towards that improved civil service. There are 10 micro-learnings that were developed about grammar, even things like grammar, proofreading and structuring your writing and how to write for a particular audience. So it is what I'm going to call wholesome in terms of the offerings that are made. Of course, there are a lot of WorkplaceNL courses that are also offered. Things like standard first aid, emergency first aid, traffic control person, OH&S safety committee training. I'm just giving you a –

CHAIR: Thank you.

S. COADY: It's all online.

J. WALL: Quite extensive.

CHAIR: Thank you.

Our next questioner.

L. EVANS: I'm not going to go into a lot of the comments because I think everything was said and I thank my colleague for asking some of my questions. It really helps and I don't want to be redundant.

I do also want to acknowledge the important role that the Public Service Commission plays on every level. It's very valuable and I know the time and effort that goes into the

job. I would also like to thank the minister for always being, I guess, available to answer questions and has been quite helpful, I must say. So I do want to acknowledge that.

But just moving on with the Public Service Commission. I don't have any real general questions, but my line questions will start with training, actually. So it's the section 1.2.01, Centre for Learning and Development: How many courses are provided by employees in-house as opposed to programming provided through outside contracts? The in-house training.

S. COADY: Certainly. I'm going to turn it over so you can hear from the commissioner, but we did hire that in-house trainer, which has been incredibly important. I'm glad that we were able to do that because it does offset some of the expenses.

Mr. Joyce.

G. JOYCE: Okay, I'll try to put some context around it. To answer your question, we can get that for you and provide it as soon as possible. I don't have the exact number, but what I will say is that a tremendous number of those courses are statutorily required under law.

For example, anywhere from the Department of Transportation, any kind of course that you can think of that workers' compensation or there's a statute in place that there's a requirement for the health, safety and security of the public, everywhere from confined spaces to every kind of gas that's out there, tractors that are in transportation. We don't have the skills inside, so that's where we contract that out to providers out there.

Insofar as possible we hired someone back in, I don't know when it was, September or October or last summer, to try to come up with a plan that we could do as many in-house as possible to save money. We're

working on that. We're moving toward that insofar as possible, but there's a vast number that's there's a statutory obligation on behalf of government to provide it and for learning and development officers to try to put it in place with the skills that we have internally. But I'll get that number.

L. EVANS: Okay, thank you.

S. COADY: If I may, Chair?

CHAIR: Yes.

S. COADY: Okay, thank you.

Some of the safety courses – I'll just add a little bit more to what Mr. Joyce has said – as we've said, we hired a trainer last year. They've delivered 52 courses and certified almost 500 employees. But I will say that we've had power line hazards, traffic control person level I, traffic control person level II, OHS committees. There have been 52 classes there and 489 participants in total. Just to give you some flavour of what programs have been offered by this one new in-house trainer.

L. EVANS: Yes, and thank you. Actually, yeah, you're referring to my previous life where I was in environmental health and safety and I was actually a safety trainer.

You'll provide the information and also, I forgot to ask, can we get a copy of the binder –

S. COADY: Oh yes, you will.

L. EVANS: – or the disc?

S. COADY: Yes, you'll get a binder today.

L. EVANS: Yes.

I've been told my voice is low and people have trouble hearing me. I do apologize and I'm kind of shocked when people actually say that, because I didn't think anyone would ever have any trouble hearing me. I'll

try and speak up. I noticed Mr. Joyce was leaning over to hear what I was saying.

What's the total cost of all the courses provided through contract out with outside agencies?

G. JOYCE: I can get that information for you, but it's in excess of 50 per cent, no doubt about that. From outside providers for private training, I can have that information available to you this evening.

L. EVANS: Thank you.

I'm still in the same section there, 1.2.01, down at the bottom there for federal and provincial revenue. What are the sources for the federal and the provincial revenue?

M. SMYTH: Those are sources for the French training for federal employees and also Eastern Health has an arrangement for French training with CLD.

G. JOYCE: The Public Service Commission, on occasion in Eastern Health, we have people go through our French program. I think they deal with Saint-Pierre and Miquelon air ambulances. There's requirement by a certain number over. Part of their bargaining team when they deal with Saint-Pierre, they have French training. The PSC also provides French training. I think we make government, under the Consolidated Revenue Fund, actually receives in excess, as a bit of a money-maker, provides French training to federal employees.

L. EVANS: Thank you.

Just noting the excess of 20,000 courses. So that's actually quite an accomplishment and it speaks to the value of the Public Service Commission.

Moving over to the next section now, 1.2.02, Strategic Staffing. There were a number of initiatives mentioned in Estimates last year

for recruiting new employees for the public service. Can you give us an update on that?

S. COADY: Certainly, I'm happy to do so.

Recruitment activity is incredibly important. We've had I think in the last year 1,344 completions of competitions. So you can imagine the heavy lift here. But we've really wanted to do two things in the past year that I think are valuable, then I'll turn it over to both Ms. Follett and Mr. Joyce.

Two things that I think are really important; one is the graduate recruitment program. I mentioned it in my opening comments. This is an initiative that we are taking the best and the brightest graduates from both Memorial University and College of the North Atlantic, various schools in the province, and we've developed a Graduate Recruitment Program where a graduate comes into the government and has mentors, they move between various positions within government and all with the eye of, hopefully, having them stay within the public service after the program is completed.

Now, we're going to be welcoming another 10 next week. I think this is a very important program and I want to thank Ms. Follett for her work here and Mr. Joyce for his encouragement of this. This is going to be important for the future of the civil service, in my opinion.

We are also about to launch – and I won't tell you when because I'm not quite sure, but about to launch a new recruitment advertising marketing – I'll use the word "campaign," except I think it's longer than a campaign but a whole new branding process to encourage people to enter the public service. We recognize that we need to ensure that the public service is a place where people want to come to work. We want to be able to, obviously, present to graduates, people who may be looking to change their positions, that the public service is a great place to work. We have

some incredible talent within the public service and we want to continue to grow that talent within the public service.

So those are, what I call, the two big initiatives in the past year; the Graduate Recruitment Program – and maybe Ms. Follett might want to talk about that – some of the people that are joining the public service through that and then, imminently, the launch of what I will call more a marketing program to encourage and entice people into the public service. All this, of course, now through the Public Service Commission is kind of new brand that we're presenting about the professional service within the public service.

Ms. Follett, do you want to talk about some of the great people that we've been able to bring into the public service through the Graduate Recruitment Program?

T. FOLLETT: Absolutely. Thank you, Minister, and thank you for the question, Ms. Evans.

I think you were also referring to some of the innovation committees we talked about last year but in follow-up to the minister's commentary on the Graduate Recruitment Program, we have a broad diversity of candidates in that program. We are so very pleased with the calibre of the individuals. The first 10 have been doing stellar within their host departments and we know of one who has just recently gained permanent employment within the public service which, of course, is the ultimate goal, and to foster leadership capabilities within the public service to complement our current very fine group of public service employees that we have.

In terms of the marketing and branding campaign that we're working on, that is in full force. We referenced that last year as well. That is going through some phases. During the course of last year, one of the first phases that we had to work our way through was to divest ourselves of a number

of transactional activities that were more appropriately aligned with the employer proper, being Treasury Board Secretariat. That, in doing so, has allowed us to focus on more of our strategic planning around talent acquisition.

So that was completed late last year, last calendar year, and so now we're focusing on ensuring that our innovation committee work is up and running. The campaign itself, we're working closely with our marketing and branding group in Executive Council and as well with the OCIO. Because if we develop a more modernized marketing and branding campaign, we have also realized that as applicants come in to our application portal, we have to also be modernized in terms of the way they interact with us.

We're working with the fine folks over in OCIO to help us update our application portal to make it more user friendly and to also allow us to forge ahead with mobile applications so that if you're a job seeker, you can use your iPhone to now make application to positions in the public service. So we're hoping to do that in the coming months. We have a target for around maybe June, but obviously we have to work our way through some other various stages.

L. EVANS: Okay, thank you very much.

CHAIR: Okay.

J. WALL: Thank you, Chair.

Minister, we'll go through the line items now. I'll start with 1.1.01. Under Salaries, in '22-'23 there was a salary savings of \$123,400. Can you please explain the savings there?

S. COADY: Certainly.

That's for the third commissioner and I've mentioned already that we're rebuilding capacity within the public service. As we move forward with that and once it's fully implemented, we'll look to have that. That's why there is still money earmarked. We

have not taken that money away. We do want to have that third commissioner.

J. WALL: Thank you.

Under 1.2.01, Property, Furnishings and Equipment, please explain what \$76,000 was required for last year under that line item.

S. COADY: Certainly. We made a purchase of some audiovisual equipment for our training rooms.

J. WALL: Thank you, Minister.

Under 1.2.02, Strategic Staffing, there was a salary overage of \$20,800. Could you please provide the details of how that breaks down and what accounts for the increase in the salary this year?

S. COADY: Certainly. The \$20,000 difference was an increase due to the negotiated general salary increases and the recognition bonus that was given out. The \$75,000 increase for this particular budget in '23-'24 has to do with the general salary increases. So the overall increases. So we just needed to make sure we had the monies available.

J. WALL: Thank you.

Under Supplies, there was an additional \$10,000 required last year. Can you please explain why?

S. COADY: It was an increase in an unanticipated but required expense for the GRP preview employment testing. Anybody want to add anything more than that? It was just for –

G. JOYCE: That component, when we put in place the Graduate Recruitment Program, we contracted out a state-of-the-art vetting process, human resource metric that was applied to all the graduate recruits. What came out on the other end were the top 10.

J. WALL: Thank you.

Minister, this past year employee retention has been an issue in many sectors of our province. Has there been an increase in turnover or resignations within the public service?

S. COADY: We are naturally having some turnover in terms of the public service. Obviously, we have a number of people that are retiring. There are a fair number of people that are retiring. It's starting to slow down a little bit. Mr. Joyce, do you have any further details?

I can give you how many people are eligible for retirements. There are about 453 that are actually eligible across all departments. So it's a significant number and it's just an age band, as we all know. We do have an age band that the baby boomers are now moving through. But we're having some movement within the public service and we're recruiting as we have movement within the public service. It's normal across, I think, all industry today.

Mr. Joyce or Ms. Follett, do you have anything to add to that?

G. JOYCE: In terms of the retention, I know it has some shadings into the Public Service Commission because we advocate the principle of professional public service for continuity and permanency. Treasury Board has the authority for retention.

In terms of the exact number that leave, that's a Treasury Board metric that you can get that – I think you'll be meeting a little later. In terms of the Public Service Commission, the little component that we have of that question, the workforce and I don't have to tell you has changed – the composition and the face of it has changed significantly for a number of reasons. I don't want to get into that now, unless I'm asked, but the terms of the metric are Treasury Board.

S. COADY: We will have an opportunity to have a good discussion in Treasury Board on this as well, but I will say that, as Mr. Joyce said, there has been movement within the public service just as there is in all industry and movement of some retirements. But thankfully, we've been able to recruit and, as Mr. Joyce has indicated, things are moving within the public service.

We also recognize, we don't want to rest on our laurels. That's why we're improving, doing some of the innovations that Ms. Follett talked about, that's why we're doing a branding and marketing program and that's why we're having a Graduate Recruitment Program to ensure that we are prepared for the future.

J. WALL: Thank you, Minister, and thanks for the clarification.

Minister, in other departments we often hear about some hard-to-fill positions, such as a geologist or a specific type of computer engineer. Has the Public Service Commission done any analysis to create a list of these hard-to-fill positions and create a specific strategy to help out there?

G. JOYCE: I would like to defer to my colleague, Ms. Follett, on that issue. PSC have done a fair amount of work in that area.

T. FOLLETT: Thank you for the question.

There is a variety of positions. We can certainly provide you with some further information on that, Mr. Wall, but they span across numerous occupational categories. We have challenges in the financial area. We have challenges with specialized positions, similar to those that you've noted. We've even had some challenges in the clerical realm as well.

It's because of that that, as I mentioned earlier, we've developed our innovation committee. So we're changing the way we're doing business as a result of some of

those committees' work. We're finding that, obviously, we need to provide more activity around outreach, so actively going out into the community or actively working with recognized associations within a particular discipline in order to advertise and recruit.

We're also hoping to get into the high school levels in the coming months because we feel we need to start at that level. We have to try and have our youth consider what it is to work in the public service. It can be a calling. So we want to ensure that they're informed around that as well, can understand the benefits of working in the public service and that it's a contribution to your community in which you work.

We're wanting to work with our post-secondary educational institutions, as well. I believe next week, in particular, we're attending a job fair there and we're hoping to provide more activity around sponsored job fair activity as well so that we're getting the message out about what it is to work in the public service.

Also, because of the pieces of work that I mentioned earlier, that we divested ourselves of and now it's more properly aligned, because we can focus more on planning now, we hope to get in with each of the respected departments, met with the executives, go through their hard-to-fill-and-challenging positions and develop those talent acquisition plans that are specific to their needs.

We've just recently done some work with CSSD, as well, with respect to social work roles. We're very proactive in ensuring that we were in contact with the new graduates so that we could offer employment in that regard, as well. So that's an example of the types of things that we're trying to do.

CHAIR: I'd just like to make a note.

Please make sure you're light comes on. Broadcast is having a little trouble with the

audio, so make sure the light is on before you speak and introduce yourself.

Thank you.

J. WALL: Thank you, Chair.

Thank you, Ms. Follett, for that information. I extremely like the point of going into the high schools. I think that's an awesome, awesome idea and will make a world of difference to many students there for sure. Thank you for that.

Minister, 1.2.04, Office of Employment Equity for Persons with Disabilities, under Salaries, last year there was a salary funding unspent of \$225,200. Can you please explain why?

S. COADY: This is really historical amount. We tend to drop balances here. We do have 82 positions full time. We have, generally, I think, about 19 vacancies, roughly 19 vacancies. There seems to be a natural turnover here. If you look at last year, as well, there seems to be, and the year before even because I went back and checked, it seems to be, what I'm going to call and I don't like to use it, a normal situation here. We have people that are on sick leave. We have people who are – we're recruiting constantly. We have summer students that come on.

I will turn to Mr. Joyce to provide more around this, but it does seem to be something that is consistent. I'm not positive in my opinion. I'd like to have ever single position filled, but it's a natural occurrence of vacancies because of turnover, sick leave, workers' comp, that type of thing.

G. JOYCE: I will say, that the guiding principle, the whole, I guess, the genesis of the Office of Employment Equity for Persons with Disabilities, is to get those individuals, not in that program but to get them into permanent government jobs. So what's built into this is a natural transition dislocation numbers. The composition of

that workforce, coupled with their issues, it makes for that number, on an annual basis, to be totally different from the rest of the population. Because if it was a true 100 per cent pure, we would have 80 people or 75 people going into jobs in the public service on a yearly basis and that number could even be higher in terms of FTEs. So it's different challenges for that composition of that workforce.

J. WALL: Thank you for the clarification.

Thank you, Chair.

CHAIR: Thank you.

MHA Evans.

L. EVANS: Thank you.

Yes, I'll go back to the section 1.2.02, Strategic Staffing. There has been a lot of talk in the past few years and I guess, of course, there are a lot of changes brought on through the pandemic about the changing nature of the workplace. So how's government planning to adapt to these changes?

S. COADY: Could you be a little bit more specific in what you're asking here. Are you talking about work from home? Are you talking about how we're recruiting? Because it could be the questions more for Treasury Board than it is for the Public Service Commission, that's why I'm – just so that I understand the question a little better.

L. EVANS: Okay.

Over the last 10 years we've seen the workplace change a lot. We've seen that with Microsoft, we've seen it with Apple, we've seen it in large companies in Canada; the workplace is changing. A lot of it is remote. Also, there are flexible hours, but especially the pandemic brought on this working from home more, split weeks and things like that. So I was just wondering how the government, especially the Public

Service Commission, is planning to adapt to all the changes.

S. COADY: I think that's a two-part question. I'll ask Mr. Joyce, but it's a good question for Treasury Board as well.

L. EVANS: Okay.

G. JOYCE: One of the components of that, components that you mentioned about working from home, as you know that's a big issue the last few years, particularly with the pandemic and what has that created. New issues for the workplace. I will say the provincial government, and where the PSC plays this part as well, there's a committee of deputies called the Organization Resource Committee. One of the main issues on that agenda is that we went out and asked all government departments, deputy level executive to come up with a plan that you think, a tailored plan, that meets your needs, your services and, going forward, the whole issue of remote workplace arrangements.

We received a number of requests from departments. We developed terms of reference, analytical tools with respect to it, matrix at the deputy minister level. We gave it six months, the pilot project for, I think, four departments. We added another three on.

So we, as in deputy ministers now, are in the process of evaluating those requests from specific departments for hybrid work arrangements, that's in place right now. We will have more information, but that is currently being analyzed, reviewed, in a fulsome way with deputy ministers in the public service that we should have something on.

As well, I'll just throw this out for context purposes. As you know with the federal strike that's going on now, one of the biggest issues on the table is working from home.

S. COADY: If I may, as well, I think this will be a really good discussion for Treasury Board when it comes forward next week because, as Mr. Joyce has said, there has been some work and considerations in this area and we're working closely with unions and departments on this very issue.

L. EVANS: Okay, thank you.

Just moving on to the next questions here now. Just looking at vacancies in the agencies, boards and – hold on a second now, I think, that might have been already answered. I'm not sure if this question was answered but how many vacancies are currently in the agency, boards and commissions?

S. COADY: We wouldn't have that information because most of them would do their own hiring.

L. EVANS: Okay. That's probably why I had half the question actually crossed out.

I don't know if you'll be able to answer this as well, but what would be some of the more difficult vacancies to fill there?

S. COADY: As you've heard, I think Mr. Joyce mentioned a number of professions earlier. But I'm looking across at the minister responsible that has a lot of social workers. There have been a number of vacancies in that area. There have been some vacancies and a lot in some areas – in health for example. So it really is diverse.

We've had vacancies that have been hard to fill in even the financial areas because there's been a demand across all sectors for professional accountants. So it really depends on the profession itself. I think Mr. Joyce answered a little earlier about some of the work that's been going on to attract and retain people in those professions and the efforts that have been happening on retention and recruitment.

L. EVANS: Right.

Which vacancy currently is the longest running?

G. JOYCE: I don't know. I can't answer that question because, for example, Health and Community Services, they're our biggest client. They probably have 38 to 40 either agencies, boards or commissions, particularly with self-governing structures in different health care disciplines. Some of them are difficult. That's probably the most difficult area to recruit for. We're working directly with Health and Community Services on efficient ways to try to get some people for it. It's tough. It's a tough one.

S. COADY: I don't think we have a direct answer for you. But there are positions that we've had to do some remote work; we've had to do some fly-in, fly-out, especially, Ms. Evans, in Labrador, for example. I think you might know the overwhelming requirements in certain areas. So we've had to do some creative thinking of how we fill those positions until we can recruit. That is part of the recruitment and retention strategies that we've had to put in place. We've had to do some different and creative ways of ensuring we have people in those positions.

L. EVANS: Thank you.

Just looking at the line items down here. In Supplies, why was spending on supplies over budget last year?

S. COADY: Certainly, that \$10,000 was an expense for preview employment testing and, as was mentioned earlier, it was around the Graduate Recruitment Program. It was a particular program that was used to review résumés and to help with the recruitment of those graduates.

L. EVANS: Okay.

Next line, Purchased Services: Why did Purchased Services cost less than expected? It was under.

S. COADY: It was a reprofiling of funds. So we took the \$10,000 from there and that's how we paid for the supplies.

L. EVANS: Okay, thank you.

Moving on down to the next section, 1.2.03, Employee Safety and Wellness. How is the new comprehensive mental health and wellness system operating within the Employee Assistance Program?

S. COADY: I'm going to ask Mr. Joyce or Ms. Follett to answer this, but wellness in the public service is a big focus. We're doing a bit of a pilot program around health and wellness blood pressure checks and things of that nature. We're trying to really ensure that we have robust wellness within the public service and we do have a registered dietician, for example, Ph.D. in wellness. We have occupational health and safety nurse added to the public service as well.

So there's really a focus on a new safety management system. But I'll ask Mr. Joyce or Ms. Follett to add more clarity.

T. FOLLETT: Thank you, Ms. Evans.

In the past few months and particularly towards the end of last calendar year, we've basically tried to renew interest and education around safety and wellness within the public service. Coming out of the pandemic, a lot has happened since we came out of those couple of years and it was a time to renew our processes and to focus on mental health and psychological health and safety.

So we have refreshed our interactions with the respective executives of all the departments in terms of establishing executive leads in all of those areas so that we have a direct conduit to the executive tables to ensure that health and safety and psychological health and safety are always top of mind. That's been working quite well. All of those individuals have been identified

and we're starting a community of practice with those individuals.

We've also started to pilot some work around health and safety. We're doing a particular pilot with the Department of Transportation and Infrastructure and, to the minister's point, working with that group in a particular area to provide clinics around blood pressure, glucose, nutrition information and it has been going quite well. There has been full attendance all the time at that particular worksite. If that continues to bode well for us, we plan to extend that further throughout other departments and geographic locations within the province.

We launched our first aid mental health icon on our desktops last year, so that provides a great resource for individuals to go in and secure information related to mental health and safety. There are components there for you as an individual or if you're a manager and you're dealing with an employee that is in a particular crisis, it provides steps and advice for you so that you can manage that situation accordingly.

Working with our individual who has her Ph.D. in wellness, we're continuing to work through a broader plan as to other ways and means that we can ensure wellness in the public service. She provides sessions, for example, from time to time on techniques such as meditation and mindfulness and we have found that has been working very well also.

So the intent is to continue to forge ahead with those types of initiatives, to do the proper research around that, but more importantly, to stay in touch with our departments to ensure that we're being in tune, attentive and responsive to the health and safety and psychological health and safety needs of the public services employees.

S. COADY: I just want to add a little bit as well because we're talking about health and wellness and if you haven't had a chance to

look at the mental wellness first aid kit, I want to congratulate the team for putting that together and having it right there on our desktops; I think is important.

But ergonomic assessments, for example, we did a number of them across this civil service last year. I think it was just under 200, and is very important as well. I do want to encourage people that we do have an Employee Assistance Program, should people need that, and we have about 1,754 civil servants taking advantage of the Employee Assistance Program that we offer throughout government which I think if you have some needs, that might be helpful as well.

CHAIR: MHA Wall.

J. WALL: Thank you, Chair.

Minister, I would like to go back to 1.2.04; I just have a couple of more questions.

S. COADY: Yeah.

J. WALL: Under Grants and Subsidies, last year there was \$25,000 in funding unspent. Can you please explain why?

S. COADY: That was with regard to the career development program. Did you want to give some more detail on the ABCC grants and subsidies career development program?

T. FOLLETT: We're talking about Grants and Subsidies, is that –?

S. COADY: Yeah.

J. WALL: Correct.

T. FOLLETT: So that was savings due to less uptake for the Grants and Subsidies with regard to ABCC's career development programs. So we didn't have as great an uptake in that area. Some of that, even though we're a couple of years out or still coming out of the pandemic, some of that is

an eco coming out of that particular period of time where workplaces are still trying to settle out and deal with their own work environments. So, unfortunately, this program wasn't availed of as much as we would have liked it to.

S. COADY: I do want to note, we did retain the money in this year's budget. So there was no change, even though there was a change in less uptake last year, we still ensured that there was \$100,000 available.

J. WALL: Good to know. Thank you.

S. COADY: Someone's playing with the lights in here.

CHAIR: It's a sign.

J. WALL: I hope not. I hope it's no sign.

Minister, are there still 82 Opening Doors positions and how many are filled?

S. COADY: There are 82 permanent full-time positions and there are approximately – go ahead.

T. FOLLETT: Thank you, Minister.

Yes, there are still 82 positions, Mr. Wall, and right now there are probably around 11 that are not staffed but are in progress of being staffed.

J. WALL: Thank you.

Under Revenue - Federal, it looks like the revenue from the federal government is decreasing. Why is that, Minister?

S. COADY: This is a change to the Labour Market Development Agreements. There has been a decrease there. We're hoping that we'll be able to work around – even though we're hopeful that there's not going to be a change to our programming because of that, but there has been a decrease by the federal government and the LMDA.

I don't know, Mr. Joyce or Ms. Follett, if you want to add more.

G. JOYCE: In terms of impact, because we drop money, PSC dropped money on an annual basis, I don't think that component will be affected whatsoever. I think we can manage that.

J. WALL: Thank you.

Minister, I have one last question, 1.2.05, Employee Assistance and Respectful Workplace Program, under Salaries, last year there was an overage in the line item of about \$126,600.

S. COADY: Yes, that was a retirement payout for a previous director. So that would come from ex gratia.

J. WALL: Thank you, Minister.

Chair, that is all the questions I have.

Thank you.

CHAIR: Okay, thank you.

MHA Evans.

L. EVANS: I'll just go back to the section 1.2.02, Strategic Staffing. No, sorry I'm down on Employee Safety and Wellness, 1.2.03. I did ask the question, and it was a good answer there, on the comprehensive mental health and wellness system, but I was wondering, do you have a way to measure employee uptake or engagement with the programs that you roll out in terms of mental health?

S. COADY: I can tell you we know how many people are involved in the Employee Assistance Program, how many people take advantage of any courses or programs that we have available. I don't know if there's anything from the first-aid kit.

I'll turn to Tina Follett.

T. FOLLETT: Thank you, Minister.

Ms. Evans, I don't have the data here with me right now, but we are able to garner some data from access into the first-aid mental health icon.

L. EVANS: Okay.

I wasn't asking the question for numbers, I was asking when you roll out these programs, and they sound really good and excellent initiatives for the employees, I was wondering do you have ways to know, to measure the uptake and the engagement?

I've worked with large companies, sometimes when our employees are not engaging, they're losing the value of that resource that you've made available to them. So sometimes you may have to do a bit more promotion, a little bit more engagement with the employees to get them to see the value. Sometimes you end up having to change the package or the services that you're providing because it doesn't meet the needs.

So I was just wondering if you had a way to actually measure that or to get some indication of any work that needs to be done.

S. COADY: Certainly, there's a constant evaluation by number of uptake, who's engaging. Are we similar to what we expected or is it less than? We always monitor a number of – what I'm going to call – matrix to ensure that there is uptake, as well, and it's not just through Public Service Commission but also through Treasury Board. We do have a department that looks for accountability and a continuous improvement.

So it's a matter of ensuring that we are continuously looking at how do we refresh our programs. There's a Ph.D. of wellness, as you've heard, constantly looking at how do we improve and engage and encourage people to be involved in these things.

I will say that there's a Move Well – Work Well Week. Even those types of things make people aware of how important it is to move well and work well. The clinics that have been put in place for blood pressure checks and things of that nature can help identify other things that need to be done.

I don't know if there's anything you want to add to that, Ms. Follett, but there's a constant review and refinement of things and a refresh. It's not just a refinement; it's a refresh to ensure that people are engaging.

L. EVANS: Thank you.

Ms. Follett sort of, briefly, touched on my next question. How has the division been helping CSSD to alleviate some of the pressures and challenges associated with social work so that fewer employees are overworked or burnt out?

S. COADY: The Public Service Commission will be more on the recruitment, but I don't know if you have anything further to add. I know there's been a lot of work done through CSSD. They have a full committee looking at this challenge and working with the union on this.

Is there anything more –?

T. FOLLETT: Thank you, Minister.

Yes, that's correct. We've been engaged with a broad committee that's been in place with the department and with the union for some time. What I referenced earlier was a more recent initiative that we engaged in with departmental representatives to ensure that new graduates were secured for the public service.

L. EVANS: Yes. Thank you.

Section 1.2.04, Office Employment Equity for Persons with Disabilities, how many staff are working in this division and how many vacancies do you have currently?

S. COADY: Well there are a total of 95 positions: 82 permanent and 13 temporary.

L. EVANS: Vacancies?

S. COADY: I don't know if there are. We've answered – I'm a little confused by the question. So right now there are 82 positions that are full-time. I believe, Ms. Follett, you indicated about 11 positions are in various stages of recruitment.

L. EVANS: Actually, I got that information over on the side here. It's just that when people are asking the same questions you try to – so I didn't eliminate that redundancy. As you were saying it, I said, okay, that's right.

S. COADY: I got it.

L. EVANS: Yeah, I got it.

Unfortunately we are so busy, Minister, and you must be even busier that a lot of times our short-term memory sort of takes a break.

S. COADY: I understand completely. I have that same challenge.

L. EVANS: Yes, exactly, because it was very familiar when you started to talk. I said, oh no, it's right here on the corner of my page.

Are there any new initiatives now to further accommodate and outreach to employees with disabilities?

S. COADY: Ms. Follett.

T. FOLLETT: Thank you, Minister.

Ms. Evans, the program OEEPD has a manager. That particular manager is part of a nation-wide network through other public service and HR agency groups, wherein he sits in and has discussions at that level around matters related to employment equity, access, diversity. Stemming from

that, most recently as well, I've assumed the role with this particular group as a co-chair for a working group that's focusing on diversity and inclusive competencies within leadership within the public service as well.

So that particular manager and I, along with some other staff within the Public Service Commission, are working to head a particular committee known as the IDEA Committee. So IDEA stands for Inclusion, Diversity, Equity and Accessibility. This particular committee will include representation of various other relevant departments throughout the public service such as CSSD, IPGS, Justice and Public Safety, through their Human Rights Commission, so that we can put a lens on recruitment into the public service from those particular angles.

So we want to make sure that recruitment and our strategy is associated to recruitment, and then once an individual is hired into the public service with particular challenges, that all of those issues are addressed so that they can also be retained and have quality work experience within the public service. That committee is in infancy stages. We're currently striking the membership but it should be up and running within the next few weeks. They'll be settling on their terms of reference, but that will be the goal to increase IDEA from an employer perspective within the public service.

L. EVANS: Okay, thank you.

The remainder of my questions have already been asked and answered, so I'm good with this section.

CHAIR: Okay, thank you.

So do we have any more questions?

Okay, I'll ask the Clerk to call the grouping.

CLERK: 1.1.01 to 1.2.05 inclusive.

CHAIR: Shall 1.1.01 to 1.2.05 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subheads 1.1.01 through 1.2.05 carried.

CHAIR: I'll ask the Clerk for total.

CLERK: The total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Public Service Commission, total heads, carried.

CHAIR: Shall I report the Estimates of the Public Service Commission carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Estimates for Public Service Commission carried without amendment.

S. COADY: As we conclude, I want to thank again the public service for their outstanding work. I think we're all, in this province, all the better for the professionalism, the efforts, the hard work, the enthusiasm with which they conduct their work every day. So thank you to the Public Service Commission.

Chair, if I may, we're going into Consolidated Funds Services, so we can take a couple of moments while officials change?

CHAIR: Yes, thank you to you all.

We are going to take a short break.

Thank you.

Recess

CHAIR: Okay, we'll start with our second subhead, Consolidated Fund Services.

Clerk, could you call the subhead, please?

CLERK: 1.1.01 to 1.4.02 inclusive.

CHAIR: Shall 1.1.01 to 1.4.02 carry?

D. BRAZIL: Again, it's an honour to be in the House of Assembly as we do our Estimates, particularly around the Department of Finance, the pillar stone of any budgetary process here and getting some clarification on exactly where the funding is going to go and the importance of specific programs and get a better understanding of how those programs are a benefit to people of this province.

So when we get to the Consolidated Fund Services, for people who may be listening at home or for *Hansard* itself, this is more of a process of an investment portfolio, for want of a better phrase. So, Minister, I'm going to be asking for commentary than specific line items in the general context.

Can you just provide some commentary, obviously for my information purposes, but also for the listeners and for the House itself on the T-bill program, current size of it itself. The T-bill process looked like it increased last year and it looks like there's an additional costing. Give me some commentary around the process that you have play when we talk about the T-bill process now, please.

CHAIR: Excuse me, Minister, if I may? Would you like to introduce the new staff?

S. COADY: I was just about to start that.

CHAIR: Okay.

S. COADY: First of all, glad to be back. As I said earlier, in Estimates, how pleased I am to be in Estimates. I find this a very important process. As the Member opposite just mentioned the Consolidated Fund Services represents the interest, costs, management expenses related to the servicing of the public debt and the funding of public pension plans for government and for government agencies. So it's very technical.

I'm very happy to have my team here and I'd like to introduce them. I'd like to start with my deputy minister if I may.

M. JEWER: Michelle Jewer, Deputy Minister of Finance.

T. NEMEC: Tom Nemeck, Director of Treasury Management.

J. MOORE: Julie Moore, Comptroller General.

D. TRASK: Doug Trask, Assistant Deputy Minister for Economics, Fiscal and Statistics.

D. DROVER: David Drover, Assistant Deputy Minister for Treasury Management and Budgeting.

W. TRICKETT: Wanda Trickett, Departmental Controller.

E. LANE: Elizabeth Lane, Secretary to the Treasury Board.

J. DOODY: James Doody, Director of HR Client Service Centre.

D. QUINTON: Diana Quinton, Director of Communications for Finance.

K. WHITE: Keith White, Executive Assistant to the minister.

S. COADY: Thank you very much.

I'm so glad to work and so proud to work with such a dynamic and incredibly strong team that we have here today. So they'll answer every question that could possibly be answered. But the first question was around the Treasury bills and this is really what I'm going to call the 90-day terms. It refreshes every Wednesday. Very normal process that has been ongoing for quite some time. There's \$90 million in each tranche.

As you've seen over the last year, our short-term rates have increased significantly. I am going to ask Mr. Nemeč to give us further granular detail, but this is really normal debt management that allows us to have this short-term borrowing. I think outstanding at any one time, usually just over \$1 billion roughly.

But I will point out – before I turn over to Mr. Nemeč – that while we've had a rapid escalation in the short-term borrowing rates and we're doing some extra borrowing for a better cash management, we've also earned interest on the money that we hold. If you look at 1.1.05, you'll see that extra interest. So it kind of – if I can, I won't say balances because it doesn't quite, but it certainly offsets.

So I'm sure Mr. Nemeč, in his discourse, will give you that flavour but I think it's important to note when you're looking at this, you also look at that area to understand the real impact.

Mr. Nemeč.

T. NEMEC: Sure.

Our Treasury bill program is a permanent part of our borrowings. Most of our borrowings are in long-term debt; this is the short-term portion. So it's \$1.17 billion. As the minister said, we have an auction every Wednesday for \$90 million. So we sell those at auction to investment dealers. They bid and the highest bidders get our Treasury bills.

The rates on those are very much correlated to the Bank of Canada overnight rate. So right now our Treasury bills are around 4.5 per cent. That is the interest we have to pay. Back around two years ago or so during COVID, we were borrowing those for as little as 10 or 11 basis points, so 0.1 per cent. So the rates go up and down with interest rates.

We also have extra cash management bills that we issue on a discretionary basis. So we borrow in the short-term market and we hold that cash to increase our liquidity so that we have cash on hand, enough during the year. But we also do it by holding the cash overnight, our deposit rate, the interest we earn, is higher than the interest that we pay.

So, for example, right now, we can issue a Treasury bill of 4.5 per cent. We make 5.22 per cent on the cash. So we make 72 basis points in profit. So, last year, by doing that, we made approximately \$8 million in profit as a kind of a side to having to hold that cash because we need to have cash reserves on hand for our liquidity. So we kind of kill two birds with one stone and the positive effect was a net to the government of \$8 million.

S. COADY: If I may, as well, just to kind of give you the strategic, and I think you asked for that. Remember that – and I've spoken about this in the House of Assembly and, of course, I've spoken about it in last year's Estimates – we have a strategic financial plan that is, you know, prudent fiscal management as well as responsible debt management. One of the things that is helping to drive some of our successes is exactly as Mr. Nemeč just talked about is both really effective cash management. It's very important for bond-rating agencies that we have that kind of liquidity.

Mr. Nemeč has put a special emphasis on the liquidity of it and, you know, the investing of that money to offset some of the cost, but liquidity is one thing the bond-

rating agencies are looking for and I'm pleased to say we've improved that.

D. BRAZIL: Perfect. No, I appreciate that. As a matter of fact, I got an answer to my next question that would have been around the temporary investments. So that clarified that.

I thought I was on the right page but now I have a better clarification as to why that increase and why the anticipation that it will continue to increase come the next fiscal if everything stays according to plan.

Under Guaranteed Fees, the revenue for the province, can you provide a list of which organizations were charged for their guarantee in 2022-23? How much was charged each?

S. COADY: Is that 1.3.01?

D. BRAZIL: Yes, it is, 1.3.01.

S. COADY: Guarantee Fees.

So this is really mostly about Newfoundland Hydro. We do charge a small Guarantee Fee in the rate of either 0.25 per cent to 0.5 per cent, depending on the term of maturity. It's a guarantee on the fee for the borrowings for Hydro. There's also a very, very small amount, I think, for Fogo, isn't there? The Fogo Co-op, a very, very small amount. It's basically, I'm going to call it, the cost of doing business. We borrow on behalf of the utility. We have to have that covered, the cost of that borrowing, so it's really a placeholder that we put in the budget every year for that activity.

Mr. Nemeč, anything further to add to that?

T. NEMEC: No, the \$50,000 there is just a placeholder in case one of our guarantees got called and we had to get some specialized lawyer or legal fees incurred there. But the \$8.3 million in revenue is just as the minister said, 99 per cent of that is because we guarantee the bonds in

Newfoundland and Labrador Hydro and the other amount, \$15,000, is for the Fogo Island Co-operative. We guarantee a line of credit for them.

D. BRAZIL: Perfect, appreciate that.

Any discussions on any new potential loan guarantees that may be discussed with government? Any entities that have reached out that would be outstanding?

S. COADY: None that I can think of, that's why I turned to my deputy minister. None that I can think of that are in play at this point in time.

D. BRAZIL: Okay, sounds good. That clarifies that extent a little bit more understandable for the general public, I would think, also.

Going to move to 1.4.01, Discounts and Commissions, Professional Services, could you please provide some commentary on the Professional Services line? Last year, \$18 million was budgeted, \$8.6 million required and this year \$9.8 million Estimates. Could you please provide some additional information relevant to that?

S. COADY: Certainly, happy to do so. As you see, we budgeted more than we spent last year. Decreases due to the anticipated borrowings were less. Remember that we were going to borrow \$2.7 billion and we borrowed \$1.7 billion. So you can see that we borrowed less, we required less and this year we're requiring less again because we're now anticipating borrowing 1.5 per cent in '23-'24.

These are commissions that are paid to investment dealers. Pretty standard rates across the country.

Tom, I don't know if you want to give a little bit more detail about the, especially the \$83.68 million (inaudible). Sorry, my mic just turned off. That is the debt expense. I'm sure you're going to come to that.

D. BRAZIL: That was my next question. If you can explain that, yes, that will answer that.

T. NEMEC: On the Professional Services side, those are commissions we pay to the investment dealers who sell our bonds to investors when we issue them. The debt expenses, if you'd like me to speak to that, those are the combination of our discounts and premiums on the bonds that we issue. Bonds have a par value of, say, a \$100 bond has a par value of \$100. It has a coupon associated with it, which is the interest that it pays.

If we issued a bond today, for example, at par at \$100 in a certain term, say a 30-year term, our interest rate would probably be around 4.4 per cent. So we could put a 4.4 per cent coupon on that bond. For the next 30 years, no matter what happens in interest rates, we pay 4.4 per cent every year. That's our coupon rate. It's fixed, it can't change.

Now, what happens to the price of that bond as interest rates go up and down? So in a year's time, interest rates may be 3 per cent, so that bond is more valuable because it's going to pay 4.4 per cent for the next 29 years. So the price of the bond goes up from \$100 to maybe \$105 and that \$5 is called a premium. So if we were to issue the bond again, which we can, for every \$100 we borrow, we would receive \$105 in cash.

The same is true on the other side. If interest rates go up and your coupon is fixed at 4.4 per cent but today's yield is 5 per cent, then that bond is not as valuable and it gets issued at a discount, so it might drop to \$90, \$92, \$95. So that discount, because the coupon is fixed at 4.4, you have to take a discount on the face of the bond because you're only paying 4.4 per cent over the 29 years as opposed to 5 per cent.

So during the year, we issue bonds sometimes at a discount and sometimes at

a premium. Again, it's a give and take between how much interest we pay over the life and the prevailing interest rates today. So if you take all of our bond issues from last year and add the premiums and discounts together, we had a net discount of \$83.7 million.

D. BRAZIL: Fair enough.

CHAIR: Okay.

MHA Evans.

L. EVANS: Thank you.

So I'll start off with some general questions.

What are our total borrowing requirements for this year?

S. COADY: \$1.5 billion.

Remember, last year, we were at \$2.7 billion, we ended up the year with \$1.7 billion and this year we are anticipating \$1.5 billion. That is comprised of – and I am going from memory now – about 0.06 would be a rollover in debt – I'm doing really well – and the \$900 million is literally, I'm going to call it, new borrowings, but mostly around capital costs, so capital expenditures that we're making.

L. EVANS: Okay, thank you. Good.

S. COADY: That was off the top of my head.

L. EVANS: No corrections?

S. COADY: That's why I looked to her.

L. EVANS: Yes.

Has the rapidly increase in interest rates affected our borrowing?

S. COADY: It hasn't affected our borrowing, but it has affected our costs. You will see, for example, in our Treasury bills or even in

certain of our longer term bonds, the price has risen. Obviously, if you look at 1.1.02, you'll see that Treasury bills, because of that short-term interest rates, they have gone, I think Mr. Nemeč just indicated, from 100 basis points now up to 4 to 5 per cent, so we have had significant rise in interest rates.

I think the short term has peaked. That's what I understand. I'm also hearing a possibility of it potentially coming back down again in the near future, but we will see what happens with inflation as we move through this but, yes, it has increased quite significantly.

I don't know, Mr. Nemeč, if you have any compilation of impact.

T. NEMEC: Sure.

The bulk of our borrowings are already borrowed in these fixed-rate bonds that I mentioned earlier and those rates don't change; those are fixed for the life of those bonds. The increase in interest rates affects our short-term bonds, our Treasury bill program, and it is affecting any new bonds that we're issuing right now.

So the overall impact of our whole debt portfolio is quite small when you look at it is \$17 billion outstanding there and we're issuing \$1.5 billion at these higher rates than a couple of years ago. So, yes, there is an impact but it is not massive. It is not like everything gets repriced because the interest rates have gone up.

S. COADY: Thank you.

I will add, because I know Mr. Nemeč is quite modest, this is something that Mr. Nemeč works on every single day. Because of that we are, in Newfoundland and Labrador, very much the beneficiaries of his expertise.

I will also say on the bond issuance, you will have seen, you will have heard, we've

talked about it in this House, we've talked about it in Estimates last year, as part of our strategic plan we wanted to go out and offer our bonds to a broader market. So now we not only can offer our bonds to the Canadian market, we're now going to start offering our bonds in the European market. We want to do that for a couple of reasons. One of them is ensuring that we have the closest scrutiny on making sure we are getting the best rate possible on those bonds.

So it's also very important and why we also focus on bond-rating agencies to ensure that the outlook is positive because where goes the bond-rating agencies, they are the ones that are really – I'm going to call it, if I may – pricing the debt. I'll use those terms. I'll turn to Mr. Nemeč next, but they're the ones looking at that.

So strategically, we wanted to make sure that we could offer our debt, not just in Canada, but in Europe and we are looking at other jurisdictions as well. But also, it really focused on making sure that we're being very fiscally responsible so that the bond-rating agencies look to us not negatively, which they did a couple of years ago, not even in the stable, but now positive.

I don't know if there's anything you want to add there, Deputy Minister, or Mr. Nemeč?

T. NEMEC: As the minister alludes to, yes, we've developed an international borrowing program. The whole goal of all the initiatives that we take is to get the lowest cost of borrowing for the province as possible. So we strive to get the best deals and we do as much work as is needed to get those rates as low as the market will bear.

S. COADY: If I may, even most recently, Mr. Nemeč, I think we would have been able to place bonds in the market for under 4 per cent, which is outstanding.

L. EVANS: Thank you, a very enthusiastic answer.

S. COADY: I'm enthusiastic about this.

L. EVANS: Yes, exactly.

Just continuing on with the general questions, the Auditor General – flexibility, sustainability and vulnerability is the three factors the Auditor General used to evaluate the health of our economy and government finances. So how are we doing with these three metrics, especially given that we're still coming out of the effects of the pandemic and we're facing inflation at the moment?

S. COADY: I'll start and I'll turn to my deputy minister and we also have the Comptroller General here when you're talking about the Auditor General. I will start with inflation.

So two things – first of all, I met recently with the Bank of Canada and the governor of the Bank of Canada really reassured all ministers of Finance across the country, and the federal Finance minister was there as well, that inflation is going to come down. I'll tell you what we're seeing shortly, but he really indicated it will come down. His goal is 2 per cent, to go back to 2 per cent.

What we're seeing, what the Stats Canada has said, within the last week or so, is that for Newfoundland and Labrador, year over year, we're down to 3.4 per cent and that compares to a Canadian average of 4.3 per cent. So you are starting to see it decline and that is going to be incredibly important from an inflationary perspective. He is pretty certain – I was there and the deputy minister was there as well – that he is going to get it down to 2 per cent. We'll see. There is a corresponding effect, of course, with higher interest rates but he hasn't moved those in the last little while, either.

So from an inflationary perspective, I think we're doing fine. It's not fine. I shouldn't say

fine. We have a plan. There is a plan in place because inflation is driving costs and costs are really impacted, and that's why you've seen in this budget some additional supports to help with the cost of living. We're going to continue with those supports.

I will say that we are very focused on the environmental and social responsibility piece which is really incredibly important, and you would have seen that in the budget speech, just kind of where we are on ESG, Environmental Social Governance. You will have seen that we have a strategic plan on financial responsibility, though all those things speak to what the Auditor General is looking for. As well we've had a clean audit, again, from the Auditor General.

Is there anything you want to add to that, Deputy Minister? I kind of went all over the map there, but there are just so many pieces and layers to this.

M. JEWER: I will also mention return to surplus plan. Obviously we have identified in *Budget 2023* that we're returning to surplus earlier than originally planned, so that's another point that I'll make in addition to what the minister already said.

S. COADY: Good point.

L. EVANS: I don't have time to turn the page. Is there any strategy in the works to address the volatility of our revenue sources, most of which are completely beyond the powers of the provincial government to control in terms of our revenues if we just look at the oil. Are we moving towards more sustainable sources of revenue?

S. COADY: Exceptionally important question in my opinion. The diversification of our economy has been essential to having more stability. As I keep saying, we all want that stronger, smarter, self-sufficient and sustainable Newfoundland and Labrador.

So let me just tell you over the last 10 years: If you go back 10 years ago in Newfoundland and Labrador, about 30 per cent, 30 per cent of our revenues came from oil and gas. So go back 10 years, I think it was – I'm going from memory – about \$2.5 billion in revenue came from oil and gas. Now, in this year's budget, we're down to approximately 12 per cent coming from oil and gas, just over a billion dollars, I think it's \$1.1 billion, but just over a billion dollars in revenue coming from oil and gas.

Why is that important? It's because the diversity. So what you're seeing is a diversification of the economy. I know deputy minister is just checking the statement to make sure my numbers are correct, but –

OFFICIAL: (Inaudible.)

S. COADY: Is it \$1.1 billion?

Okay, it is \$1.1 billion coming from oil and gas.

What you're seeing is a more diversified economy, a stronger economy, if I can say that, that's coming from oil and gas; it's coming from the mining industry. You're seeing some great growth in the mining industry. You're seeing, last year, particularly good growth in agriculture, in aquaculture, in the fishing industry, in technology, in tourism. All those are more robust in terms of what they're contributing to the revenues of the Government of Newfoundland and Labrador.

CHAIR: Okay, thank you.

Any more questions? We're sticking with subhead 1.1.01 to 1.4.02.

D. BRAZIL: No, I appreciate it. I have a few extra quick questions here on clarification.

Minister, it was mentioned about the loan guarantee for the Fogo Island Co-op. I'm curious about the loan guarantee for the

Stephenville airport, what's the wrap-up time there? I'm assuming it's still on the books until – is there any estimation that it will go through this budget or it will be –?

S. COADY: Well, in the House of Assembly we just did approve the loan guarantee for the Stephenville airport for the next year. As you know, there is a review right now for a potential sale, so the House of Assembly did agree most recently, I think it was just before budget, the week before budget, just agreed to extend the loan guarantee for another year. We'll see how things transpire during this year. We generally take that loan guarantee in a year-by-year basis.

D. BRAZIL: Fair enough, appreciate that.

I'm going to move on quickly to just get some clarification on some of the expenditure on some of the line items.

Under 1.4.02, General Expenses, Transportation and Communications, the line had a budget of \$1 million but last year only \$115,000 was spent. Just give us a clarification. Was it something like a project didn't go through, was there a savings or just happened that fiscally it worked out even better?

S. COADY: Fiscally it worked out even better. That's lower than anticipated Transportation and Communications costs associated with investor relations activities. Even though we've increased our investor relations activities, we're very fiscally responsible and well below budget, of course.

There are some core costs, of course, to the borrowing programs. We do need to have S&P and Moody's, we do have to have some core costs of that, the registrar, but we're well below budget.

D. BRAZIL: I'm assuming the same for Professional Services based on that or is there some program or service that didn't

get provided or wasn't necessary to be provided?

S. COADY: Sorry, that was what I just mentioned about S&P and the bond-rating agencies that we spend, but we didn't spend as much as we had anticipated; though we didn't cut the budget. If you notice, we're maintaining the same budget. We may drop balances again next year but we maintain the same balance just in case, but our costs are coming in much lower.

D. BRAZIL: Okay, fair enough.

Under Revenue - Provincial, the \$1.5 million in revenue last year and this year projected for \$100,000. An explanation as to the change in the revenue stream there, please.

S. COADY: That was a change in Country Ribbon preferred shares. So if you recall that we are able to – that's the redemption of the preferred shares for Country Ribbon coming through. So it was a positive for the province. So now we just have, I'll call it, a placeholder.

D. BRAZIL: Fair enough.

That's the only questions I have on that heading until we go to 2.1 later.

CHAIR: Thank you.

MHA Evans.

L. EVANS: Yes, I just have some line items. My colleague has asked quite a few of them.

Just looking at 1.1.03: Why were the payments to the Sinking Fund higher than expected last year? It's on the first page.

S. COADY: 1.1.03, payments to the Sinking Fund.

T. NEMEC: I can take that.

S. COADY: Okay. I'm going to turn it over to Mr. Nemeec.

T. NEMEC: Yes, what those numbers represent are Government of Newfoundland bonds that the Sinking Fund holds as investments. So when we pay interest on our bonds, it goes out to all investors. Our own Sinking Fund holds some Newfoundland bonds as investments, and that's interest that the Sinking Fund received from Newfoundland bonds. So that's why we show that as revenue there.

L. EVANS: Okay, thank you.

T. NEMEC: We're paying interest to ourselves.

L. EVANS: If we've got to pay it to somebody, hopefully it will be to ourselves.

The next section there, 1.1.04, Canada Pension Plan: Why are we expecting to put less money here this year?

S. COADY: So this is interesting. There's a bit of history here. So commencing in March of 1966, the province borrowed from the Canada Pension Plan on a monthly basis when funds were available. No new funds have been available since 1992-93. So beginning in 1999-2000, the province was able to roll over or refinance maturing Canada Pension Plan borrowing for one final 20-year term, subject to the availability of funds. Since July of 2005, the province has chosen not to rollover these borrowings but rather has repaid the loans as they've matured. So it's a bit of history there.

L. EVANS: Thank you.

1.2 –

S. COADY: This is going to be paid off in '26-'27.

L. EVANS: 1.2.01, Various Facilities: Why did the Debt Expenses expect to decline so much this year?

S. COADY: So these are special Sinking Funds that were established in the early 1990s, I think it was 1993, for the purchase of health care facilities in Burgeo, Port Saunders and St. Lawrence at the expiration of their leases. Under the lease arrangements, these annual contributions to the special purchase fund, together with earnings on these amounts, will provide \$15.9-million purchase price to the facilities at the end of the 30-year lease.

So monthly payments started in June 1 of 1993 and are fixed for a five-year period and then adjusted, as required. The monthly lease payments on the 30-year lease are due to end in May of 2023 and, as a result, there are only two monthly payments required in '23-'24 versus 12 that was required in the year previous.

L. EVANS: If I was going to say anything, sort of like opening remarks for the people here now, I guess one of the things about this job is you inherit a lot of decisions. Based on the year the decisions were made, you have to deal with it looking forward and you're looking forward to a totally different future than what those decisions were made at. So it's a very interesting job everyone over there must have.

Section 1.4.01, General Expenses – I don't think this question was asked by my colleague – why is the provincial revenue expected to decline so much this year?

S. COADY: That, again, is the Country Ribbon, I think, isn't it?

OFFICIAL: Yes.

S. COADY: That's the Country Ribbon piece that we just talked about.

L. EVANS: Okay. I had my earpiece out for part of it and I was writing things down.

S. COADY: Yes, that's the Country Ribbon.

L. EVANS: Okay, and my next questions are for the next heading.

CHAIR: Okay.

There are no more questions. I'll ask the Clerk to recall the grouping.

CLERK: 1.1.01 to 1.4.02 inclusive.

CHAIR: Shall 1.1.01 to 1.4.02 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.4.02 carried.

CHAIR: Clerk, could you call the next subhead, please?

CLERK: 2.1.01 to 2.2.01 inclusive.

CHAIR: MHA Brazil.

D. BRAZIL: Mr. Chair, just a couple of quick questions under 2.1.02. Salaries, last year for 2022-2023, \$82.6 million was budgeted. I am aware that some of this can be transferred to other departments as needed. Of the \$82 million, how much total was spent and could I get a list of the departments and how much was transferred to each?

S. COADY: Certainly. Thank you.

But allow me to explain what ex gratia does. It's a block-funding budget for things like severance payouts, unforeseen retirement costs, negotiated salary increases, which we've had a funding that we would hold, mainly related to entities until they are ready to be paid. So that's what you're seeing here. We would transfer these amounts

during the year to the applicable department when it's required and that is why the actuals are so low compared to budget. So it is similar to a contingency.

So allow me to go to where it was paid. I think there was money sent to Education – you have a list there? Perhaps I'll ask the deputy minister to go through the list.

M. JEWER: So there was funding transferred to JPS, Justice and Public Safety, for judges' tribunal retro. Education received funding for salary increases for school board, MUN and CNA. CSSD: Money for negotiated salary increases and recognition bonuses. Health: Salary increases for the regional health authorities and to Housing for salary increases as well.

There were some \$300,000 or so paid out as severance benefits to various departments. Then there were some other health initiatives as well for recruitment retention for family doctors, for long-term care nurses and some money for India mission to recruit nurses and some more increases for regional health authorities. Transportation and Infrastructure had some money for negotiated salary increases and recognition bonuses as well.

S. COADY: If I may – thank you.

The salary, you'll see in the original budget for '23-'24 is higher than it was last year, and that's because we have now government personnel costs for salary increases and severance and retirements for varying departments and entities and we are in negotiations, for example, still with teachers and nurses and some other – AAHP, for example. Now we have settled with CUPE and NAPE and others but we needed some additional there because there are agreements outstanding.

D. BRAZIL: Appreciate that.

You answered the next question I had already, so that expedites that.

I'm good on 2.1.02.

CHAIR: Thank you.

MHA Evans.

L. EVANS: Thank you.

Just going back to 2.1.01, Contributions to Pensions - Statutory. You did talk a little bit about retirement and we are looking at baby boomers or whatever. How many people are currently drawing down the pensions and is that number anticipated to grow in the upcoming years? Will the fund be in good shape to accommodate the anticipated change in recipients?

S. COADY: Thank you.

I'm going to turn to Jim Doody in a moment, but allow me to say that we do have funds, surpluses in the Public Service Pension Plan, the Teachers' Pension Plan, for example. They're all over 100 per cent now as well. Those two are. The MHA pension, the PCJPP and there's I think a small change for Memorial University as well.

With regard to numbers of people that are actually in the plan, I'm going to turn to the secretary of the Treasury Board.

E. LANE: We don't have the exact numbers that are in each plan. Our largest plan certainly would be the Public Service Pension Plan and the Teachers' Pension Plan, of the seven pension plans that we administer, but we can certainly get exact numbers.

Thank you.

S. COADY: If I may, you did ask how many people are eligible for retirement. I think I mentioned that when we had the Public Service Commission here. For the total that are eligible to retire for the fiscal year '23, it's about 250. So if you look at '22 and '23, you know, we're up to about 450 people who are eligible to retire. That doesn't mean

they're going to retire; I'm just saying they are eligible. So this year, for the financial year '23, we have about 250 civil servants that are eligible to retire.

L. EVANS: Thank you.

The next subsection there, 2.1.02, I am just looking at the Employee Benefits line. Why was spending for Employee Benefits under budget last year?

S. COADY: So this is a special retirement provision under Hartt, and I'll turn to Julie for that. But this is a lower special retirement payment anticipated, mainly associated with the reduction of the Hartt payments. So maybe I can turn to Julie to explain what Hartt Pension Plan payments are?

J. MOORE: Under the Hartt plan, we provided benefits to the Waterford Group – it's a smaller pension group – and a few others in other smaller plans. About 225 people in that plan. So these are lower than anticipated benefits for that year. We will see that starting to decrease as these folks start to work their way through retirement.

L. EVANS: Chair, I have completed my questions for this section.

CHAIR: Okay.

Clerk, could you recall the grouping, please?

CLERK: 2.1.01 to 2.2.01 inclusive.

CHAIR: Shall 2.1.01 to 2.2.01 inclusive, Employee Retirement Arrangements, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subheads 2.1.01 through 2.2.01 carried.

CHAIR: Okay.

We'll now move to 3.1.01.

Clerk?

CLERK: 3.1.01.

D. BRAZIL: I only have one question under this heading and that's providing around the list of the transfers that we made out to departments and the amounts. If we could get that, that would be appreciated.

S. COADY: Certainly, as you know, we tabled them in the House of Assembly but we did spend \$14.4 million.

OFFICIAL: It's more than that now.

S. COADY: Oh, it's just gone up.

We were supposed to do this three weeks ago, but it was \$14.4 million three weeks ago, which was \$6.7 million for firefighting in Central Newfoundland and Labrador. Do you have the list there?

M. JEWER: I do, yes.

S. COADY: Okay, I'm going to turn it to the most recent list you're going to get now.

D. BRAZIL: Fair enough.

M. JEWER: So \$6.7 million, the minister mentioned, for the fire suppression services in Central state of emergency. We have \$5 million for CSSD for children in care. Housing, almost \$2.7 million for the emergency shelter program. Housing, \$400,000 for heat subsidies for housing tenants in oil-heated homes. Another million dollars for Housing for major repairs to units in Hopedale; \$6.1 million to Health and Community Services for MCP doctors' payroll.

D. BRAZIL: Okay, appreciate that. That's all I have on that heading.

CHAIR: MHA Evans.

L. EVANS: I'm done with this heading as well.

CHAIR: Okay.

Clerk?

CLERK: 3.1.01.

CHAIR: Shall 3.1.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subhead 3.1.01 carried.

CLERK: The total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Consolidated Fund Services, total heads, carried.

CHAIR: Shall I report the Estimates of the Consolidated Fund Services carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Estimates of Consolidated Fund Services carried without amendment.

CHAIR: Okay, great.

S. COADY: If I may, Chair, I would like to thank the outstanding people who work in both the Department of Finance as well as the Treasury Board for their incredible

efforts. I know they're all working very, very hard and providing exemplary service to the public of Newfoundland and Labrador. So I want to thank them and because we're moving into Finance now I'll say goodbye to our great team from Treasury Board.

CHAIR: Thank you so much.

We'll take a short break.

S. COADY: Sure – I think we have everyone here.

CHAIR: Do you have everyone?

I changed my mind. No break.

S. COADY: We have everyone here.

CHAIR: Okay, great.

S. COADY: Thank you.

CHAIR: We're now going to move to the Department of Finance section.

Clerk?

CLERK: 1.1.01 to 1.3.01 inclusive.

CHAIR: Shall 1.1.01 to 1.3.01 inclusive carry?

D. BRAZIL: Thank you, Mr. Chair, and I've got some general questions for the minister and her staff here, particularly around positions in the department itself. Eventually I will ask that we get a copy of how many permanent positions you have, temporary and all that. You can fill that in. I don't need you to fill me in at this point, but I am curious about the positions now through attrition that may have been removed in 2022-2023 and what your plans for attrition in '23-'24 in the coming budgets may be. Or has there been any movement through attrition on that?

S. COADY: No, the Department of Finance, it is relatively small. There are about 146

employees and I don't think that we have any attrition. There's no attrition within the Department of Finance. So the total number of positions that we have is 199 but I will say that the complement of 146 is what we have in filled positions. I will say we have a lot of fluidity because we hire temporary employees for programs.

I'll use the home heating rebate as a program that people would work so many months of the year. We hired a number of people, for example, for the cost-of-living rebate. We have a lot of fluid movement, I think a lot of entry-level positions, within payroll that people come into the Department of Finance and then they find full-time employment elsewhere throughout the civil service, so we do have a lot of that.

One thing I have asked and we'll talk about this probably under Treasury Board. We have a lot of what is called, and you'd understand this, PCNs within government that some of them just aren't used. I have asked for a bit of a cleanup there so we can get a real picture of the employment numbers within government because there are PCNs that sit vacant. These are a position that will never be filled, a PCN that will never be filled but it is kept on the books so it is still part of your complement number.

D. BRAZIL: Fair enough. I appreciate that. That clarifies that situation.

We've had some general discussions here about balanced budget legislation. I am curious, did you hope to bring that in this House before the next provincial budget as part of this process?

S. COADY: Certainly I think this is an important piece of legislation and, as you know, we've gone through first reading on this and will move towards second reading. This is an important piece of legislation because basically what it says is that the Government of Newfoundland and Labrador will have as its requirement to have balanced budgets every year; just like they

do in municipalities have to have balanced budgets.

Notwithstanding, of course, if you have a pandemic or if you have an extraneous event happen like the commodity prices bottom out or something, there is movement within the legislation to allow you to take a couple of years to move through that extraneous circumstance, but it does set the direction for government to remain balanced. It is very important for the people of the province to know that we are going to live within our means. My mom used to say you cut your cloth to suit your garment. You don't over cut your cloth, you don't under cut your cloth, you cut it to suit your garment and you spend the money that you have.

It is very important as well for future generations of Newfoundland and Labrador. We have a tremendous debt and a lot of that debt is made up of deficits. Every year we've been accumulating these deficits and how important it is to stop accumulating deficits and to start to pay down that debt and to be more sustainable in the province. So it is direction for the government with room, if something extraordinary happens, you still have a number of years to get back to balance.

An important message for bond-rating agencies that the Government of Newfoundland and Labrador will be serious about that. When it gets called, that's the House Leader's direction. I did, though, and I do – I think you've now seen, two years ahead of schedule, the Government of Newfoundland and Labrador getting back to balance. I think we've been able to do that very responsibly.

We've made a lot of changes, innovations within government. We've had a strategic plan for financial improvement and responsibility. So those are all stepping stones to showing the people of the province that you can have a balanced budget. Now we're two years ahead of schedule. So I think proving to people that

we can have it and still make investments is important.

We've made a lot of investments this year in health care. In education, we've made additional investments. We've made additional investments in housing, for example. We've made additional investments in paving of roads and the provincial road program. So I think we've been able to prove that while it's challenging, you still can make good investments and have a balanced budget. By doing that, I think it puts Newfoundland and Labrador on a very strong financial footing.

So I think it's an important piece of legislation. I'm really hopeful that we can have the support of the House when that comes forward. I've been talking as well to unions and letting them know, and showing to them that yes, you can have both the investment side, especially if you're going to have strong financial responsibility on the other side of it. I'm hopeful that it will come forward soon.

D. BRAZIL: I'm looking forward to it coming to the House so we can have debate and get more clarification. Hopefully we come to an understanding of what works best for fiscal management and for betterment for balancing budgets and still providing services and that.

Similar in that vein, I want to talk about the budget around the costing for oil, the revenue generated there. I know it was mentioned here one time in one of the questions that we had asked that there was 11 entities that you engaged to come up with the pricing of \$86 US a barrel. Take us through that process and the end result. Do you still stand by that that would be the benchmark for how you determine the costing for it? Because you need that as your expenditure to know what your revenues are going to be generated, or at least your estimates of what's coming. If you

could take us through that again, not only for ourselves but for the people at home.

S. COADY: Certainly, and we do have Doug Trask here so I'll turn to him in a moment. But we use 11 different experts. So we don't take our best guess; we take 11 different experts. We take the three lowest and the three highest and we eliminate them and take the median. This year, I think it's \$86 a barrel. Last year we thought it was around that as well, and it was much higher than that at the end of the year. So even though there are experts out there doing these estimates – and we don't take our own view into the mix. We're not subjective; it's completely objective. Things like a war in the Ukraine or some changes to the global economy can throw off that estimate.

I can say, right now, I think the price of a barrel of oil is somewhere below \$86. I think it's around \$81 today. I think, if memory serves me, it's about \$81 today, which is lower than we anticipated. That doesn't mean that later this year it won't be higher, to average out at \$86. So that's what we have to look at.

I will also say that the bond-rating agencies were nonplussed. They just kind of looked at us and said we don't know where this is going to go this year. This is similar to what Alberta has budgeted. So if you look at the way they did their budgeting, this is similar to what they've budgeted. But allow me to turn to the person who – sorry, it's David. I said it was Doug and it was actually David Drover who will give you a more fulsome answer.

D. DROVER: Much like the minister said, absolutely, we still continue the process of looking to our external forecasters. Again, looking at the highs and lows of that, trying to range at a medium value, if you will, is where we landed with the \$86. We also do some sensitivity analysis to that, which you would have seen on budget day in itself to present what the picture would look like in terms of what it means for a dollar change

in that price as well as what a one cent change from the exchange rate would be.

So a dollar change in that price would result in an impact of \$16 million to the province from a royalty perspective and from a one-cent US change perspective, it would be an \$18-million impact.

D. BRAZIL: Thank you for that clarification.

I'm good so far.

CHAIR: Okay.

MHA Evans.

L. EVANS: Thank you.

Just some general questions first. Looking at the most recent annual report by the Auditor General, there was a warning there about the cost of P3s fluctuating substantially due to changes in CPI. What has been the impact of the most recent bout of inflation on our financial obligations with respect to these particular projects?

S. COADY: That's more of a question for Transportation and Infrastructure who would have that more granular detail. We wouldn't have it in the Department of Finance. I'm just turning to my deputy. No, it would be in the Department of Transportation. They'd have that granular detail.

L. EVANS: Okay, thank you.

How does government plan to make up for the revenue lost by the backstop of the full carbon tax? That's a loss there. How much money would we have made had this not happened, including the taxation on home heating fuels?

S. COADY: I can say that we had anticipated this year that we would receive about \$170 million in carbon tax revenues and I'm taking that off the top of my head – oh, 137 million. It was less than I had anticipated – \$137 million. It's still

significant. When we looked at this year's budget, of course, that was taken into consideration that we would have that \$137 million less revenue, but we were able to make some of the investment decisions.

If we had had that revenue, perhaps, we would have had less of a deficit. We'll have a \$160-million deficit this year. We didn't anticipate nor did we budget for at any time carbon tax being on home heat.

Anybody –?

OFFICIAL: That's good.

S. COADY: Just trying to make sure –

L. EVANS: That's good; you answered the question.

The department has spent a bit of time now being able to review the Rothschild report. Would you be able to tell us what decisions have been made based on the recommendations of the report and what options are currently being examined?

S. COADY: Certainly. We most recently advised the public that we will be advancing the continued review and at a more granular level the equity that we own in the offshore oil projects. So this is equity. This is not royalty. This is the equity that the Province of Newfoundland and Labrador and the associated risk of having equity in the projects offshore. So we've re-engaged Rothschild to do a further analysis and a deeper dive into what it would mean and what it would look like if we were to exit from owning equity in the offshore oil projects that we currently have. That's the only thing that we've engaged Rothschild for at this point in time.

L. EVANS: Thank you.

What was the total expense incurred as a result of the cost-of-living cheques, the administration, printing, mail, et cetera?

S. COADY: At the end of the day, I think it was \$205 million.

L. EVANS: Okay.

It's not listed as my question, but the home heating rebate program was much more labour intensive because I understand the cost of living was a little bit more direct. Do you have an estimate there on the cost of that one?

S. COADY: Certainly, I think about 28,000 people applied for the home heat rebate. Under the *Financial Administration Act*, we obviously have to have, what I'm going to call, an audit trail. So we've had to work with – and thank you for your efforts on behalf of your district, we've had to work very closely with MHAs to ensure that we had the proper information.

About 94 per cent, I think, roughly, 94 per cent of cheques have been sent out for that particular program. It is very labour intensive because, of course, we have to have an application completed and signed. We have to have evidence that the fuel is actually delivered and in the tanks and that was a bit tangly. We had to have the right and correct and proper addresses for people.

So all of these things were labour intensive. I want to thank the department for their outstanding efforts. They were working really, really hard to try and provide these cheques to as many people as possible, making sure that things were signed.

But, again, we want to make sure that we are diligent for the Auditor General and making sure we had that audit trail and making sure that we did everything absolutely correct. It's costing approximately \$13 million for that program.

L. EVANS: Okay, thank you.

Could we have an update on the revision process for applying for and evaluating

proposals for core funding to community groups? Can we expect to see a new model rolled out?

S. COADY: Certainly, I've actually most recently, I think it was a couple of months ago, met with the Community Sector Council to review how we're going to do this into the future. So this year, it's status quo but we're moving towards the – the community sector has asked for a portal, kind of a one-entry point into government. So we've developed a portal. It will come into the Department of Finance and then be disbursed to various departments.

So, for example, the Minister of CSSD will receive the applications that are most relevant to CSSD or those that had funding through CSSD. The Department of Health has a significant number; the Department of Education, so it will go out to their departments. Then all the departments will come back from the core funding to a centralized deputy ministers' table so that we're not siloed, so that we have discussions across government; full of government discussion and then onward to decision-making.

But I think it's important that we were listening to the community groups, finding a better mechanism and means for providing funding for these community groups. Remember, this year, we did make permanent the \$5 million. We did add an additional \$5 million to the monies available to these community groups and that will be disbursed through the department that they currently are using.

L. EVANS: Thank you.

Has any thought been put into revising the personal income tax brackets in the upcoming year?

S. COADY: Certainly, we do review that every year and I know that the tax department is looking at this regularly. We monitor against for competitiveness

reasons. We review against what other jurisdictions are doing. Moving personal income tax is big financial impacts and as we now move towards more stability, I think in our finances that will be again considered in the next budget.

L. EVANS: Thank you.

S. COADY: I check with my officials to make sure they didn't want to add anything.

L. EVANS: For the new hospital that was announced in the Northeast Avalon, has any model funding mechanism been decided on, specifically will you be going to a P3 model?

S. COADY: Again, that's more the Department of Transportation and Infrastructure. We're responsible for having the monies available. I think there are monies available – I'm just going by memory – \$7 million. My memory is pretty good today.

Seven million dollars that is for review of St. Clare's and that also includes, finally, the demolition – I think MHA Dinn will be pleased – of the nurses' residence of the old Grace, which has been around for quite some time. So I'm glad that we're actually going to move on that. But it's more for the department responsible for procurement.

L. EVANS: A lot of my friends actually stayed there when I was going to university.

S. COADY: Oh, really.

It's certainly an eyesore now.

L. EVANS: Yes.

S. COADY: And a concern from a safety perspective.

L. EVANS: Of course.

How many people have claimed the Physical Activity Tax Credit last year?

S. COADY: I don't have that off the top of my head, but you may.

I have it. It's just almost 30,000. It's 29,390. Almost 30,000 people have applied for it. That's not this year, that's for the last year, '21-'22 versus '22-'23. It's the '21 tax year versus the '22 tax year. We don't have the information for the '22 tax year yet.

L. EVANS: Okay, thank you.

S. COADY: That's a lot, 30,000 people. As you know, we've doubled the benefit this year, so hopefully more and more people will take advantage of it. This is all part of the drive for all of us to be healthier by 2030. We want to be one of the healthiest provinces in the country by 2030 and right now we're at the bottom.

L. EVANS: My time has expired. Do you want me to –?

CHAIR: Do you have more questions?

L. EVANS: I have more questions though.

CHAIR: Okay.

That's from subhead 1.1.01 to 1.3.01?

L. EVANS: Yes.

CHAIR: Within those subheads?

L. EVANS: Yes.

CHAIR: Okay.

Oh, sorry, MHA Brazil.

D. BRAZIL: Just a couple of follow-up questions here, one on the \$12-million revenue generation from the sugar tax. I know it's been outlined where some of that money will go, particularly around glucose monitoring, school lunch and breakfast programs, Infant Nutrition Supplement, these types of things.

Can you give us a breakdown on exactly what amounts will be going to each one of these organizations or agencies or programs, please?

S. COADY: Thank you.

Thank you for the opportunity to talk about the sugar-sweetened beverage tax because I want to clear up what I think is a misunderstanding that I've heard repeatedly in the House of Assembly. So allow me to say this: We budgeted \$6 million for last year's revenues and it's \$12 million this year because it's a full year and not a half year. So I've heard oh, more people are drinking. That's not the case. It's a half year versus a full year. So thank you for allowing me to clarify that.

The monies that come in through the sugar-sweetened beverage tax, again, if we don't collect any money there, even better because, of course, like the tobacco tax that we have, what we're trying to do is discourage people from drinking sugar.

You've seen even this week a big article in *The Globe and Mail* about the challenges of drinking sugar-sweetened beverages and the impact that it has on our overall health.

So the money that we are collecting, we're putting money towards the Physical Activity Tax Credit and, as you know, we've doubled that this year. So I think it's \$5 million roughly towards that. We're putting money towards the continuous glucose-monitoring pilot that we're doing in the Department of Health, it's roughly a million dollars towards that. We're putting money towards the breakfast and school lunch programs. I think it's well over \$2 million towards that and we're putting money towards recreation, physical activity, athlete and supports. All those types of things are what we're trying to drive – we're trying to drive better health.

Again, it goes into general revenue and then disbursed out to departments. That's the

way the accounting function within government works.

Anything to add to that? Looking to officials.

D. BRAZIL: I thank you for that.

I do see the value in supporting those programs. I'll leave it to Question Period and debate in the House to debate the value of how the money is being collected, but that's for another time. But I do appreciate the fact that we now have a breakdown on what monetary supports are going to each one of the programs.

Under 1.2.02, Departmental Operations, provide some information on the variant Salaries line, specifically why was there a savings of \$860,000 in '22-'23, but '23-'24 the budget will increase to \$11.2 million in Salaries?

S. COADY: What subhead again?

D. BRAZIL: Sorry, 1.2.02, Departmental Operations.

S. COADY: Okay.

Sorry, just getting my information. That's really, again, recall that I mentioned to you how we have fluidity in some of our divisions within the department. That is more about the delays in filling some positions. So, for example, you might have a delay in finding somebody to fill a short-term contract, so that's more about the delays of doing that.

I'll turn to my deputy minister. There are a lot of temporary positions within the department and that's kind of reflective of that. So you get a lot of turnover and movement of people coming into the Department of Finance. They come in for a very short period of time and move on to other positions within government. Thankfully, they find permanent positions within government. Then we've got to go out

and hire more people again. So it's kind of that fluidity of doing that.

There are 92 permanent, 84 temporary and 13 contractual. It's 189 total positions. So you see that large bulk of temporary positions.

The deputy minister will comment as well.

M. JEWER: So, in particular, what the minister is referring to is our Tax Administration Division. A lot of entry-level Tax Auditor I, we'll call them, will come into government. There's probably a few here that started in Tax Admin. They do move on to other financial positions throughout government so there really is high turnover in that area, as well as the temporary jobs that we have for home heat, for example, cost of living, those types of rebate programs. So lots of turnover as well. We get people come in and then they find other jobs within the service. So that's the reason for the drop in '22-'23. The increase going forward would be a result of the additional negotiated salary increases for '23-'24.

D. BRAZIL: I appreciate that.

I'm going to move to heading 1.3.01, Government Rebate Programs, I know you've alluded to some or answered some of the questions from my colleague from Torngat Mountains but I want to get a little bit more explicit in some of my questions.

In the \$205 million, is there anything in addition, other than the cost-of-living rebate program, included in that \$205 million?

S. COADY: No, to date, 411,865 cost-of-living rebate cheques have been issued since 2022 for a total relief provided of \$204.7 million – \$205 million.

D. BRAZIL: Just an assumption, I'm assuming I'm correct but you can clarify if I'm not. The \$20 million budgeted for '23-'24, for those who don't have their taxes yet done, will that guarantee if they do their

taxes in this year for the previous year, that they'll receive the rebate?

S. COADY: So we are still processing some payments for individuals who filed their tax returns before December 31, 2022. So as long as you filed by December 31, 2022. They may not have been assessed by our CRA at the time so we haven't captured them. That's only going to be, we're estimating about \$100,000 in this fiscal year. The \$20 million is for the home heat rebate program.

D. BRAZIL: Okay.

So if somebody, for whatever reason, didn't get their taxes done by December 31, they won't be entitled to the \$500 tax rebate after this?

S. COADY: No.

D. BRAZIL: Okay, fair enough. There's good clarification there.

What's the total cost of the home living rebate program to date and how many people have received it? I know you just mentioned it, but I just want to get the clear number again.

S. COADY: We had 28,000 applications.

D. BRAZIL: Yes.

S. COADY: About 94 per cent, the last time I looked, so it's roughly 94 per cent had been completed. As of, and this is going back to March now because remember we were delayed a little bit, I think it was about \$11 million. Has that changed much? Okay.

Doug is going to give us the up-to-the-minute numbers.

D. BRAZIL: Perfect.

D. TRASK: To date, 25,841 households have received a cheque. The estimated cost gets close to \$14 million, just slightly under.

D. BRAZIL: Okay. That clarifies that.

That's good under that heading and then under the 2.1.01, Federal Programs, we'll have the discussion when you call that heading.

S. COADY: I will just, again, say that program is continuing for this year. So when the budget is completed and approved, we'll move forward with announcing the next round of applications.

CHAIR: MHA Evans.

L. EVANS: Okay. Just going back to 1.2.02, Departmental Operations, I think we ended there. There are some questions on the sugar-sweetened beverage tax. I was wondering could we get a listing of all the programs funded out of the sugar-sweetened beverage tax.

S. COADY: Thank you very much.

As I indicated earlier, the money from the sugar-sweetened beverage tax goes into general revenues.

L. EVANS: Okay.

S. COADY: But as I indicated before, we have allocated roughly a million dollars for the continuous glucose-monitoring program. We've allocated about \$5 million, I think, for the Physical Activity Tax Credit. We have the Prenatal Infant Nutrition Program, that's another half a million. There's over \$2 million for the school lunch program and the breakfast program and then there's about \$7 million, I think, to support recreation and physical activity.

Again, we take all revenues into the central and then we allocate out through budget, right?

L. EVANS: Okay. So funding the Physical Activity Tax Credit that we've already talked about, you wouldn't be able to say how much came from the sugar-sweetened –?

S. COADY: We know how much we anticipate in revenues from the sugar-sweetened beverage tax. This year we're anticipating – that's not to say we will receive it – approximately \$12 million in revenue. We've, again, looked at that amount of revenue and we've reallocated that revenue out in the budget.

L. EVANS: Okay, thank you.

That leads into my next question because these programs already had funding, right?

S. COADY: Some of them did and some of them received additional funding.

L. EVANS: That is what I was going to ask. So has the money from this sugar-sweetened beverage tax gone into expanding the programs?

S. COADY: Yes. All of those programs have been expanded.

L. EVANS: Have been expanded because of this?

S. COADY: Yeah.

L. EVANS: Which is good. That's a positive thing to see.

S. COADY: You'll also note that we're putting the monies to programs to improve our health outcomes. So it is recreation programs, physical fitness, or improving health care programs. Money that we're really trying to be move from being one of the worst health outcomes in the country to one of the better ones by 2030.

L. EVANS: Okay, thank you.

On a different note, is the department currently examining new ways to provide funding to municipalities and are there any other initiatives on the horizon to allow the municipalities to raise new sources of funding on their own?

S. COADY: Certainly, we increased the Municipal Operating Grant, \$3 million this year and \$3 million next year, which was a significant increase and one that was really needed by municipalities.

And you've heard some of the discussion, most recently this week, the minister was here earlier, talking about what is happening around regionalization and hopefully the application process for some of the funding pots that are available will be geared towards municipalities that are really looking at a regional view. We consistently and constantly the department – not Finance in particular but the Municipal and Provincial Affairs – constantly work with the municipalities on ways they can improve their outcomes. I know the Minister of Transportation and Infrastructure is working with municipalities on better access to the ICIP funding as well, some flexibility in ICIP funding.

L. EVANS: What about any initiatives for the municipalities to raise their own funding sources?

S. COADY: That would be a better question to ask Municipal Affairs.

L. EVANS: Okay, yes, I realized that just as I was asking it.

Looking at the line item there for Salaries, spending on Salaries came in significantly under what was expected last year.

S. COADY: Again, I think that was –

L. EVANS: Already answered?

S. COADY: No, that's okay. I can answer it again.

It's more around the fluidity within the Department of Finance of some of the temporary or programs that we have. So, for example, we would bring in people for a particular program, like the home heat program, or the cost-of-living rebate

cheque. We have a significant amount of turnover, for example, in some of the entry-level positions.

That is not unusual. Some of those savings are because of the vacancies that we have on a regular basis, but we want to make sure that we have funding available as we move forward with some of the programs that we need to have within the Department of Finance.

L. EVANS: I remember you mentioned that somewhere else. It's just trying to actually direct it to a question that already is in my notes. It's just a little bit difficult.

Looking at Property, Furnishings and Equipment there, what was the source of the unexpected \$10,600 spent?

S. COADY: It was an increase in the purchase of equipment for office set-up for the Home Heating Supplement Program. So we needed to get the office set-up.

L. EVANS: Okay.

That goes back to your fluidity.

S. COADY: Yes.

L. EVANS: Okay.

1.2.03, Administrative Support: I'm not sure if you covered this one here; I'm just looking at my questions here on the salary. The actual spending on salary was significantly under budget. Was there a vacancy here?

S. COADY: Just trying to find, 1.2.03 –

L. EVANS: It's at the bottom of 42.

S. COADY: Can you just repeat the question, sorry, I was looking for – I'm going back and forth in my books. My book is getting a little confused. It's 1.2.03, Administrative Support; what was the question?

L. EVANS: Looking at Salaries, what was budgeted was \$66,000 but what actually was spent was \$24,200, so was there a vacancy or was there –?

S. COADY: It's a combination of things. That's for overtime. This is some of the overtime costs. There are some of the graduate recruitment timing issues, might be some co-op students timing issues. So it's a combination of what I'm going to call things within the department.

So overtime costs that cannot be absorbed within divisional budgets lands there. We've got some summer students might land there. Co-op students land in that particular area.

L. EVANS: Okay.

S. COADY: Not usual for that to have dropped balances.

L. EVANS: I was going to ask there, for Transportation and Communications, spending was roughly \$17,000 over budget.

S. COADY: Yeah, that was because we had higher mail costs because of the cost-of-living cheques. We had a lot of cheques going out.

L. EVANS: Yeah, the programs. Because it was \$65,000 and the actual was \$82,000. But that goes back to your fluidity, so I was thinking about asking it and I shouldn't have asked it.

S. COADY: No, it is a good question because it was roughly a \$17,000 increase. But if you look at the bottom line, we're still lower than we had anticipated overall in this division.

L. EVANS: Looking at the Property, Furnishings and Equipment there, \$9,000 over budget. That was probably with office set-up, was it?

S. COADY: Laptop computers, yeah.

L. EVANS: That's all the questions I have for that heading.

CHAIR: Are there any more questions?

Okay, Clerk?

CLERK: 1.1.01 to 1.3.01 inclusive.

CHAIR: Shall 1.1.01 to 1.3.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subheads 1.1.01 through 1.3.01 carried.

CHAIR: Clerk?

CLERK: 2.1.01.

CHAIR: Okay.

MHA Brazil.

D. BRAZIL: Thank you, Mr. Chair.

Just a few questions here under the Federal Programs. Last year \$230 million was expected to be spent. Can you please provide a breakdown of what was given to the departments for what projects or initiatives please?

S. COADY: So this is under 2.1.01, Federal Programs, correct? So we have the fed agreement contribution in support of municipalities, public transit or housing, \$8.3 million.

M. JEWER: I got a more recent one again.

S. COADY: Okay, we have a more recent one. Because this was supposed to be done really quickly at the year-end, a couple of

weeks ago, I'll get the deputy minister to give you even more current numbers.

D. BRAZIL: Perfect.

M. JEWER: Of the total, there was \$213 million that was transferred out to other departments. Of that, \$32.5 was for Fiona to Municipal Affairs and JPS. We had \$175 million that went to Industry, Energy and Technology for the supply cost variance account from Hydro. That was the first step for rate mitigation.

Then there was just over \$4.1 million for housing for the federal agreement for the contribution of support for municipalities. There was another \$1 million for Municipal Affairs for public transit funding for St. John's and Corner Brook.

D. BRAZIL: Okay, thank you.

There is \$4 million expected in federal revenues. How much have we received to offset these programs?

S. COADY: Do you have that there? If you have the most up to date, then you give him the most up to date.

M. JEWER: I think it was \$5 million. The two things I mentioned, the \$1 million for public transit and the \$4.1 million for housing was the spend, then the offsetting revenue would have been that \$4 million.

D. BRAZIL: That's been received from the federal government?

M. JEWER: Yes.

D. BRAZIL: Okay, fair enough. Thank you.

For '23-'24, there's \$2.6 million expected from the federal government here. What is that for? Is there a breakdown available on that part?

S. COADY: I'm going to let her have the most recent information.

M. JEWER: Could you repeat the question, sorry?

D. BRAZIL: For '23-'24, there's a \$2.6 million. Yeah, you know which one. Just a breakdown.

M. JEWER: I can probably get that for you, unless David, do you have that? I'll pass it over to David. David might have that one.

D. BRAZIL: Okay, fair enough.

D. DROVER: So in terms of the \$2.6 million, that is in relation to a contribution agreement on gender-based violence for the National Action Plan with the Department of WGE.

D. BRAZIL: Okay, I appreciate that.

My last question here, for '23-'24 there's \$35.2 million in spending expected. Can I get a breakdown of what this is for this year?

D. DROVER: Sorry, can I just get you to repeat the question?

D. BRAZIL: Yeah, so for '23-'24, there's \$35.2 million in spending expected. Can I get the breakdown on what programs that will go to?

D. DROVER: So \$5.2 million of that relates to that same gender-based violence plan, and the remaining amounts was \$30 million that's been allocated for Industry, Energy and Technology in relation for rate mitigation requirements that may or may not present themselves.

D. BRAZIL: Okay, I appreciate that.

Mr. Chair, that's all for me at this point.

CHAIR: Okay.

MHA Evans?

L. EVANS: I have no more questions. My questions were already asked for this section.

CHAIR: Okay.

You don't have any more questions either?

D. BRAZIL: No, I would like just to thank the minister and her staff. I never get a chance to thank some of the other staff for their diligent work in putting the budget together, particularly in the Estimates. I know it's been two weeks less a day since we did it, so getting more accurate, more up-to-date numbers also helps as part of that process. No doubt, as I alluded to the minister, we'll have a few chances in the House to ask some questions or clarify on the record for a few other things as part of that.

But I do thank the department, the officials and the minister for her due diligence and professionalism in our Estimates today and, hopefully, this will help drive the objectives of the government and particularly the House of Assembly for the people of this province.

Thank you for that, Mr. Chair.

CHAIR: Thank you.

Clerk?

CLERK: 2.1.01.

CHAIR: Shall 2.1.01 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, subhead 2.1.01 carried.

CLERK: The total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Department of Finance, total heads, carried.

CHAIR: Shall I report the Estimates of the Department of Finance carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, Estimates for Department of Finance carried without amendment.

CHAIR: Thank you.

S. COADY: If I may, Chair, just for a quick moment.

CHAIR: Yes, I was going to do that.

S. COADY: I want to thank the Opposition for their incredibly insightful questions and the work that they've done to prepare for Estimates. Again, I'm a big fan of the Estimates process. But I wanted to also – because my team wasn't here this morning when I was praising them – say I'm working with an extremely hard-working, professional, knowledgeable, caring group of people in the Department of Finance. You couldn't ask for better people to work with or on behalf of the people of the province. They are diligent, they are knowledgeable, they are concerned, they are caring and they are kind. Having those types of people in the Department of Finance works very, very well for the people of Newfoundland and Labrador. So for all their efforts, for all their hard work, I want to thank them.

CHAIR: Okay.

Just to say thank you all for coming today and taking part in these Estimates. Thank you to the questioners. The next meeting of the Government Services Committee will be on Tuesday for Transportation and Infrastructure and the Public Procurement Agency.

I guess I'll ask for a motion to adjourn.

S. STOYLES: So moved.

CHAIR: Moved by Lucy Stoyles.

Is there anything else, Clerk?

Okay, thank you all.

On motion, the Committee adjourned.