



**PROVINCE OF NEWFOUNDLAND AND LABRADOR  
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Fiftieth General Assembly

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

April 15, 2025 - Issue 17

Department of Finance  
Public Service Commission  
Consolidated Fund Services

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## **GOVERNMENT SERVICES COMMITTEE**

Department of Finance, Public Service Commission and Consolidated Fund Services

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Chair: Lucy Stoyles, MHA

Vice-Chair: Lin Paddock, MHA

Members: Joedy Wall, MHA  
Perry Trimper, MHA  
Sherry Gambin-Walsh, MHA  
Jamie Korab, MHA  
James Dinn, MHA

Clerk of the Committee: Bobbi Russell

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Appearing:

### **Department of Finance/Consolidated Fund Services**

Hon. Siobhan Coady, Minister and President of Treasury Board  
Michelle Jewer, Deputy Minister  
Elizabeth Lane, Secretary to Treasury Board  
Bren Hanlon, Comptroller General  
Lisa Curran, Assistant Deputy Minister, Human Resources  
David Drover, Assistant Deputy Minister, Treasury Management and Budgeting  
Doug Trask, Assistant Deputy Minister, Economics and Statistics and Tax and Fiscal Policy  
Nicole Abbott, Departmental Controller  
Jim Doody, Director, HR Service Centre and Corporate Service Delivery  
Tom Nemec, Director of Treasury Management  
Diana Quinton, Director of Communications

### **Public Service Commission**

Hon. Siobhan Coady, Minister and President of Treasury Board  
George Joyce, Chair, Chief Executive Officer, Public Service Commission  
Tina Follett, Commissioner  
Nicole Abbott, Departmental Controller  
Diana Quinton, Director of Communications  
Mike Smyth, Manager of Accountability and Certification

### **Also Present**

Hon. Steve Crocker, MHA, Minister of Tourism, Culture, Arts and Recreation  
Hon. Krista Lynn Howell, MHA, Minister of Education  
John Hogan, MHA  
Craig Pardy, MHA  
Jordan Brown, MHA  
Jim Locke, Government Members' Caucus  
Megan Winter, Official Opposition Caucus  
Scott Fleming, Third Party Caucus

Pursuant to Standing Order 68, Craig Pardy, MHA for Bonavista, substitutes for Joedy Wall, MHA for Cape St. Francis.

Pursuant to Standing Order 68, Steve Crocker, MHA for Carbonear - Trinity - Bay de Verde, substitutes for Perry Trimper, MHA for Lake Melville.

Pursuant to Standing Order 68, Jordan Brown, MHA for Labrador West, substitutes for Jim Dinn, MHA for St. John's Centre.

Pursuant to Standing Order 68, Krista Lynn Howell, MHA for St. Barbe - L'Anse aux Meadows, substitutes for Jamie Korab, MHA for Waterford Valley.

Pursuant to Standing Order 68, John Hogan, MHA for Windsor Lake, substitutes for Sherry Gambin-Walsh, MHA for Placentia - St. Mary's.

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

**CHAIR (Stoyles):** Good morning, folks. We're ready to go this morning. Actually, we're ready and we're on time, and thank you all for coming. It's great to have everybody here and all ready to go.

What we're doing first this morning is the substitutes: for MHA Wall, we have MHA Pardy; for MHA Trimper, we have Minister Crocker; for MHA Gambin-Walsh, we have Minister Hogan; for MHA Dinn, we have MHA Brown; and for MHA Korab, we have Minister Howell. Those are the substitutions.

A little bit of housekeeping information, wave and identify yourself and, every time you speak, make sure you say your name and wait for the tally light to come on. We need you to say your name for recording purposes. Please do not adjust your chairs. Water coolers are on both ends of the section here and, again, thank you all for coming.

First, I'm going to call the minutes of the previous meeting and do a motion for that before we introduce all the people here

today. I'm going to call for a motion for the previous minutes.

**J. HOGAN:** So moved.

**CHAIR:** Move by MHA Hogan and seconded by MHA Pardy.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, minutes adopted as circulated.

**CHAIR:** Next, I'm going to ask everybody to introduce themselves, starting with MHA Paddock.

**L. PADDOCK:** MHA Lin Paddock, PC Finance Critic.

**M. WINTER:** Hi. Megan Winter, Research and Policy Analyst with the Official Opposition caucus.

**C. PARDY:** Good morning.

Craig Pardy, MHA for the District of Bonavista.

**J. BROWN:** Jordan Brown, MHA Labrador West.

**S. FLEMING:** Scott Fleming, Researcher, Third Party caucus.

**K. HOWELL:** Krista Howell, MHA for St. Barbe - L'Anse aux Meadows.

**J. HOGAN:** John Hogan, MHA for Windsor Lake.

To my right is Steve Crocker, MHA for Carbonear - Trinity - Bay de Verde.

**S. CROCKER:** My mic doesn't work.

**J. LOCKE:** Jim Locke, Research Coordinator, Government Members' Office.

**S. COADY:** Good morning, everyone.

I'm Siobhan Coady; MHA, St. John's West, Minister of Finance and President of Treasury Board.

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

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

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

**D. QUINTON:** Diana Quinton, Communications, Finance.

**N. ABBOTT:** Nicole Abbott, Departmental Controller.

**CHAIR:** Thank you, everybody.

Before we ask the minister to bring in some opening remarks, I'll ask the Clerk to call the first subheadings.

**CLERK (Russell):** Under the Public Service Commission, 1.1.01 to 1.2.05 inclusive, Public Service Commission.

**CHAIR:** 1.1.01 to 1.2.05, Public Service Commission.

Minister, would you like to bring some opening remarks?

**S. COADY:** Thank you very much.

Wonderful to be here this morning. I appreciate all of your time and attention that you're giving today to the Estimates of, right now, the Public Service Commission. I'm joined, as you heard, with the Commissioners, George Joyce and Tina Follett, as well as Mike Smyth and Nicole Abbott and Diana Quinton.

I can say that the Public Service Commission is an outstanding organization that really does reflect the excellence of the public service, and I want to thank the public

service employees who work hard every day to deliver the important and valuable programs.

The programs that are found under the Public Service Commission, they are responsible for the merit-based appointments and promotions within the general public service and the agencies, boards and commissions. They are responsible for the Employee Assistance Program, a very important program, and the Respectful Workplace Program, training and development within the public service through the Centre for Learning and Development. They're responsible for strategic recruitment and hiring of core government departments; safety and wellness, including Occupational Health and Safety, Harassment-Free Workplace initiatives and programming, adjudication of management and bargaining unit classification appeals; the Opening Doors Program, which is an employment equity initiative.

They are the chair and chief executive office of the Public Service Commission, chairs of the Conflict of Interest Advisory Committee and, of course, they are also responsible for the Independent Appointments Commission. The Public Service Commission is a secretariat for the Independent Appointments Commission.

As you can see, very important and wide-ranging, but very dedicated, hard-working and professional – that's a key word here – group that ensures that we have merit-based appointments and training and workplace health and safety.

On that note, there are lots of questions I am sure to be asked, and I look forward to those discussions.

**CHAIR:** Thank you, Minister Coady.

Before we get started on the questions, I just want to say that the first round of questions will be 15 minutes. Following the first round, every other section of questions will be 10 minutes.

We will start with MHA Paddock.

**L. PADDOCK:** Thank you.

Let me, I guess, start, this being my first Estimates. Now, I do have a background as a senior controller so I understand this time of year in navigating periods 11, 12, 13 and 14. For those that are navigating that, I thank you for being here. It's not easy, this quarter, to be able to finalize a fiscal year and then initiate a new fiscal year at the same time.

For those that are here on the Public Service Commission, I also recognize that it's an interesting dynamic as well, because you're getting a lot of hands being put up at this time of year that are looking to end their public service careers. So it's an interesting dynamic overall.

My series of questions that I'm going to ask here this morning is not to find fault, but to, I guess, pull back a bit for me and for others to understand in further detail the process of where we are and, maybe, in some case, given my own professional background as well as academic study – because I did do a master's in public administration – to understand how we are approaching some of the challenges ahead of us; particularly, some of the demographic challenges and some of the occupational challenges that are about to unfold and will probably become more intense over the next few years.

So on that note I guess, let me just look to warm you up with some questions first, before we get into some of the more intense questions. How long, on average, does it take to fill a vacant position?

**G. JOYCE:** Thanks for the question.

In the core public service it's 15 weeks.

**L. PADDOCK:** So 15 weeks; essentially, a quarter –?

**S. COADY:** If I could.

**L. PADDOCK:** Yeah, sorry.

**S. COADY:** Thank you.

Thank you for the question and we welcome your investigations this morning. I think this is very important and critical to the process. When I began this morning, I should have said I think the Estimates process is the most valuable of all the budget, and I see nodding heads as well.

I will say it's 15 weeks in a general sense to recruit. There are some hard-to-recruit positions that take longer, that are open for longer, but I will say to you that within those 15 weeks, of course, there's a process by which this goes through. It has to be recognized by the department and then it will go through the Public Service Commission. They engage the department back and forth and then the final submission.

While it sounds like a tremendous amount of time, it really is, I think, as expeditious as you possibly could make it. You could probably cut down a couple of weeks on that, but with the back and forth between the advertising, the recruitment process, the going back to the department, that would be including some of the hard-to-recruit. I wouldn't expect us to have it much more streamlined than that.

Thank you.

**L. PADDOCK:** Understood.

Let me just go back to your quick preamble there. Yes, I agree with the value of the Committee process. From my own perspective, I'd like to see a greater use of that within government.

Following on that question, with regard to vacant positions and what the minister highlighted and knowing that hard-to-fill positions take longer, is there an average for non-hard-to-fill positions and then an average for hard-to-fill positions? You indicated that it was 15 weeks. I'm just looking for the bottom end and the top end of that range given the overall average.

**T. FOLLETT:** Thank you, Mr. Paddock.

As the minister and George alluded to, we're averaging for non-hard-to-fill, as you phrased it, a little under four months in terms of recruitment, which would be the 15 weeks. In comparison, if you look at the federal jurisdiction, and I know they're much larger, they're running at about 9½ months.

To the minister's comment, we feel we've been pursuing efficiencies in that area and, particularly, when we try to benchmark ourselves against other jurisdictions, particularly federal jurisdiction. We've also improved over the past couple of years. We were running at five months plus, so now we're down to under four.

We're embarking and have continued a number of initiatives internal to our organization in the Staffing Division to pursue efficiencies to further improve, where we can, on that process, but, as the minister has also noted, there are often outliers. There are issues related to references that causes us delay sometimes. The nature of the recruitment itself can cause delays. Those things have to be factored in as well.

The hard-to-fill positions, it's very difficult to give a timeline if that's what you're asking or if I understand your question correctly.

**L. PADDOCK:** In general.

**T. FOLLETT:** Yeah, it's very difficult to give a timeline on hard-to-fill positions because of their nature, they're hard to fill.

We often have competitions for which we leave the competition what we call open until staffed. We run it for the length of time required in order to secure a healthy applicant pool and because of that, depending on the nature of the position, it can run between anywhere of the four months, that we see in general, upwards to maybe six or eight months. Again, it's very difficult to give you a definitive time frame on that.

**S. COADY:** I will add just for people who are following through on Estimates, this is 1.2.02, Strategic Staffing. Statistically, the

total competitions created in the last year is 1,640; completed to date would be 1,391 and the rest are in process. There is at any given time about 250 under recruitment.

I will say, you will have noted that we put some additional money in a recruitment, branding and awareness campaign, for example. Just in the November to December time frame, so in the one-month time frame, we had 79,287 users to the careers site. So there is a lot of demand and want to enter the public service. It's a matter of recruiting them and retaining them once we do. I will say that the recruitment, branding and retention program has been very valuable, and we also started back into schools. I'm sure Commissioners will give you more details as we go.

The third element that I wanted to add under this is the Graduate Recruitment Program. You will have been aware that we started a Graduate Recruitment Program that I think is very valuable to the civil service. Of the 49 total hires since '22, 46 are still involved so it's good recruitment and retention.

I'll stop there.

**L. PADDOCK:** Yeah, just a quick follow-up from what Commissioner Follett highlighted, where do we sit in comparison to other provinces? Are you doing jurisdictional scan with regard to our staffing and how that relates to the other provinces? Then, with regard to the hard-to-fill positions, are you leveraging any hiring agencies with regard to looking to fill some of those?

**T. FOLLETT:** Thank you again, Mr. Paddock. Two questions I think you had; the first I'll answer is regarding to leveraging other agencies.

As the minister noted, we did a fair bit of work on our own what we call job portal. We revamped it in the past couple of years and made it more user friendly. You can now apply on your mobile phone, for example. So the more we can make it user friendly the better, in terms of attraction.

We also, in terms of what we call outreach, have a relationship or an account with LinkedIn. We did some examination of the best social media platforms for the purposes of outreach and marketing, and LinkedIn because of the professional nature of our workforce was deemed to be the best investment. It's there now. We engaged and secured licences with LinkedIn just this year past. We have what are called two licences with LinkedIn: recruiter licences. What that means is we have two folks in our staffing division who have the ability to advertise, post advertisements to that site with much flexibility. As opposed to having to go through their rules and regulations, they delegate that to us, if you will. So that gives us lots of flexibility there.

We've had lots of success with LinkedIn. Recently, we were able to hire an epidemiologist with the Department of Health and Community Services, which we classify as a specialized, hard-to-fill position. We've also had success with a number of technical positions through OCIO. Of all of our occupational categories, those with the OCIO, the technical positions, we're having the greatest success on LinkedIn as well.

We've had upwards of 100,000 hits or clicks through LinkedIn since we launched, and a lot of that traffic then comes through to our own portal. That's part of the strategy. We want to drive the activity to our portal so that all of the positions that we have on the portal are accessible and profiled.

**S. COADY:** Hi, everybody.

Just to answer your question, yes and yes. Yes, we do benchmarking against other jurisdictions and, of course, federal-provincial-territorial discussions are occurring across the country; and yes, too, on occasion, we do need to use outside recruitment agencies. It depends on the position, depends on the length of time to try and recruit.

As the Commissioner has said, we're trying to do as much as possible through the new

avenues and new portals that we have available to us.

**CHAIR:** Before you continue, I just want to say we have a new system here at Confederation Building, a brand new system for the mikes. So it might be a little more delayed but always say your name because at least then the recording, who is speaking, sometimes the people in the back don't know everybody, depending on who is on. Because the system is new, it's a bit slower.

Continue on, MHA Paddock.

**L. PADDOCK:** I was pleased to hear, like I said, with regard to LinkedIn, that's what I used a couple of times as well, particularly on the professional side.

On that, with regard to LinkedIn, I guess that triggered another question. Is that resulting in more applications from out of province, especially in the hard-to-fill positions?

**T. FOLLETT:** I'll never get used to saying my name all the time, sorry.

So we don't have a breakdown in terms of the traffic from outside of the province versus internal, but logic would dictate because LinkedIn has a far reach that, yes, we're receiving applications from a variety of areas. We're hoping to do some work on that as we move forward.

All of the positions that we have advertised to date on LinkedIn, which are 147, have all been considered hard to fill or difficult to fill. So we've leveraged and utilized that expenditure to focus on those positions for which we have the greatest challenges in terms of recruitment.

Did I answer both your questions this time? I apologize, earlier I missed the second part.

**L. PADDOCK:** Yes.

**G. JOYCE:** Thank you.

Just as a supplementary to add to that, in addition to the core public service for

recruitment, PSC is also responsible for generating recommendations or assisting the IAC and tier two entities. There's, I don't know, 130, 140, whatever it is, agencies, boards and commissions. So we maintain a database. Five per cent of that database, about 1,000, are from outside applicants outside the province now, even though we try to fill every position in the province.

**L. PADDOCK:** Yes, thanks for that.

Do I have time?

**CHAIR:** No, your time is up. We can come back again.

MHA Brown.

**J. BROWN:** Thank you, Chair.

I guess keeping on the same train then as my colleague has, you mentioned a bunch of initiatives, but can we get a list of the different initiatives or locations that you are using for recruitment right now? I know you just mentioned LinkedIn and you obviously have the portal. Are you doing any other advertising or any other initiatives for recruiting, especially the hard-to-fill positions?

**S. COADY:** Yes, thank you.

We're using as many avenues as we possibly can. As we mentioned earlier, we have a new marketing campaign, which I think has been very successful: Work for us. Work that matters. You've probably seen posters. They're widely spread. We also do an awful lot of billboards. We do, oh my gosh, television ads. We do outreach, for example. We go into schools.

I think there's been at least a dozen career fairs and networking events during the last year: MUN, Memorial University, College of the North Atlantic, co-operative education. With NLSchools, we implemented a high school student outreach program all across the province, so 20 different career education classes.

We also take your child to work events so that we introduce children early to the opportunity of working within the public service. We do targeted online and email campaigns, depending on the type of position that we're looking for.

So, you know, a full myriad of recruitment activities and potential opportunities to introduce people to the public service. First, the introduction and then recruitment.

**J. BROWN:** Thank you, Minister.

How many vacancies are currently right now in the public service?

**S. COADY:** Well, we always have roughly, approximately – because any day could be a little bit higher, a little bit lower – about 200 to 215 under recruitment.

**J. BROWN:** Perfect.

Right now, out of all those positions, what are the ones that have been vacant the longest?

**T. FOLLETT:** Sorry, Mr. Brown, I didn't quite hear all of your question.

**J. BROWN:** Of the roughly 200 vacant positions right now, what postings have been up the longest? What vacancies have been vacant the longest right now in the public service?

**T. FOLLETT:** Again, I would have to go back to what we would consider hard-to-fill positions. That number fluctuates on the daily, but in terms of the hard-to-fill positions, we've been having challenges, again, with financial roles, IT roles, as the minister has noted, environmental health, positions of that nature. So those tend to be advertised for longer periods of time.

**S. COADY:** Just to that point, though, because it was an inquiry that I had, as well. It's not deteriorating, the hard-to-fill positions – and you can see the Commissioner agreeing with that, it's not deteriorating. That's kind of where you want to make sure that you're still out there.

Anywhere in society today – financial, IT – they're all hard-to-fill positions. They're professionals and they are in demand, but we're not deteriorating. We're actually improving in terms of being able to recruit.

**J. BROWN:** Thank you, Minister.

Thank you, Chair.

Currently, right now, how many positions are in the Public Service Commission? How many people are working in that division?

**CHAIR:** George.

**G. JOYCE:** Eighty-five.

**J. BROWN:** Eighty-five.

Right now, are there any vacancies in that position?

**G. JOYCE:** Right now, there are two vacancies, I think – one or two that we're trying to fill.

**S. COADY:** They're under recruitment, though.

**G. JOYCE:** Yeah.

**J. BROWN:** Oh, perfect.

Right now, I know that the Public Service Commission does a lot of work for accommodations and employees with disabilities, has there been any updates or any new initiatives within the public service for the accommodations for employees with disabilities?

**CHAIR:** George Joyce.

**G. JOYCE:** The Office of Employment Equity for Persons with Disabilities, in the past year I think we hired additionally about 46. Tina can correct me on that. There are 119 currently employed.

As you're aware, the profile of that workforce, they have issues that other workforces do not have, like the core public sector. You're dealing with longer sick

leave. You're dealing with more accommodations and, because of that, then we have to hire on a part-time or contractual basis to try to maintain that. It's a steady program. We're working directly with deputy ministers on a monthly basis. We send them an update if there are any positions that they're sitting on and we follow up with them right away. The minister has indicated to us at the beginning of the year, if any departments are slowing down on that, to follow up on it with her and she'll move on that.

It's a steady program. It's working well insofar as possible. If someone makes a call, I'll follow up on it personally or have our officer follow up on it. We'll try to do what we can do to put that person to work. It has to be the right fit, as you know. There are a myriad of issues.

**S. COADY:** I think this is a very important question because when you look under – and I'll just go back to the Estimates book for reference – 1.2.04, there are usually vacancies in those positions. As the Commissioner indicated there, it's because of the complexity of some of the workforce and complexity and challenges of the unique needs of the workforce.

I can say that there are nine in multiple stages of recruitment process; three with start dates in April, that's positive. There are 85 funded positions in that area. Some are temporary, moving their way into the public service, but 72 of them are actually permanent. It is an important hiring and we do monitor it regularly just to make sure that we are continuously looking and recruiting in that area as well.

**J. BROWN:** Perfect. Thank you, Minister.

Under the Employee Assistance and Respectful Workplace Program, I know that you mentioned that there was an inclusion, diversity, equity and accessibility committee. What work has that committee done and how often does it meet?

**T. FOLLETT:** Thank you, Mr. Brown.

The committee meets monthly – sometimes it will meet every two months, for example, but the aim was for it to meet monthly.

It's comprised of a membership from a variety of departments such as CSSD and IPGS, in terms of the immigration component. It is currently working on a work plan. It's examining a number of initiatives that it can pursue in support of diversity in the public service. It's intent is to help provide advice to government and the public service in terms of policy development and initiative development.

**J. BROWN:** Perfect, thank you.

How long has the committee been active? When did it first strike?

**T. FOLLETT:** The committee has formally been in place for about two years or so now.

**J. BROWN:** Thank you.

On that, is any work being done on further education or advancement within the public service for employees – furthering education or anything like that? Are there any new initiatives or work being done in that field?

**T. FOLLETT:** Sorry, could you repeat it again, Mr. Brown? I'm having a hard time hearing you, I'm sorry.

**S. COADY:** You have to put your earphone in.

**T. FOLLETT:** You were asking, Mr. Brown, if –?

**S. COADY:** About education.

**T. FOLLETT:** Oh, education –?

**J. BROWN:** Further education for employees.

**T. FOLLETT:** On diversity?

**J. BROWN:** No, just in the advancement within the public service.

**S. COADY:** I'll plug in your earphone. You plug in your earphone. Great. Thank you, a lot.

The Centre for Learning and Development, of course, is responsible for supporting them. I can tell you, the programs in '24-'25, there have been 24,244 doing eLearning. There were 2,466 who did in-classroom work and another further 2,076 who did virtual, for a grand total of 27,786 courses delivered.

The big thing that we did, if I may be so bold as to say, we hired an in-house trainer. That has really improved – and it's actually saving us money, but also, that person has been able to do 116 courses and certified over a thousand people. So I think that was a very important initiative that we've done. As I said, we've trained 27,786 civil servants in the last year. If you go back over the last five years, it's almost 124,000 courses.

**L. PADDOCK:** I guess to continue back where we were and highlighting where we left off with Mr. Joyce and his comment on the Independent Appointments Commission.

I was wondering if you could provide an overview of how many tier one IAC, Independent Appointments Commission, and probably even tier two PSC, Public Service Commission, appointments were made over the last year?

**S. COADY:** The IAC is important. It is really a merit-based process for appointment to provincial agencies, boards and commissions.

The current board opportunities, there are nine under tier one and 22 under tier two, for a total number of positions of 19 for tier one and 56 for tier two. There have been 1,142 appointments made in total this past year.

I don't know if there's anything further that the Commissioner would like to add for that.

**G. JOYCE:** I'd just like to clarify one thing, Minister, if I may.

The 1,142, that's the total over five years.

**S. COADY:** Oh, okay.

**G. JOYCE:** For '24-'25, there have been 11 for tier one and 41 tier two, for a total of 52 appointments for both for '24-'25.

**L. PADDOCK:** Okay.

Has the Lieutenant-Governor in Council made any appointments not on the recommendation of either the IAC or the PSC?

**S. COADY:** I can tell you of one and that is for the Newfoundland and Labrador Liquor Corporation.

We didn't have anyone recommended from the IAC that represented Labrador that was from Labrador. We actually went out and did independent recruitment and tried to find somebody, and we did; a very talented board member that joined the board. He's actually the head of the Airport Authority, I believe. He's talented for the board.

That would be why we invoked the section of the act that, notwithstanding what comes over from the IAC, we really did want to have somebody from Labrador there, and I think MHA Brown would appreciate that.

So those are the types of things, on occasion, that happens. You just don't get anyone through the recruitment process and then you need to go out and specifically target and recruit to make sure that you have representation geographically.

If I may, just on that point, we need three new members of the Independent Appointments Commission. We're currently recruiting. If you know someone, please direct them to the Public Service Commission. We really would like to have some great names.

**G. JOYCE:** Just to underscore what the minister indicated, we need the best people on the IAC.

**S. COADY:** Yes.

**G. JOYCE:** It's a volunteer position, but we had great people. I've been there now for seven years, working with all of this stuff. If you have any name that you think would fit into that, phone me directly. I'll call, I'll express your name, in your geographic area, and we would welcome – send me your résumé. We'll work with you and see if it's the right fit for what we need on the IAC at that time.

**S. COADY:** Plea for recruitment.

**L. PADDOCK:** You could had me a few years back when I applied, but that's a different story.

I'm going to come back to what Mr. Joyce indicated – he's been there five years. So five years as acting chairperson and CEO of the Public Service Commission. In April 2022, in the Estimates, my colleague asked about the position and a direct answer was given. If you'd allow me to quote *Hansard*: "My understanding is that the position has been advertised. It has been recruited for. There have been interviews. There has been a report generated by the Independent Appointments Commission, and that report has been submitted to government in accordance with the act."

So here we are, three years, it sounds now like a permanent appointment. I'm not against that. My question is overall with regard to the process, because I see that Mr. Joyce is still acting. So can the minister provide some context?

**S. COADY:** We have done a recruitment process. Mr. Joyce has been in his role for seven years and doing an exemplary job. I think everyone in this room would agree to that. Therefore, things are progressing as they would in the Public Service Commission. He is the Commissioner. We have Tina Follett who is also a Commissioner and doing exemplary work.

**L. PADDOCK:** Okay.

On the IAC, how long, on average, does it take for a posting to get filled through the Independent Appointments Commission?

**S. COADY:** Approximately five months.

**L. PADDOCK:** Okay.

When is that process initiated? Do you wait until the position becomes vacant? I looked at the IAC, so there are term limits. Do you start the process before the term ends?

**S. COADY:** That's what we endeavour to do. So that's up to the departments. What happens is, for example, and I'll use Newfoundland Liquor Corporation as an example seeing as I used them earlier, they will inform the minister that there are vacancies coming available. I would write a letter to the IAC with requests for I need three positions, I would like them to be gender balanced, geographically balanced, whatever type of recruitment requirements may be required by that board, and submit it to the IAC.

I'll turn it over to Mr. Joyce now in a moment, but they'll look at the database and then they'd bring back the recommendations from what they were able to either recruit or what was in the database having been reviewed by the board itself.

Mr. Joyce.

**G. JOYCE:** Thanks for the question.

Yeah, the appointing authority under the act would make a request to the chair of the IAC in writing. The chair of the IAC gets it, responds to it and sends it to the Public Service Commission. The Public Service Commission is the secretariat for the IAC – secretariat only.

We have a database. We have 1,000 names in it, computer generated. So if we want someone, I don't know, an accountant that a specific agency needs, then Mike Smyth works with us – he does all the heavy lifting for the IAC. He's after doing excellent work.

What we would do, the PSC, is that we go into the database, look at all of the applications – because when someone is interested in the IAC, when they put it into

the database, they can list 10 positions that they like. So the computer picks up on it that you're an accountant, generate it, so Mike and his staff will get it, and they look and so we've got 15 names, 20 names.

We'll go through it and we'll take those 15 names. We will bring it to the IAC. They will convene a meeting under their act, a committee of three will look at it and they will decide themselves whether they want to conduct an interview, whether they don't feel they have sufficient numbers and they'll make a decision to recommend three names for a single position to the LGIC or the appointing authority.

**L. PADDOCK:** Further to what Mr. Joyce indicated here about awareness of the IAC and being able to serve in as a volunteer, I've highlighted the IAC across my district to who, I think, are some suitable candidates and one of the things that I would like to see you consider to possibly do is just send a letter to all the towns.

There are a lot across the province that don't fully understand the capacity to partake. We have some truly great individuals and skill sets and I think, now with technology, being able to do Zoom meetings and the like, there's a capacity for even folks from our more rural and remote communities to be engaged and I think they would bring a lot to the table.

**S. COADY:** Excellent idea and we'll certainly take that to the IAC.

We also encourage all MHAs, so if you've got names, please bring them forward. We'd appreciate it. The IAC can make the outreach to try and recruit those people because we do need excellent board members on many, many boards. As I've said, the IAC has put in 1,142 over the last number of years.

**CHAIR:** MHA Brown.

**J. BROWN:** Thank you, Chair.

Under Employee Safety and Wellness, has the Public Service Commission reviewed

the health and safety guidelines of the different entities across the province to make sure that they're up to the modern standards?

**G. JOYCE:** Question, just to rephrase, what is Safety and Wellness to all entities across the province for safety guidelines? Well, first of all, as you're aware, there's an *Occupational Health and Safety Act* and Regulations. There's workers' compensation. Every act and every agency, board and commission in the province, they're under statutory obligation to align or to adhere to those regulations.

The Employee Safety and Wellness Division, we work directly with core government departments and certain entities and, in each department now in government. We have a contact person or an executive lead that there currently is a formalized health, safety and wellness program in place in every government department and entities that we're associated with. We meet with them. We track the matrix in a huge way. I think it's about 80 per cent or 85 per cent now of every government department has committees in place and health and safety committees in place that they must adhere to the legislation. We meet with deputies. We're meeting with them now in another two weeks. We have meetings set up with 15 or 16 deputies to go through their matrix on everything.

You're welcome to have all that stuff. We will point out to them if we see a deficiency, but it's 100 per cent a turnaround from the way it used to be when I worked with government years ago. It's amazing.

**S. COADY:** Allow me to add some of the other new things that have been put in place: Our wellness clinics, for example, for various departments; safety management outcomes and accountability. You're familiar with the flu clinics, and the COVID clinics and the blood pressure clinics.

So there's a whole wellness series that goes on with CSSD and with OCIO –

**G. JOYCE:** Ergonomics.

**S. COADY:** – and, as the Commissioner says, there are a lot of ergonomic assessments. We did 370 this past year, I think. We take it very seriously, this employee wellness.

**J. BROWN:** Perfect. That was my final question for this section.

Thank you, Chair.

**CHAIR:** No further questions.

MHA Paddock, do you have any further questions on this section?

**L. PADDOCK:** I'd like to go back to the IAC again, and the database.

As a name comes in, is there, I guess, some type of initial ranking and potential positioning for across a number of IAC opportunities?

**G. JOYCE:** There's a data bank.

We have about 1,000. We have it broken down to geographical regions, because when an appointing authority makes a request, they said – and particularly the minister is huge on it, I notice – we want to balance it with female, we want to balance it geographic and inclusion and diversity and so on.

In the application, the individual will identify 10 areas of interest. If it's Health, for example, and we need someone on the disciplinary board for dieticians – I don't know what it is, for IAC it could be anything – what Mike and his team will do, the computer will spit out the 15 or 20 individuals who indicated on their application they have an interest in health care. We will look at their educational qualifications, their ability and geographic area, because you may need someone depending on it. So for the IAC purposes, and tier two as well, we would have those names there that we would move on.

That's what we do. That's the skinny.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Like I said, as you provide info, that triggers additional so bear with me.

The Graduate Recruitment Program, Minister, you indicated 46 of the 49 are still employed. Can you give some indication, again a general overview, of where those 46 are employed?

**CHAIR:** Tina Follett.

**T. FOLLETT:** Thank you, Mr. Paddock.

Of those 46, they've been employed in a variety of departments across the public service. Quite a few are in policy roles and others are in technical positions with the OCIO, for example. We've had some in Finance. We've had others in the Department of Health in public health. So there's a wide array of areas where they've been employed at professional levels within the organization.

**S. COADY:** Thank you.

This is important: we want to move them around so they don't stay.

We had a great graduate recruitment person in Finance and they moved on to another department. It is because we're trying to give them a full training and learning program across the public sector and we want to retain them. They find the role that they most want to excel in, but these are exceptional – exceptional. We've had hundreds of applications and, because it is a full training program, we've only had – what – 24 graduate recruits hired in September of '24. We're hiring again now.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** I think that's very positive.

That was the way, like I said, when I was working at National Defence Headquarters with our policy analysts. We spread them around – rotated them around, I guess is

better – so that they get an understanding. Then you've got a potential to keep them longer.

Again my mind was triggered with regard to IAC and the database, how long does one stay on the database? Now, I'm not asking if I'm still on the database, I'm just asking how long does one stay there and do they have to put their hand up to be taken off?

**CHAIR:** George Joyce.

**G. JOYCE:** I'd have to defer to my colleague, Mike, on that.

I know what the answer is but Mike can give you a little bit more complex.

**L. PADDOCK:** Okay.

**CHAIR:** Mike, wave your hand.

**M. SMYTH:** The applications are kept for a period of up to two years and if somebody did ask to be removed, then certainly we would. Once those two years is up, we will and have started initiating with people as they are deleted to encourage them to reapply if they still have interest.

That is what one of our employees does on a regular basis, follow up with applicants whose applications have expired to see if they're still interested and to reconsider.

**G. JOYCE:** Supplementary to that, I would like to say that in your district, if anybody comes to you and says, look, I've been in the IAC and it's gone into a black hole for the last couple of years, get them to call me, directly. We'll follow up with them because what we're trying to do is keep everybody engaged in this process.

As you know, two years sometimes, depending on if they only have two or three positions that they identified areas that they have an interest in; but we need to stay engaged with those people. So don't hesitate to phone me directly and I'll make sure I follow up with that individual directly and keep them engaged in the process because we need them.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** I'll get your business card after, Mr. Joyce.

I guess to come back, and I'm just looking at what was highlighted about a follow-up, would that be automatic?

Like, there's a way that you can do that with email, right? Is that the type of process you would use to solicit a recurring interest in the IAC or in a specific role?

**CHAIR:** Mr. Joyce.

**G. JOYCE:** We're currently working with the OCIO on a program to generate that to make it more efficient. This started off with – seven years now, Mike, or eight years? Ten years?

**M. SMYTH:** Nine years.

**G. JOYCE:** Nine years ago, the IAC, in this new tier one, tier two system, started off manual as you can get. We've refined it 100 per cent. It's getting better.

I hear what you're saying, that's an important issue. We're willing to work and make that an issue. That's an issue for the IAC as well, because someone applies for a job and sometimes their name might be on the list. We can't divulge publicly if their name was sent to government or it wasn't sent to government. If they're not selected, then they feel – and I don't even have the legal authority to tell an individual that their name was sent over or not sent over. That's why we're trying to work with them to keep them engaged.

**L. PADDOCK:** The reason I asked that is because I'm getting queries from companies from six or seven years ago: are you still interested in this position? No, I'm currently serving. That's automatically generated, so there could be – why I asked – a way to streamline that process for engagement.

**G. JOYCE:** Yes.

**CHAIR:** MHA Paddock, do you have more questions?

**L. PADDOCK:** I think now that everybody is sufficiently warmed up, I just want to take a step back and now look at this holistically. That is with regard to the entire Public Service Commission and what you're doing going into this fiscal year '25-'26.

Your current vacancies, how many are being recruited, how many on hold, how many posted and how many in interviews? Just give me a holistic snapshot of where you sit going into '25-'26.

**S. COADY:** So for the department, as we indicated earlier, there are 84 employees, two of which we're currently recruiting so that's in progress.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Okay, I was not talking about the Public Service Commission itself. I'm talking overall what you're leading the charge on with regard to the entire public service.

**CHAIR:** Mr. Joyce.

**G. JOYCE:** Well, I'll start at 20,000 feet. The purpose of the Public Service Commission as the principle statutory authority is the recruitment, retention and promotion in the public service using a merit-based approach and for the development of a professional public service.

To that end, we have four lines of business and other areas as well, from chairing the Conflict of Interest Advisory Committee for all of government to providing a harassment-free workplace. We have all kinds of principles in place, modernized principles, that we're working on an annual basis with deputy ministers in each department to make sure that the merit is protected in a professional public service.

That goes everything from the gambit. From learning and development, 27,000 people were trained last year in learning and

development. Various methods, we've introduced technologies now. We're in the process now this year – we have it out on tender; I think it's just starting to come in now or finalizing – a new learning management system for all government. Not only for all government, but all the agencies, boards and commissions out there, they're providing an off-ramp so we can try to align systems in place to make it more efficient. That's just from a learning and management point of view.

Employee Assistance Program: We've seen an increase now with the issues that are out there now, mental health issues and issues that people have in the workplace that we're dealing with. We have six professionals in place. We have 150 service providers in the province who provide every service that you can think of from psychological to coaching that they have access to. That program runs great.

We have a safety and wellness program. We've made it more efficient now for ergonomics. We have spot checks for ergonomics. We have a safety plan in place with every government department that's similar to what's being offered in the private sector in terms of accountabilities. We meet with deputy ministers every three months. We have metrics for every for every line of business that they have in their department that intersect with the Public Service Commission. We tell them where they're up or they're down or that your recruitment is taking 16 weeks for that not 14, where's the problem? We can identify if it's sitting on the minister's desk; we can identify if it's sitting anywhere and then we have that discussion with them.

So we have a wide array of modernized services that we work with each government department now streamlined and try to modernize every service and principle that's out there.

**S. COADY:** If your original question was about number of employees for core government: 7,727. We recruited, in core public service positions last year, 1,391.

Generally, at any given time – and this is general because every day is different – in all various stages, roughly 250 are in active recruitment. Depending on all kinds of circumstances, that could be below 200 and it could be as high as 250. It really just depends.

**CHAIR:** MHA Paddock.

Do you still have more questions for this section?

**L. PADDOCK:** Oh, yeah.

**CHAIR:** Okay, continue on.

We can add more minutes on the clock. Go ahead.

**L. PADDOCK:** I guess, to come back to hard-to-fill positions, I'm looking here and, like I said, my concern here is risk and risk management of that.

For hard-to-fill positions within government, does PSC or Treasury Board conduct a scan or strategic analysis to understand where we are as a province as an employer of choice?

**S. COADY:** Certainly, you can ask that. We will have Estimates for Treasury Board coming up, but it is something that we constantly review to be honest with you.

I know the Public Service Commission has their own analysis based on their recruitment and their requirements in their recruitment, but under Treasury Board, we're constantly analyzing – it is interesting that you raise this point – we're constantly doing jurisdictional scans, analyzing positions, analyzing salary scales, analyzing benefits. That's a constant process.

I think, the point of the matter is, and since COVID really, there has been a change in the way recruiting and retention, and the requirements around same. We're working with unions on this on an ongoing basis. We're working with departments. It is something that's under constant analysis.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** The reason that I asked that, I served in Ottawa on several occasions and ran into a lot of Newfoundlanders, a lot of professionals from Memorial. We're in competition here, provincial government, with the federal government.

My question back is then – and I believe the quality of life here is much better – how do we look with regard to that competition to have an impact on those young professionals leaving Memorial?

**S. COADY:** Certainly, again, this would be under Treasury Board, but I will say that there has been a tremendous amount of effort in the last number of years to review positions. We've signed 30 of 30 collective agreements. We've been working with unions. All the collective agreements have been understood and approved. We continuously work with unions to ensure that we have the right balance of both salary expectations as well as benefit expectations.

You know, it is challenging. We do a lot of jurisdictional scans. We try and be competitive, as best competitive as possible, but you're absolutely right. It is a more pressured world out there in terms of – and there's a changing environment. Sometimes it used to be, probably in my generation, benefits and having a pension was more important than maybe the next generation or the millennials or for Gen Z.

We're just trying to find that right balance of attracting the next generation, but working with unions, working with departments and working with individuals is helping us do that, but it's constantly under discussion and review.

**L. PADDOCK:** I believe there's an opportunity to continue to recruit from that cohort there, particularly in Ottawa, because, having served there, a lot of them are not necessarily happy with their lot in life.

Minister, you spoke about hiring in-house training, and I guess I'd like to know for what type of training – safety, language, un cours de français? I'd just like to know what type of trainers and their certification in the areas.

**T. FOLLETT:** Thank you, Mr. Paddock.

We currently have an in-house trainer whose focus is on occupational health and safety. He conducts a fair bit of coursework with respect to certification of employees in the occupational health and safety area. I believe, within the last year, we've certified upwards of 1,000 employees, so his work has been focused there. He's generating savings through his work.

We have two other individuals within the CLD who provide French language services and English language services to core employees. So they are both, obviously, well trained and certified in those areas.

When we have other staff who provide generic training as need be because their core competencies are such that they're able to adapt to whatever training needs are required. When we can prepare in-house curriculum, we do that. Towards Reconciliation is a prime example of that.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Okay –

**S. COADY:** Would you like a list of the courses?

**L. PADDOCK:** No.

Mr. Joyce highlighted the EAP and the increase in the EAP. I just want to drill down, I guess, a little bit there and get an understanding. Because I'm well-aware of EAP from my previous life at a federal level. Are there specific service support gaps that you're seeing, like you highlighted mental health, and then what are we doing to close that service gap for our public servants?

**CHAIR:** Mr. Joyce.

**G. JOYCE:** To answer your question, currently, EAP is servicing to over 13,000 employees. We have a utilization rate of 15.5 per cent. That's good because what we found the last few years is that, because there's so much awareness that's out there on this that the stigma is going. People are utilizing this and that's their families, as well.

So we're seeing improvement in mental health awareness and decreased stigma for accessing the support. That's the biggest thing. We are seeing more numbers, yes, for that reason.

**S. COADY:** Just to add a little bit more granular on that, what we're seeing, you know, that's slightly increased and as the Commissioner said, it is because people are now accessing it when they probably didn't before.

Where we're seeing the increases around depression, around mental health issues, we're continuously working to ensure – that's why we have courses now. We have other programs that will help people with their mental health. So we're seeing that.

Now we're putting in more training programs and more available services. The gapp program, for example, to allow people to access services to assist them even before they feel they have to do outreach but do it on an improved, up-front basis, so they don't get to a point where they, actually, really feel they need to have more therapy, we'll call it, that way.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Thank you.

Like I said, I understand the importance of it, particularly on the mental health side and the importance of leadership on that file with regard to mental health.

In the military, we allowed folks to have periods of time for a mental health break. Is that available to folks in the public service?

**CHAIR:** Mr. Joyce.

**G. JOYCE:** Yes. What we advocate – we have a safety and wellness division, we have a Ph.D. in wellness, we have a dietician, we have a nurse, we have an ergonomics expert, we have an occupational – and what we're finding now, they're bringing the most modernized principles to the table on that.

I was at a meeting a little while ago and the wellness coordinator jumped up in the back and said, George, can we take a – and we'll have a little stretch and exercise. There's more awareness in the workplace for that now – a lot more. And I'm right on board with that, whatever could work.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** And that's where it comes back to the importance of leadership. Leadership within the departments, those divisions to reinforce that. That's the thing that we learned in the military.

**G. JOYCE:** Sure, good point.

**CHAIR:** MHA Paddock, do you have more questions? We can put more time on the clock, but I just wanted to check and see if MHA Brown, you're done with this section? MHA Paddock, you need more time?

**L. PADDOCK:** We do. I think my colleague from Bonavista is going to give my voice a quick break.

**C. PARDY:** Thank you.

Just some quick questions as a follow-up on the EAP. I know you had mentioned 15.5 per cent. You had mentioned the uptake. Can you quantify that over the years? The other one would be what percentage would be still employed or would they be on sick leave? I'm sure there's a combination, but what would that combination generally be?

**CHAIR:** Mr. Joyce.

**G. JOYCE:** Good question, couple of components to it.

Number one, the lowest point we ever had for the last five years, say, '19-'20 utilization was 13.9 and today it's 15.5. It averages between there. That is standard across the country between 12 and 14, 15 per cent right across the country.

The second component of that question, and I forget what it is now, but I know there was a second part.

**C. PARDY:** The second component was would they be still working or would they be on sick leave? What percentage?

**G. JOYCE:** That would be a Treasury Board question. We have integrated disability management accommodations and Treasury Board tracks that.

**CHAIR:** MHA Pardy.

**C. PARDY:** That's good.

I'm assuming you have translation services in your capacity in the Public Service Commission. I'm just wondering about how many, what languages, the frequency of engagements of these employees?

**CHAIR:** Tina Follett.

**T. FOLLETT:** Thank you, Mr. Pardy.

Actually, translation services for French language is offered through the Office of French Services. It's not done through the CLD in terms of translation. We provide the training around the languages themselves. We don't provide translation services through the PSC.

**CHAIR:** MHA Pardy.

**C. PARDY:** Okay.

When the federal government dropped the contribution to the Labour Market Development Agreements regarding – I recall reading in a past Estimates, I think Mr. Joyce may have stated that it was not a problem; we can manage that.

I'm just wondering, going forward, as to where we stand in relation to that? I ask it in my district, looking at the ability employment program, which we've struggled for the past couple of years in relation to that. That's the genesis of my question.

**CHAIR:** Minister Coady, your light is not on.

**S. COADY:** As you know, that's under a different program. It's under the Immigration heading. However, I think the genesis of the question was, how was it impacting employment equity internal to government. As I told you before, there are –

**OFFICIAL:** There is no impact.

**S. COADY:** Sorry, I was getting mixed messages. There's no impact because we still have 85 funded positions.

**C. PARDY:** Okay.

**S. COADY:** The labour market development program is under a different department and there are lots of good questions under the community impact but, from a government impact, no, we're managing fine internally.

Is that okay?

**CHAIR:** MHA Pardy.

**C. PARDY:** That's good. So I'm zero for three, thus far.

Let's try this one, my apologies. On the agencies, boards and commissions, do you have oversight on the hiring? I know you're not involved with it, but do you have oversight on their hiring of employees?

**CHAIR:** Mr. Joyce.

**G. JOYCE:** Do we have oversight for hiring in the IAC? I wouldn't use that term, do we have oversight, but what I would say is that there's a focus and a recognition by government and the IAC for tier one and tier two, insofar as possible, that we actually have a diversity breakdown of every applicant to indicate to us if they have some issue, but it's volunteer for them to tell us. If

they do and if they meet the criteria and if they're in a geographic region that we need and they have the background, I could say from my experience that they would push that first.

They would try insofar as possible to accommodate that, yes. We have right now about 10 per cent of all the applicants that have diversity that we quantify as diversity breakdown.

**CHAIR:** Tina Follett.

**T. FOLLETT:** Mr. Pardy, was your question whether or not the PSC conducts recruitment for ABCs?

**C. PARDY:** My question was whether you have oversight on the hiring for the agencies, boards and commissions?

**T. FOLLETT:** Right.

As George has noted, anything through the *Independent Appointments Commission Act*, that is scheduled to that act, we have oversight and authority with respect and we service the secretariat to support that. With respect to the Public Service Commission proper, our act, in our Schedule, constitutes what entities for whom we have responsibility.

**S. COADY:** It's in the act.

**T. FOLLETT:** It's in the act, absolutely.

**CHAIR:** MHA Pardy.

**C. PARDY:** In the act, okay.

As a past educator and administrator at Clarendville Middle School, I know that we took great strides to make sure that we hired the best candidates for that schooling system. My understanding now is that the Public Service Commission is directly involved with the hiring within the K-to-12 system, or I should say directly or a part of that hiring.

**CHAIR:** Tina Follett.

**T. FOLLETT:** We have what's called a delegated authority, Mr. Pardy, with NLSchools, such that all of their recruitment would be subject to our standards and requirements and what's stipulated in our act. The teachers, however, they are continuing to be conducted by the staff of NLSchools.

So we provide guidance, as needed, but the operational aspect of that continues through NLSchools and the delegated authority also provides for hiring for management and other support staff to be, again, conducted through NLSchools, but under our authority and guidance.

**S. COADY:** So when NLSchools came within government, they had the expertise of hiring teachers, and it is a special expertise. But as the Commissioner has indicated, the oversight, the delegated authorities, the policies, if I can use that term, are part of the Public Service Commission; but the actual hiring, the actual work, the actual recruitment is through NLSchools as part of government. That's because they have the expertise and have been doing it for a long time.

**CHAIR:** MHA Pardy.

**C. PARDY:** When you say it comes under your standards and requirements, falls under that, really those standards and requirements for education would be coming from NLSchools previously, would it not? Are we looking at a marriage of 100 per cent compliance, or were there changes in the way it was before they came under the Department of Education?

**CHAIR:** Mr. Joyce.

**G. JOYCE:** To answer your question, what is superimposed on that process is a collective agreement between the NLTA and Treasury Board that set the rules and regulations and the way you do business for the last 50 years on seniority issues –

**C. PARDY:** Province-wide seniority –

**G. JOYCE:** Yeah. The Public Service Commission does have oversight, *Public Service Commission Act*, and you'll find that – and there's what, 600 collective agreements in the province? That's only one. The act allows for that.

**CHAIR:** MHA Pardy.

**C. PARDY:** Will you have the number of people that participated in the English second-language pilot?

**G. JOYCE:** Yes, absolutely. I don't know if we have it right now. We can get it for you.

**C. PARDY:** Okay.

**G. JOYCE:** We have, as you mentioned, English training pilot for new employees – entrance, immigration. So that support is there, and we have two departments right now, but we can get that for you.

**CHAIR:** MHA Pardy.

**C. PARDY:** That's good.

Probably my final question would be, David Conway he did a complete review of the IAC Act. Just wondering what changes were recommended within that, and which of these have been implemented? Maybe if it's fully implemented, partially?

**G. JOYCE:** What has been implemented – the Conway report was issued, I think, a couple of years ago. We've been working with the IAC ever since. We've introduced a number of changes. Number one, more resources were required. We hired a full-time employee, a merit consultant, directly employed full-time with the IAC right now. We've revamped the whole website for the IAC. We're working with the IAC on rebranding and outreach.

**S. COADY:** Strategic reporting.

**G. JOYCE:** Strategic reporting of the IAC because of the Conway report now has been out. Meeting with the municipalities of Newfoundland and Labrador. They asked me to go out. I met with the Qalipu First

Nation, the Corner Brook Chamber of Commerce, more outreach. The St. Anthony Town Council, Labrador, more outreach.

The IAC as well, from the minister, the minister has directed us, directed the IAC to, on an annual basis, report to the House of Assembly on their strategic plan in a report. And it wasn't done in the last seven years, but it's going to be done this year, this fall.

**CHAIR:** MHA Paddock, do you have any further questions, because we can put some more time on the clock if you like?

**L. PADDOCK:** That would be lovely.

**CHAIR:** All right, we will do that.

Carry on.

**S. COADY:** Careful, you got a lot to do.

**L. PADDOCK:** Just a few more questions here right now. I think it's important, because it's important to have that strategic overview of where PSC is.

Are you charting demographics in the PSC? The reason I ask that is to understand the challenges that could be faced over the next few years.

**S. COADY:** The short answer is yes. It depends on whether you're talking about Treasury Board, which will be before this House. Or, for example, I'll use IAC. So we do chart demographics, and I'll use IAC because it's under the Public Service Commission.

We track diversity and geographic breakdown to make sure that we are engaging what I call balance. As I said to you, if we go outside the acts – not outside the act, I shouldn't say that. If we go outside to recruit, it's because we didn't get that geographic breakdown. We also do it under the Treasury Board to make sure that we are recruiting.

I'm very pleased – I'm going to say this – that our senior management within

government is now over 50 per cent female. We are making good inroads.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Okay, so – sorry, go ahead.

**G. JOYCE:** Just a follow-up to the minister. Right now for tier one, tier two in the province, we started seven, eight, nine years ago as 42 per cent female appointments. Now it's 49 to 50 per cent across the board.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** This is a question overall with regard to process. Let me, I guess, set the table with this, and I'm going to highlight both mechanics and heavy equipment operators.

This year, I know in the depots in my area, they were challenged eventually but that put at risk snow clearing right across Central Newfoundland. They're in competition now, great competition, with a number of mines that are starting so the Valentine Lake project, the Hammerdown project.

So there's going to be significant competition. On top of that, even the garages in the area are having challenges filling mechanics. I'm looking at this from an overall supply and demand and risk and then understanding from high school into CNA and the capacity for CNA to meet that demand.

I was wondering if you could talk to me then or give me an overview of what capacity do we have to impact CNA and the production there with regard to being able to meet an escalating demand for HEO and mechanics.

**CHAIR:** Minister Coady.

**S. COADY:** Thank you.

A really important question actually and one that Transportation and Infrastructure has brought to Treasury Board. Again, that's a Treasury Board question. I know it's hard to understand the difference between Public

Service Commission and Treasury Board, so I'll expect some great questions during the Treasury Board Estimates. You used a specific example, so allow me to go to the specific example and then go to the broader issue. Specific example, we've had to do some specialty recruitment and market adjustments for that particular group of employees to continue to be able to recruit and retain.

So you're absolutely correct, I know that the Department of Transportation and Infrastructure is ceased with this and has come to Treasury Board looking for supports to make sure that we recruit and retain. That's on the specific example side, but let's take it up to the more strategic. That's why we talked about and started to implement jobs of the future, so we talk about and work with unions and the business community as well as the providers of education in the province to try and get a viewscape.

I know that under my department, we have the Newfoundland Stats Agency. We can see where some of the challenges lie and do all kinds of analysis where some of the challenges lie, where we're going into the future with, I'll use truckers, for example. The fishery is another big example of where we're going to have pressures into the future.

So then we work with the Department of Education. We work with the unions. We work with other education providers to try and bring together a view of the jobs of the future. It is complex, but it is something that is actively being worked on. I think we have to continue to escalate and understand where we're going.

I'll use another example, AI, artificial intelligence. As we move forward, how is that going to impact our workforce? What types of skill sets will they need? The Department of Education, I know, is working on this because the skills development into the future is going to look different than the skills development of today.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Yes, so the point that I wanted to make there, it is an integrated pipeline –

**S. COADY:** Oh, yes.

**L. PADDOCK:** – and when we have, I guess, a bottleneck in the pipeline, for example, the capacity of CNA to meet that expanding demand, then I think we collectively need to look at that.

Government is very attractive to a number of folks because of the pension but we now have some of the larger mining companies that pay a pension. So that's something that we need to keep in mind is monitoring the competition.

On that overall monitoring, I'd like, again, now, to take a step back and look at what you're doing, potentially, nationally and internationally just from a staffing policy. I know some provinces like Quebec, Hydro-Québec is now doing job-sharing. Are you considering that within the public service?

**S. COADY:** Again, that's Treasury Board. I know it's just difficult to understand the differentiation. So Treasury Board would be able to answer those questions but I'd be happy to, kind of, give you the viewscape.

We constantly are doing analysis of what's important for future generations or for generations that are coming behind the current generations, and I mentioned Gen Z for example. They may want different benefits than what the baby boomers or all the different types of generations that we have.

So we are doing analysis. We hire specific contractors to help us get that global viewscape, and we talk to unions. Because the unions can also bring an awful lot of value to this discussion. So it's not just looking across the spectrum in Canada or globally, but it's also speaking to our local unions. We have ongoing conversations with them as to what types of things are being required in order to recruit. Because it is challenging, it is changing, it's evolving

and it's evolving all the time. But I think it's actually more rapid.

I can tell you that the benefits of today are not going to be the benefits that attract Gen Z and some of the next generation. That's just the way it is. So we have to adapt and adopt.

**L. PADDOCK:** Yeah, so my statement there was with regard to understanding – the competition is evolving. The labour market is evolving pretty rapidly for some specific areas and trades within the province.

Let me just ask the final one here, and that is turnover. In the first two or three years, are you monitoring with regard to turnover and then doing exit surveys to understand how we can address impact and address that situation so that the public service is indeed the employer of choice?

**G. JOYCE:** Without overlapping with Treasury Board, right now every employee who leaves the provincial public service has the opportunity to participate in an exit interview. That's used then with the deputy minister to follow up with them on what would the issue or issues be.

But if you want to ask that to Treasury Board, they have more context with respect to that.

**CHAIR:** Tina Follett.

**T. FOLLETT:** If I could just add on to what my colleague said as well. I just want to offer some assurances as well that while the PSC and the TBS have different mandates, we are working together with respect to strategies. Information that the employer becomes aware of, we take that into account and factor it into our outreach.

For example, you asked earlier about some of the positions through TI. We are purposely going into the high schools to start that conversation about what it is to work in the trades within the public service, what it is to work in professional positions within the public service.

So we get feeder information from TBS and we factor it into those functions that we perform from a recruitment perspective. We're more on the recruitment side; TBS is on the retention side. That suite of benefits that the employer determines, we call that our value proposition when we're recruiting. We make sure that's all factored in to both the advertisements, the outreach discussions, conversations with eligible candidates because, oftentimes, these things are discussed at that point, point of offer.

I just wanted to assure you that there is continuity and communication and planning happening between both our organizations in the pursuit of the types of things that you just mentioned.

**L. PADDOCK:** Can I just make a quick statement? I know we're probably taking the break, are we?

**CHAIR:** We're going to clue up this section first if we could, because we have to change staff –

**L. PADDOCK:** Okay.

**CHAIR:** So if you have no questions – and come back and let these people stay. We do have Finance.

**L. PADDOCK:** Well, we got the numbers on the Public Service Commission.

**CHAIR:** Yes, do you want to take a break?

All right, why don't we take a 10-minute break and come back?

**L. PADDOCK:** Okay.

**CHAIR:** All right. We're going to take a 10-minute break.

### Recess

**CHAIR:** All right, we're back in session and we're going to go back to MHA Paddock to continue with the questions on –

**L. PADDOCK:** Thank you, Chair.

I just have one final, general question. Like I said, my purpose here is to gain insight as to understand where we are and where we're going. This question is with regard to your marketing campaign for the PSC. How much is budgeted for this year? Where is it focused?

**CHAIR:** Tina Follett.

**T. FOLLETT:** We have \$100,000 budgeted for our marketing and branding again this year. A portion of that is due to our account with LinkedIn and other aspects of that funding will be associated with the use of social media and billboards, as the minister mentioned earlier.

We also use a system called Preview. There's a portion of the funding used to maintain that particular system. That helps us with the screening and matching for our grad recruits. It's a great little tool. It's been very helpful for us over the last few iterations of the grad recruit program.

There's about \$3,000 or so that we normally use for career fairs and supplies for our outreach. Nothing brings young folks to a career fair more than knick-knacks, gadgets, those sorts of things. So we have some of those.

We also have, at times, specialized advertising. For example, we're doing that from time to time with social work positions. Some of it is attributed to photography or other expenditures – every year, we host take your kid to work day. So there's lunches and knick-knacks, again, that are associated with that event. That makes up the bulk of that expenditure.

**L. PADDOCK:** So, on that, I have one further question. You just triggered me again. That is with regard to, I guess, the career fairs and looking at what you're spending on transportation. Are you doing any, with regard to pan-Newfoundland and Labrador, so outside, and then where, and then do you rotate it?

**CHAIR:** Tina Follett.

**T. FOLLETT:** Yes, so we've covered all the regions. We've covered all the regions with respect to outreach in the schools in particular this past year. We've been working with NLSchools and have piggybacked, if you will, on their career development courses that they have as part of their curriculum for students in Grade 10 to 12.

We've been in Labrador, we've been on the West Coast, we've been in Central and here in the Avalon. When we go into the classrooms, again, we try to profile, (a), the benefits of working in the public service and the fact that you're contributing to your province and your community, so those values, and also highlight some of the more difficult-to-fill types of roles. Again, as I said earlier, what it's like to work in trades and public service and other occupational categories.

**S. COADY:** If you look at 1.2.02 in your Estimates book, we have also increased some Transportation and Communications line, and that is to specifically address what you're talking about. So career fairs throughout the province, as the Commissioner said, each region of the province they've been attending.

**CHAIR:** MHA Paddock, is that it for questions?

**L. PADDOCK:** Yeah, you keep jogging my – so when you go out, I guess, pan- Newfoundland and Labrador career fairs – and I was a former federal public servant. Do you engage the MHAs then to actually – because if you do it in Central, like wherever it is in Central, I would gladly attend to encourage it.

**S. COADY:** Because this is Public Service Commission, it is outside the purview of politics. While I understand your intent, we have to stay outside of it.

**L. PADDOCK:** Thanks, Minister.

Let's switch now to something that I spent the later part of my military career focused on: numbers. So I'd like to switch to 1.1.01. I

guess that's where we are anyhow, the overall section, but with regard to the numbers.

**Employee Benefits:** I note there was no variance, yet there is and was a variance in Salaries. I was just wondering if you could speak to that.

**CHAIR:** Are we still doing Public Service Accounts or are we gone now to –?

**S. COADY:** Yes.

They're gone back to 1.1.01 in Executive and Corporate Services.

**CHAIR:** Okay.

Go ahead.

**S. COADY:** And the question is on Employee Benefits. It's pretty static is what your \$5,200 –

**L. PADDOCK:** Yes, so there's no variance, yet there was a variance in the Salaries. So I would have expected to have seen a slight variance.

**G. JOYCE:** Additional allocation provided general salary increases.

**S. COADY:** It's on Employee Benefits. Is there a reason why –?

**L. PADDOCK:** It's \$5,200.

**CHAIR:** Nicole Abbott.

**N. ABBOTT:** So Employee Benefits are for the Commissioners' conference and other professional development. So that wouldn't increase due to salary increases.

**L. PADDOCK:** Okay. Answers the question.

**Professional Services:** I was just wondering if you can please explain the line item. It's \$10,000 and that is the use of that, what it's used for and what type of contract?

**N. ABBOTT:** So that's just for ad hoc legal services, where required. We anticipated to spend \$10,000 in '24-'25.

**L. PADDOCK:** Okay. So, from a contractual side, that is someone on a retainer or is it a competitive contract?

**N. ABBOTT:** I believe it's a competitive contract.

**L. PADDOCK:** Okay.

Come down to 1.2.01, Purchased Services. Last year, \$1 million was budgeted, \$850,000 spent and this year the budget is being set at \$947,500. I just want, again, some context and explanation on the variance.

**CHAIR:** Nicole Abbott.

**N. ABBOTT:** We had savings in '24-'25 and that was due to the in-house trainer.

**L. PADDOCK:** Can you keep it quiet back there? I want to hear her answer.

**N. ABBOTT:** We had savings in '24-'25 and that was mainly due to the in-house trainer that we had. So we didn't have external trainers.

Then we had \$100,000 decrease in '25-'26 and the realignment of operating resources within Public Service Commission.

**L. PADDOCK:** All right.

**CHAIR:** Siobhan Coady.

**S. COADY:** Again, we had that in-house trainer, as we said, who's basically saved us money by providing those 116 courses. We've just realigned budget accordingly.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Last year, there was anticipated revenue of \$128,000 federally and that wasn't received. Can you, again, provide some explanation?

**S. COADY:** Certainly, that is the discontinuation of a French-language contract with the federal government. It was costing the province money so now the federal government is going to have to do their own training because we're not subsidizing the federal government on that.

We also had some changes due to Newfoundland and Labrador Health Services. They didn't have the need for the training. They're going to do it in-house. The French-language training program that you've seen in terms of related revenue has been discontinued because those two contracts are discontinued.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** I guess, similarly on the provincial side –

**S. COADY:** Yes, that's the same thing, that was NL Health Services. It was basically the contract was more than what they required so they're just going to do whatever internal training they need to do internally.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** You have, in Property, Furnishings and Equipment, under 1.2.01, \$300. I just want to know – because I know there were thresholds, when I was a controller, we had to follow with regard to capitalizing items. Just looking for some explanation here and what is the threshold with regard to capitalization?

**S. COADY:** That would be more of a Finance question, so I would – do you have that? I think that's more of a general Finance question. Can we hold that until they come in, if you don't mind?

**L. PADDOCK:** Yes.

**CHAIR:** The next crowd is Finance.

MHA Paddock.

**L. PADDOCK:** Okay, and you brought up there the French-language training. Who determines and approves the training? It's

not a matter of someone putting up their hand, their supervisor or their department would have to approve it, I would take it?

**S. COADY:** That's the two that were discontinued. We were providing the training to the federal government and it was actually costing the province. So we've discontinued that contract. And the other one was the NL Health Services. That was a contract that they had contracted us to provide French-language services.

**L. PADDOCK:** Okay.

**S. COADY:** If you look under the Department of – where's French now? What department is French language under now?

**OFFICIAL:** DGSNL.

**S. COADY:** DGSNL, that's how they determine who can utilize the services. This was a specific contract that was had.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Do I have time?

**CHAIR:** Well, we can add more minutes on the clock if you like. We will add another 10 minutes on the clock.

MHA Brown, did you have any further questions?

**J. BROWN:** No.

**CHAIR:** You have no further questions? Okay.

Go ahead, MHA Paddock, we have just put 10 more minutes on the clock.

**L. PADDOCK:** Yeah, so we'll switch over now – again, I like I said, I'm looking to go now systemically through the various spreadsheets. This is about variance.

So 1.2.02, and then the last year, it was over budget by \$3,500. Again, I just want a quick overview of that budget variance?

**S. COADY:** I think the overview is \$8,600 was an increase due to higher than anticipated requirements for salaries, which was –

**L. PADDOCK:** No, no, no.

**S. COADY:** You're in 1.2.02?

**L. PADDOCK:** Yeah. 1.2.02, Transportation and Communications.

**S. COADY:** Oh, Transportation and Communications, my apologies.

That's the career fairs in schools.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Okay.

Then the amount here for your Strategic Staffing for the Purchased Services, like I said, it was under budget, which is good, but I just want to have an understanding of what that is spent on.

**S. COADY:** That's the LinkedIn recruiting licences and related to marketing. So it was \$3,500 under budget.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** I'd now like to come down to 1.2.03. That's Employee Safety and Wellness. The Employee Benefits, I guess probably a similar explanation as to why no variance.

**OFFICIAL:** Yes, that's correct.

**L. PADDOCK:** Okay.

Last year, budget was overspent – again, I'm looking at from a managerial accounting, budget variance, an explanation. I'm just wondering if I could have an explanation as to variance.

**S. COADY:** Sure.

That was required for salaries. Sometimes you have salary vacancies and you factor that in, but this time we did not have them.

So while salaries remained at the \$656,000 and you'll see it's gone up due to the general salary increases, there was slightly over from last year because they didn't have the vacancies they thought they would have, the turnover.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Okay.

Property, Furnishings and Equipment underspent and then you want the same number again. I'm just looking for an explanation with regard to the budgetary variance.

**S. COADY:** Sure.

That's the ergonomic furnishing requirements. I guess it looks like one chair: \$1,300 difference. So they had savings in that ergonomic furnishing requirement.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Okay, so for the numbers on 1.2.02 and 1.2.03, that's good on my end with regard to –

**CHAIR:** Are you finished with this section?

**L. PADDOCK:** 1.2.02 and 1.2.03, yes.

**S. COADY:** I think you have questions on 04, right?

**L. PADDOCK:** Yes.

**S. COADY:** So we'll just wait for the vote until the end, I think.

**L. PADDOCK:** All right.

I'd now like to switch to 1.2.04, Office of Employment Equity for Persons with Disabilities.

In Salaries last year, there was a variance of \$255,000; again, I'm just looking for an explanation of that variance.

**S. COADY:** Absolutely.

Again, as was indicated earlier, this is the nature of the clients. They are often off on extended leave. They have some unique challenges. We have to make more accommodations for them.

You will see, if you look over the history for those of us who have been here, that has traditionally been low but, again, it's the nature of the particular employee and trying to accommodate their requirements.

**L. PADDOCK:** Okay, and that causes me to step back and look at this holistically for that.

How many Opening Doors positions are there within government and how many are filled?

**T. FOLLETT:** As the minister mentioned earlier, there are about 85 positions that are considered permanent within the program.

Because there are vacancies from time to time, sometimes we are able to then recruit on a temporary basis. So sometimes the number of individuals will exceed the number of positions because we are hiring individuals on a temporary basis. We also, through the surplus from year over year, will be able to offer summer employment for students with disabilities.

The number of individuals doesn't always line up with the number of positions.

**L. PADDOCK:** Okay, so a quick question there with regard to hiring summer students with disabilities, do you flow any of that money to the regional centres?

**S. COADY:** When you mean regional centres, are you talking about –?

**L. PADDOCK:** The community development.

**S. COADY:** No, two separate funds.

**L. PADDOCK:** Okay.

**S. COADY:** That's LMD, Labour Market Development Agreement. This is internal to government employment.

**L. PADDOCK:** Okay.

**T. FOLLETT:** Just to add on to the minister's comment, but in relation to your question, we do offer that employment province wide though.

**S. COADY:** Correct.

**T. FOLLETT:** Yes.

So when we conduct our summer hires, that offer is put out province wide so that we cover all regions in the province.

**S. COADY:** Within the public service.

**T. FOLLETT:** Yes.

**L. PADDOCK:** Okay.

I guess finally on that, how many people are registered currently with the Opening Doors?

**G. JOYCE:** The total number of clients is 1,691 registered.

**L. PADDOCK:** Okay.

**G. JOYCE:** Last year, 315 were added.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Grants and Subsidies: I'm just looking for a quick response on how that is used.

**OFFICIAL:** (Inaudible.)

**L. PADDOCK:** It's like *Reach for the Top* in stereo.

**S. COADY:** Everybody wants to answer.

**L. PADDOCK:** Yeah, I know.

**T. FOLLETT:** That funding is utilized for employment for persons with disabilities in ABCs. For example, we have placements in

organizations such as the library support, so that funding is used for that purpose.

**L. PADDOCK:** Okay.

The Federal Revenue, I guess two questions here: Which federal program is this revenue associated with, and then, is there any risk associated with this funding given what has been announced and not announced across parties in this federal election?

**G. JOYCE:** For funding for the federal government?

Wouldn't that come under the Workforce Development Agreement plus the provincial government?

**S. COADY:** Yeah.

**G. JOYCE:** I see no reason why that should be altered whatsoever. This has been on a steady course for seven years since I've been there. Our biggest challenge is to try to spend that money to get the right people attached to the right jobs.

**L. PADDOCK:** I appreciate the answer. Like I said, I'm just looking at where we are in case there's any risk associated with some of this.

Okay, yeah.

Quick glass of water; don't worry, we're getting through the financials. It's about managerial accounting being the –

**CHAIR:** As long as you've got questions. We're willing to stay as long as you need to stay.

**L. PADDOCK:** Well, no. We don't want to do that either because I can continue to make up questions. It's about sticking to what's here.

All right, we'll come down to 1.2.05. The salary was overspent by \$28,300. Again, I'm just looking for a quick budget variance to explain why.

**S. COADY:** Less turnover than anticipated.

**L. PADDOCK:** Okay. Yeah.

Professional Services, last year there was an average of \$113,000, 13.3 per cent of budget. Again, I'm looking as to an explanation on the budget variance.

**S. COADY:** Absolutely, as was indicated, our Employee Assistance Program had an uptick, mostly because of mental health and reasons, so we had to place additional money in that particular area.

We'll see what the usage is this year and we may have to move around our budgets to accommodate as well.

**L. PADDOCK:** That was going to be my next question.

If this is a sustained uptick on this side, as Mr. Joyce had indicated, it's a continuing trend, then there's a need to, I guess, reflect that in the budgetary Estimates for this year.

**S. COADY:** Well, we may have to readjust next year.

It's generally around 13 per cent or 14 per cent. This year it upticked to 15 per cent. Let's see if that stays at 15 per cent. That's what we talked about a little earlier. We'll monitor it and reallocate then for the next year's budget. We'll obviously accommodate in this year's budget by moving some monies around, but we'll have to see if we need to put money into it next year.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** The other notable budget variance in this section was Transportation and Communications, under spent by \$10,000, and I'm just wondering then, again for this coming year, is \$15,000 still needed?

**S. COADY:** We had less critical incidents. If there's a critical incident somewhere in the province, we need to send a team.

We didn't need to utilize that this year, but we like to have it budgeted because there can be circumstances that require it. We can reallocate it during the year if required, but we like to keep that amount there for those critical instances should they occur.

**L. PADDOCK:** So then, that begs another question with regard to the critical incident team.

I guess from a shot to bang, how soon would they deploy to address and support an incident?

**S. COADY:** It certainly depends on the incident, but I'll let the Commissioners speak to that.

**CLERK:** George Joyce.

**G. JOYCE:** It depends on the incident. It could be in Labrador. It could be in Corner Brook.

If we have a critical incident, the first thing that happens is the deputy minister of that department or the clerk will call me and say: George, we have a major issue.

So I get on the phone right away to the director, she assembles a team pronto to deal with it. That's critical because the issues that come up are –

**S. COADY:** You will recall two years ago, we had an incident that occurred on Elizabeth Avenue here in St. John's. The moment that occurred, when the deputy minister or the director – when it occurred, we assembled a team and sent them right away.

It really is rapid because we have to support these people that may have trauma because of what happened. In that particular instance, it was very traumatic; some are not as serious.

**L. PADDOCK:** Okay.

I guess a follow on there, how – I mean, every situation is different.

**S. COADY:** Absolutely.

**L. PADDOCK:** So how long would you normally stay, and then, what is the follow-up with regard to supporting those types of incidents?

**G. JOYCE:** It would depend on the situation.

For example, something happens out in Corner Brook and there's a suicide, God forbid, we dispatch a team right away. They go out, they meet with the co-workers right away as soon as they come to work and they go through that. They sit down and they tailor-make a program, based on the needs assessment by the social workers that are present, to engage the service providers at that area of the province, what's needed at the time and get out of there right away and then follow up with them for any post-service that's required.

It is that efficient. They're the professionals; they're the ones that know. That's why we need money for that budget for when that comes up.

**L. PADDOCK:** Yes, and I thank you for that response.

Seeing that, like you said, not every situation is alike and having the capacity for the social workers to tailor it to the situation, having navigated through suicides within the military it has an impact across all the team – all the team.

You guys – Craig, you got?

**C. PARDY:** No.

**L. PADDOCK:** Good?

**CHAIR:** We're good?

**L. PADDOCK:** Unless you want me to keep going, Chair?

**CHAIR:** It's up to you. If you have questions, give them. Make sure all of your questions get answered to the best of the teams' ability.

**L. PADDOCK:** Yeah and, listen, I guess I'll have a chance to close but my big thing here was understanding where we are in process, understanding some of our risk and being able to highlight some of that and then with regard to some of the budget variances.

**CHAIR:** Okay.

Seeing no further questions, I'll ask the Clerk to recall the subheads.

**CLERK:** 1.1.01 to 1.2.05 inclusive, Public Service Commission.

**CHAIR:** Shall 1.1.01 to 1.2.05 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 1.1.01 through 1.2.05 carried.

**CLERK:** The Total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

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

**CLERK:** Shall I report the Estimates of the Public Service Commission carried?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, Estimates of the Public Service Commission carried without amendment.

**CHAIR:** All right.

We're going to take a break (inaudible) this point, that's why we'll switch out now in order to do the Department of Finance. We're just going to take five minutes to switch out the staff.

Again, thank you to everybody, all the staff, for coming and all your expertise this morning. We certainly appreciate it.

**S. COADY:** Thank you, Chair.

I want to thank everyone who asked questions this morning, and I certainly want to thank the professionals at the Public Service Commission who do outstanding work.

**CHAIR:** Would you like to have some closing remarks?

**L. PADDOCK:** Yeah, if I could.

Listen, I truly appreciate the candid, the background and your work in the Public Service Commission. I think we're at a very challenging demographic period and we're going to continue to need you to leverage that leadership as we navigate through it.

**CHAIR:** MHA Brown, would you like to speak?

**J. BROWN:** I would like to take the opportunity to thank the Public Service Commission for being here. Once again, it's always a pleasure to have you here and to answer our questions.

Thank you, and hopefully see you soon again.

**CHAIR:** Again, I thank everybody and we're going to take a short break to change out staff.

Thank you.

### Recess

**CHAIR:** Okay, we're back online.

Welcome back, and now we're going to be into the Department of Finance. I'm going to ask the minister to introduce her staff and bring some greetings.

Before that, I just wanted to do a few housekeeping items just asking people not to adjust your chair. When you identify yourself, please wave. Every time you speak, if you're speaking, identify yourself for the record and wait for the tally light to come on. The water coolers are here in the back.

All the staff on the Government side has been here already this morning, so I'm going to ask the minister to introduce her staff.

Minister Coady.

**S. COADY:** Thank you very much, Chair.

Thank you for the Opposition and for the team for being here today. I have to say, I'm surrounded by some of the most talented civil servants, most talented professionals that I've ever had the pleasure of working with and I'm very, very pleased to have them with us this morning.

First we're going to be dealing with the Consolidated Fund Services. That's managed jointly by Finance and Treasury Board; both have a role in Consolidated Fund Services. Finance would represent the interest, costs and management of expenses related to servicing the public debt in the province, so we'll delve into those details. As well, Treasury Board will be responsible for the funding of pension plans for government and government agency employees. I have a great team surrounding me today, and that would be on Consolidated Fund Services.

From there we'll move to the Department of Finance. We're going to highlight the Department of Finance which is responsible for setting government's fiscal and

economic policy, timely analyses and advice to departments, Cabinet and the Cabinet Committees. Obviously, Finance is separate from Treasury Board, though I am responsible for both entities. We do work very closely together, as you can appreciate, because each has a role in ensuring that we have an effective fiscal oversight. Of course, Finance is also responsible for any project-specific advice, Treasury advice, statistical services, taxation services and also responsible for the budget.

I'm going to let the team introduce themselves. I know that we'll start with Consolidated Funds Services and then later we'll do Finance. I will say that we'll also invite the Newfoundland and Labrador Liquor Corporation here should we have questions. As we know, they give just over \$200 million in revenue to the province.

I have two deputy ministers, one on each side, so we'll go to Finance first.

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

**D. DROVER:** David Drover, ADM of Treasury Management and Budgeting.

**D. TRASK:** Doug Trask, ADM for Economics, Fiscal and Statistics.

**L. CURRAN:** Lisa Curran, Assistant Deputy Minister, Human Resources, Treasury Board Secretariat.

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

**J. DOODY:** James Doody, Director of Benefits Administration.

**B. HANLON:** Brendan Hanlon, Comptroller General.

**N. ABBOTT:** Nicole Abbott, Departmental Controller.

**D. QUINTON:** Diana Quinton, Communications.

**T. NEMEC:** Tom Nemeec, Director of Treasury Management.

**S. COADY:** That's everyone. Excellent, thank you.

We're prepared for your investigations.

**CHAIR:** Okay.

I'm going to ask the Clerk to call the first round of subheadings. We're doing Consolidated Funds first.

**CLERK:** Under Consolidated Fund Services, 1.1.01 to 1.4.01 inclusive, Servicing of the Public Debt.

**CHAIR:** 1.1.01 to 1.4.01, we will start off with 15 minutes in the beginning, then we will continue with 10 minutes and go back and forth to the Third Party as well.

MHA Paddock.

**L. PADDOCK:** All right.

Let me start first by highlighting to the Finance staff that is assembled here that I know, I guess periods 11, 12, 13 and 14 in some cases with regard to payees, having been a senior federal level controller, I understand the challenges for this period of time, finishing a year and starting a new year. Being in period 13 and period 1 at the same time is a challenge so I appreciate your time in being here and making some time to allow us to ask a number of questions that I think are important for the province.

All right, Consolidated Fund Services first and I have a series of general questions. I'll drill down at various points as well and particularly into some of the revenue and the economic analysis associated with that.

First of all, with regard to borrowing, the Budget Speech and other documents note that this year our province will borrow up to \$4.1 billion. In your deficit then for this year, being \$372 million, can you explain in detail how the \$4.1 billion was calculated and what it comprises?

**S. COADY:** Certainly, thank you for the question.

The \$4.1 billion is comprised of debt maturities of \$1.8 billion; infrastructure of \$1 billion; Newfoundland and Labrador Hydro borrowings, that's on lend, we do Newfoundland and Labrador Hydro borrowings of \$300 million; promissory notes, that's the pension liabilities for teachers' pensions and for the public service pensions, \$300 million; additional contingency that we've put in place, as you know from Interim Supply, that's \$200 million – we have to have the capacity to borrow it should we need it – sinking fund contributions, as you know we've attached sinking funds to all new debt so that upon maturity they can be paid off; then there's some other –

**OFFICIAL:** That's the deficit.

**S. COADY:** Oh, that's the deficit – other being deficit and that brings your borrowing program up to \$4.1 billion. This is including some pre-borrowings for '26-'27 and we think that's very prudent and responsible for liquidity purposes.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Will the borrowing of \$4.1 billion increase the net debt?

**S. COADY:** Absolutely, it will increase the net debt by both – because of the deficit as well as some capital, isn't it?

**OFFICIAL:** That's right.

**S. COADY:** Yes.

**L. PADDOCK:** Let me further highlight, then, the variance with that. I note that the documents, page six of the Statements and Schedules, notes that the estimated net debt as of the 31st of March of this year, 2025, is \$18.5 billion, growing to \$19.4 billion forecast for March 31, 2026.

So the province is borrowing \$4.1 billion, yet the net debt is going up by less than \$1

billion. I was wondering if you could just give me an overview then of that variance.

**S. COADY:** Certainly, because you've assets against it, but I'll allow the deputy minister to give you more detail.

**M. JEWER:** The increase is about \$900 million. That includes the deficit of almost \$400 million plus some borrowing for capital infrastructure. The difference between the \$4.1 billion versus the \$900 million increase in net debt – the minister mentioned \$1.8 billion in maturities, so that maturities was already in the debt number, it's not additional debt; it's just rolling over debt. The \$300 million for Hydro is on-lend, so that's not in our net-debt, that goes to Hydro. Infrastructure as well, that would be in our borrowing.

Anything else, David?

**D. DROVER:** Contingency as well.

**M. JEWER:** Oh, and contingency as well. Contingency is not, as the minister mentioned, in our deficit. It's not booked unless you incur it, so once it's incurred then it gets expensed. But it's there in our borrowing capacity in case it's needed. We need the authority in the \$4.1 billion to be able to borrow if it's needed.

**S. COADY:** If I may, I just want to talk about the \$200 million in contingency because you don't see that on – we only spend that if we draw down on it. If, for example, we do not see and do not require any contingency based on tariffs for this year, for example, then we would not draw down. That's why it's not in our net debt.

I just want to make sure I was clear on that. So only if we spend it does that hit us. And things are changing every day.

**L. PADDOCK:** Yes, it's quite fluid.

How many bonds were rolled over last fiscal year, so the fiscal year we finished on March 31, 2025, so '24-'25, either paid off by issuing new bonds or paid off by using

the balance in the respective seeking fund in a new bond?

**S. COADY:** So there was a period of time when the Province of Newfoundland and Labrador did not attach sinking funds to their debt. We have now made sure that we attach sinking funds to all debt. So anything that's maturing, that does not have attached sinking fund, needs to be reborrowed. We know – you have got it?

Michelle, the deputy minister.

**M. JEWER:** If you look at page 28 of the Statements and Schedules, it gives you a schedule of debt retirement. For '24-'25, there was \$47 million in Canada Pension Plan that were retired. So we actually paid those. They weren't rolled over. That was all we had from a maturity in '24-'25.

**L. PADDOCK:** Okay.

**S. COADY:** That Schedule B, I think, gives you right up until 2050, '52 – all the maturities that are coming due.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** The Budget Speech notes we are pre-borrowing for debt maturities coming due a year in advance to ensure that the province maintains sufficient liquidity. Can you outline why this decision is being made?

**S. COADY:** For liquidity purposes. For example, let's go into 2026. You may be right in the middle of a budget and not have the authorities, yet we have debt coming due. So if you look again on page 28, you'll see we have debt coming due in 2026, late 2025-2026. We want to pre-borrow to ensure we have sufficient liquidity.

Liquidity is very important, obviously, you know this, especially, as when we go to the markets to borrow, and it is something that bond-rating agencies look toward is making sure that we have liquidity.

So we have made the decision to pre-borrow based on that period of time when we may have bonds coming due and we're still in the budgetary process. We want to have that liquidity early.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Am I correct to assume then that this fiscal year you will issue a new bond to pay off the bonds that are coming due this fiscal year and next fiscal year?

**S. COADY:** 100 per cent.

**L. PADDOCK:** Okay.

Then, in the future years, would you only borrow to pay off the bonds coming due in the following year?

**S. COADY:** I'm sorry. I'm not quite sure I understand what you're saying.

**L. PADDOCK:** So I guess it would be the same for a rollover. So, for future years, would the borrowing –?

**S. COADY:** It depends on whether or not they have attached sinking funds and if they don't have attached sinking funds, if they're within, I'm going to say the first quarter of the year, we may pre-borrow for it just for liquidity purposes, but that will be a budgetary decision.

But you would look towards – and please interrupt me if I'm going awry, but we would look to see what's coming due in, let's say, the first quarter of the fiscal year for the Government of Newfoundland and Labrador, pre-borrow for liquidity purposes, if it's required.

**L. PADDOCK:** So for that liquidity, I guess, essentially working capital, are you also factoring into account Interim Supply and the timelines for Interim Supply?

**S. COADY:** All of that would be factored in.

Deputy minister.

**M. JEWER:** I have to wave and say my name at the same time, got it.

**S. COADY:** Yes.

**L. PADDOCK:** Wax on, wax off.

**M. JEWER:** Perfect.

Just going to page 28, again, Schedule B, you'll note '25-'26, there are three bonds there and there's some Canada Pension Plan as well that are due to mature. So that first \$1,050,000,000, that is in early June.

To the minister's point of ensuring that we have funds available to pay that off in early June and be getting through main Supply, the loan bill and the budgetary process, the next two pieces there you'll see the amount outstanding is \$100 million, net is \$47,779,179. So the difference is we have sinking funds of a certain amount to pay off but the \$47 million and the \$72 million is what's left over. That doesn't have sinking funds attached.

**S. COADY:** I would like to say a congratulations to both the deputy minister and the assistant deputy minister responsible for budgeting for this statements and schedules, it's a really great document. This is now the second year we've brought this and I wanted to take the moment to say it really is informative.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Okay.

Then with regard to the borrowing – and it was previously highlighted about using the Future Fund to address some of the future borrowing needs – what is the plan there? I did not hoist in a plan for this fiscal year to draw from the Future Fund, so what is the plan in the short term – say, the next two to three years – to leverage the Future Fund for any of that borrowing?

**S. COADY:** Thank you for the question.

We're very pleased to have the Future Fund. I think this year we have – do you

remember what it is right now? I will get that for you.

It's growing over the fiscal forecast to \$1.3 billion. So we want to make sure it's growing for a few years before we pull from that to pay down on debt. That'll be decided on the mix of what's coming due, what's happening in the Future Fund itself. But it is available to pay down on debt.

When we debated this in the House of Assembly, we talked a significant amount limiting what you can do with the Future Fund to allow it to grow for the next 10 years. That's the first thing. The second thing being only to be paid down on debt.

It is, under legislation, only permitted to do those two things.

**L. PADDOCK:** Right, and I guess with the Future Fund there's always that rate of return gap analysis you need so what you're getting for a rate of return on the Future Fund with regard to what you're paying in bonds and borrowing.

**S. COADY:** This year that gap is about 1.7 per cent. We're borrowing at approximately 4 per cent and we're earning about 5.7 per cent. It's pretty conservative – small c conservative – on how we invest that money. But we are earning good money, and I thank Tom for that and his team. Very diligent on making sure – I think we're up to \$12 million in the last year that we earned on that?

**OFFICIAL:** Sixteen.

**S. COADY:** Sixteen, thank you.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** Go back to the borrowing again, and I'm just looking at the time. Is there a risk in borrowing \$4.1 billion – and like you said, we've talked about this where everything is fluid – in a year where there is so much uncertainty with regard to both the current economic situation and the overall markets associated with it?

**S. COADY:** Thank you for the question. It's an important one.

We have to borrow for the debt maturities in any event and the majority of the rest of it is infrastructure. So between debt maturities and infrastructure. I think it's prudent for us to borrow the \$4.1 billion.

As you talked about the volatility in the global markets, we are monitoring liquidity and the availability of investment. We have had no challenges thus far because we do borrow on a short-term basis and we were able to do that, I guess, last Friday we put money into the market, no issues. We have monitored what's happening across the country.

For example, Quebec has borrowed, Ontario has borrowed, I think British Columbia has borrowed with no liquidity challenge, but it is something that I can tell you as ministers of Finance from across the country, we are monitoring the availability of liquidity. Not just for governments, but also for the business community. That might be something that we would require, for example, some of that contingency money. If we found that liquidity was drying up for corporations and businesses, we may have to do something on liquidity for that, but at this point, we're not seeing any major impacts on liquidity, but we'll continuously monitor that.

**CHAIR:** Thank you.

We're going to move on. Your time is expired.

We're going to go on to MHA Brown then.

**J. BROWN:** Thank you, Chair.

Is it possible for the department to quantify the savings that they've made in the cost of borrowing as a result of borrowing off the European market now, with your European work? Can you quantify that, please?

**S. COADY:** I've been very happy with what we've been doing in European borrowing. First of all, it enhances our ability to actually

have more investors. So I'm very glad that we went to the European market, and we now have access to more investors.

We've had two separate borrowings, and we've put \$234 million on the European markets, and in so doing we saved \$1.4 million. It also helps – I'm going to say this – us with Canadian borrowings and Canadian investors because they see what's happening in the European markets, so they like our bonds.

**J. BROWN:** Thank you, Minister.

Given the volatility, I guess especially being a resource-based economy, what work is being done internally now? I know you're using the European market. I know that you're doing a few other things, but can you address the volatility of the markets when it comes to our borrowing and interest rates, but also our ability to pay down debt?

**S. COADY:** Certainly.

I'm going to speak a little bit about our investor relations plan. We've, in the last number of years, really increased our investor relations. So we will go again this spring and probably again the fall to visit investors to encourage them to buy Newfoundland and Labrador bonds, so it's part of that.

We are investigating whether or not we'll place bonds on other markets. Last year, I believe, we talked about the US market. Well, we're not doing that. We're looking at other markets like the Asian market and, possibly, beyond that, but the Asian market in particular and the Australian market. That's the next two markets that we're going to look at. Maybe we can place our bonds in those markets.

So improved investor relations, ensuring that we have a good – you know, the gross domestic product in Newfoundland and Labrador grew by the most in the country in the last year and will in this particular year. So that helps us, making sure we have a strong economy and a good outlook for Newfoundland and Labrador, monitoring

what the bond-rating agencies are saying, investor relations and the availability of placing more bonds on other markets.

I will say it's something that we're monitoring, especially because of the volatility.

Is there anything you can add to that, Tom?

**T. NEMEC:** No, not a lot to add. Yes, the markets are very volatile but it's not like it was in 2020 when it was very difficult for all provinces to access the markets. We haven't seen those challenges yet. Things are still ongoing, so we watch it very, very closely but to date we've had no issues.

**J. BROWN:** Perfect. Thank you, Mr. Nemec.

Thank you, Minister.

With Treasury Bills in 1.1.02, I guess, for reference, we budgeted \$52.9 million but we came in at a \$74.7 million and we're only budgeting a \$37.6 million. What happened there with the Treasury bills this year?

**S. COADY:** Do you want to take that, Tom?

**T. NEMEC:** We have a Treasury bill program which is part of our debt portfolio. It's \$1.2 billion in 90-day Treasury bills. We auction those every Wednesday. It takes 13 weeks for us to roll through and roll them over. So we always have \$1.2 billion outstanding in Treasury bills.

During the year, we issue extra Treasury bills. We call them cash management bills and we use that to manage our cashflow during the year. We want to have lots of cash on hand to make sure we can pay our expenses, pay any bonds that are coming due, but we don't want to be backed into a corner and forced to borrow long term when, maybe, the market is not that receptive or rates are really high.

So this gives us that flexibility to – we've got the cash in the door using these extra cash management bills to borrow in the long term

when it's most advantageous for the province.

Now, we manage that cash so that we make a positive return on it. We earn more interest on the money we raise in those bills than we pay on the bills. It's a net profit for our province and that's a side effect. We need it for the cash management; the side effect is we actually make money doing it.

**CHAIR:** Minister Coady.

**S. COADY:** He's being modest, so I'm going to call it out.

The budget is \$37.6 million; revenue was \$71.2 million. You can find that under 1.1.05.

**J. BROWN:** Okay, so that's where the revenue would show up, in 1.1.05?

**S. COADY:** Yeah, that's where you'll see where that revenue is, but I wanted to call it because Tom and his team do an exceptional job of earning money on that.

**J. BROWN:** Okay.

We were budgeting less this year but we're expected to make a bit more on the opposite end of issuing of the Treasury Bills.

**S. COADY:** Correct.

**J. BROWN:** Okay.

Right now, I guess, with total investments, are we expecting that any of this revenue or anything like that is to be put away into the Future Fund?

**S. COADY:** Any of this revenue?

**J. BROWN:** Yeah, are we going to put any –?

**S. COADY:** The revenue for the Future Fund is actually in non-renewable resources. The non-renewable resources, oil and gas in particular, we take a percentage of the non-renewable resource revenue and that's where the money goes.

**J. BROWN:** Okay.

We're not using other revenues as an option for our Future Fund?

**S. COADY:** No, but we have a borrowing program.

From a discipline perspective, the revenue is from non-renewable resources, but because we're borrowing – we have to borrow money for our bottom line in any event. That was what I had mentioned to the Member for Baie Verte - Green Bay. The spread between the difference of our borrowing and what we're earning is 1.7 per cent.

**J. BROWN:** Okay.

Right now, I guess, the Auditor General uses the flexibility, sustainability and vulnerability as an evaluation of health and that. In turn, would the minister be able to tell us with those three matrixes how are we doing right now in this current fiscal situation going on in the province?

**S. COADY:** Could you just say the three pillars from the Auditor General again?

**J. BROWN:** Flexibility, sustainability and vulnerability and, right now, I guess, given the interesting times we're in, where are we right now?

**S. COADY:** Well, I would say globally that we're in a period of vulnerability.

That's from a global perspective. The reason why I say that, and I said earlier, we are monitoring liquidity. We are monitoring the impacts of tariffs and the volatility of those tariffs. If you look at our bond rating agency reports, we're pretty sustainable in terms of what they're seeing. You know, we've had an increase from the bond rating agency's perspective and an improved outlook from the bond rating perspective.

I would say from a flexibility perspective, we have flexibility in that, if you look at our revenues coming in, we have decreased the amount of requirement from the oil and gas

industry. I think a peak period was 32 per cent of our revenues came from the oil and gas sector, we're down to 15 per cent.

This was asked earlier; our exposure to the federal government is less. We get about – this is rough now – 20 per cent of our revenues from the federal government. If I compare that to, say, New Brunswick, 38 per cent. So in a period where you could have change in government or a change in direction of a federal government, that 38 per cent could be a little bit at risk. We don't know what their budgetary forecast will tell us because we don't know what the government will be yet.

From a sustainability perspective and from the flexibility that having a more diversified economy and less reliance on one particular segment of revenue I think it is better but, again, everyone, globally, we're in a vulnerable period.

If I look at those three matrixes – I don't know if there's anything anyone wants to add to that?

**J. BROWN:** Thank you.

**S. COADY:** No? I did a pretty good job I guess.

**CHAIR:** All right.

Your time is just about up, so we're going to move on to MHA Paddock.

**L. PADDOCK:** Thanks.

I want to come back, I guess, to the borrowing and comments with regard to borrowing on the EU market.

One of the things, and this comes back to a previous life, I remember being at sea and managing six or seven currencies, exchange rate: What are we doing in managing exchange rate risk when we borrow in such a capacity?

**S. COADY:** A very important question.

I will ask Tom Nemec to really delve into it a little bit because we do risk manage that.

**T. NEMEC:** Yes, so we eliminate the foreign exchange risk on our foreign issues now right off the top. We enter into derivative contracts with investment dealers to fully insulate the province from any foreign exchange risk.

So for example, our first foreign issue in this new program was in euros. An investor in Europe would have bought a Province of Newfoundland bond that pays euro interest and euro principle at the end, and they provided euros to the investment dealer when we issued the bond.

So we entered into an almost opposite contract with the investment dealer. They keep the euros. They pay us Canadian dollars and each coupon payment for that bond, we will pay Canadian dollars to the investment dealer. They will pay euros to the investor. Likewise, when the bond comes due, we will pay Canadian dollars to the investment dealer. They will pay euros to the investor. They have assumed all the foreign exchange risk.

In our savings that we calculate on those deals is after the hedge. So what is our rate in Canadian, because it's just like a Canadian bond – really, we've used a derivative to create a synthetic Canadian bond. Okay? So we have zero risk.

**L. PADDOCK:** Okay.

Given the US tariff impact on specific countries, are you looking to monitor EU bond engagements in specific countries?

**S. COADY:** We're looking generally all over the world.

We will likely do some more investor relations in Europe later this year – maybe mid-year –?

**OFFICIAL:** I think.

**S. COADY:** – mid-year, because we are borrowing \$4.1 billion.

We have to monitor for liquidity purposes as well as impact purposes. We don't know what the currency challenges may be as we go forward. We saw some currency challenges – for example, the US dollar dropped – so we're monitoring those to make sure that we factor in that information when we're putting bonds on the market.

**L. PADDOCK:** Yes.

I guess it comes back to, like my question, certain countries are going to potentially incur greater tariff risk which could have a significant impact on both their monetary and fiscal policy – something to watch then, with regard to where we are looking to engage and even hold certain bonds. Is that something you're –?

**S. COADY:** Absolutely.

**L. PADDOCK:** Because it is right now, as Mr. Nemec highlighted, a very volatile situation.

**S. COADY:** Yes, and that volatility concerns us from a liquidity perspective as well. Yes, we will monitor as we move forward the impacts on currency, US currency as well as European currency. We'll determine from there – and Mr. Nemec, I'll turn it over to him in a moment – we'll monitor from there where we do outreach and investor relations and where we place our bonds, but we analyze all that before we begin to place a bond on that market.

Mr. Nemec.

**T. NEMEC:** Yes, as the minister said, our European medium term note program has the ability to borrow in a number of currencies. It's not just Euros; we've already borrowed in euros and Swiss francs. We can do a multitude of currencies with the exceptions of ones like Russian or Chinese currencies, we stay away from those.

Really, in the world's major currencies, there's not a big risk to us as we're the bond issuer, as opposed to being the bond holder. We issue a bond and investors in a foreign country will give us the money

upfront and we pay them back over time. If their country – if it's Switzerland or France or Germany – has particular issues with the tariffs, they may have a problem, but we've already got our money. We're the ones paying them back. It's not like we're holding an investment in that country. It's the opposite and they're holding an investment in us.

On that point it's fine. Yes, changes in currencies which we've seen in the past few months do change the landscape of foreign borrowing considerably. So we watch that very closely, because there will be times when there is no advantage to borrow in a certain currency, when it would cost us more. We would never do that. We only do it when there's a savings.

**S. COADY:** Allow me to say as well, part of our *European Borrowing Program*, or our foreign borrowing program, is that we'll never sell bonds at – it always has to be cheaper. That's why we're saying we saved the \$1.4 million, it's because of that because we were specifically looking for lower cost.

**L. PADDOCK:** Okay.

On the borrowing, you indicated an interest in going to Australia and Asia.

**S. COADY:** Possibly.

**L. PADDOCK:** Possibly. Both of which, you know, we have similar, I guess, opportunities with regard to the offshore oil and gas and we have similar players.

I was wondering then, when you said that, what about the Middle East, because we have a country like Qatar of significant sovereign wealth who also has a significant relationship with Equinor?

**S. COADY:** Certainly, and as you pointed out they're already players offshore Newfoundland and Labrador.

I'm going to turn it to Tom. The next on our list is Asia and Australia. That doesn't mean that the Middle East is not on the list.

**T. NEMEC:** Yes, currently in our domestic program, our Canadian dollar issued bonds, there are a number of Middle Eastern institution investors that buy our Canadian bonds already: a number of the Central banks for those countries along with some very wealthy family offices.

Those buy our Canadian denominated bonds and they would also look to our foreign issues as they invest in multiple currencies. So we have those as investors right now and, yes, it is certainly an area where we could look at focussing a bit more to drive some more investor demand.

**L. PADDOCK:** All right. Let's switch now.

Looking for some detail, and this is regards to Statement A on page 23, and I was wondering if you could walk me through the details in Statement A and, specifically, I am wondering how Statement A which notes the budgetary cash requirement of \$2.5 billion and the total cash requirement is actually \$4 billion compares to the Statement of Operations which is contained in the Budget Speech?

**S. COADY:** You said page 23?

**L. PADDOCK:** Yes. Page 23, Statement A, Consolidated Revenue Fund.

**S. COADY:** Okay.

Do you want to take that?

**D. DROVER:** Sure

**S. COADY:** Take an accountant.

**D. DROVER:** When you're looking at statement A versus the other statement you had referenced, Statement A is completely on a pure cash basis, versus the other one is accrual and based on public sector accounting standards.

Obviously there are differences in timing as to when something would hit a cash revenue and expenditure, versus an accrual revenue and expenditure. Infrastructure capital assets is a perfect example of that.

Debt repayment is another good one, right, that's a cash outflow. That's on your balance sheet and doesn't necessarily go through revenue and expenses.

**S. COADY:** Just on that accrual versus cash, we would normally look at pages 16 and 17 because that's the accrual numbers versus the cash numbers. It depends on what you're looking for, but that's –

**CHAIR:** MHA Brown.

**J. BROWN:** I'm finished with this subhead.

**CHAIR:** You're finished with this subheading?

MHA Paddock.

**S. COADY:** Can we just have clarity on the subhead you're finished with, because I'm just trying to keep track.

**CHAIR:** 1.1.01 to 1.4.01.

MHA Brown is finished with questions.

**S. COADY:** Okay, thank you.

**CHAIR:** MHA Paddock, do you still have more questions on this section?

**L. PADDOCK:** Oh yes.

**CHAIR:** Well you go right ahead. We'll put the clock on again.

**L. PADDOCK:** Okay.

Revenue in Statement A is listed as \$8.5 billion, but the Statement of Operations is \$10.7 billion.

**S. COADY:** Again, cash versus accrual, I'm thinking.

**L. PADDOCK:** Okay, yeah.

I'm just looking at can you clarify how the \$10.7 is calculated? What else is counted in addition to the breakdown of \$8.5 billion?

**S. COADY:** You're using cash versus accrual. So if you – you can take that?

Okay, the deputy minister is going to take the cash versus accrual.

**M. JEWER:** Just for clarity, you're looking at Statement B, the \$8,490,775,000 revenue?

That's our cash revenue versus our \$10.7 billion, which would be detailed on page 16, is accrual. It'll be the same categories. You'll have the difference like Personal Income Tax is on cash on page 24 at \$1.7 billion, and accrual is almost \$1.9 billion on page 16. From a tax perspective, for example, when the tax is accrued, is when it's incurred, it might not be when we get the cash. So it's going to be timing differences across the year.

I'll point out, Fees and Fines, for example, under Fees on the accrual, page 16, \$879,882,000 versus on page 24, Fines and Forfeitures is \$159 million. On the accrual, there's a large tobacco settlement which is about \$500 million where, on a cash, you're only going to get the cash of about \$100 million in first year. It's over 30 years how that cash comes in.

All those different categories will have that same explanation as to why they're different.

**S. COADY:** In the budget documents, we would normally use accrual. Page 16 and 17 would tell you – speed cameras, for example, under Fees and Fines, again, that's where the speed cameras would be under that Fees – see the Fines, it's significantly different than last year and that's because of speed cameras. The higher tier for Hebron will be soon there under Offshore Royalties.

I'm just trying to point out some other things that you would be really – I think the main things to point out is oil and the tobacco settlement but, again, that's where your total revenue by source in the Budget Speech would be \$10.67 million, that's where it comes from, from the accrual, not the cash side.

**L. PADDOCK:** Okay.

I'd like to drill down, I guess, a little bit further there with regard to Schedule 1 and revenue. My focus here in looking at this is to understand variance. I looked at a lot of this with regard to significant variants and then what I understand of some of the economic situation. So that's the basis of some of my questions here with regard to Schedule 1.

First of all, a 1 per cent drop in the personal income tax, yet we have a growing population.

**S. COADY:** Why? So we get forecasts from the federal government as to where personal income tax and corporate taxes, what they forecast for the year. Sometimes they may be under; sometimes they may be over. You'll note a couple of years ago, we had a big surplus and it was because they underestimated the corporate tax.

So we just take what the federal government forecasts, in a general sense, and utilize that. It might come in higher – it might. But they're looking at the impacts of tariffs. They're looking at the impacts of other things that may be happening. In the best world, the personal income tax will actually be what it was last year, or it may even be a little higher, but we just take the federal government estimates.

Anything you want to add there, Doug?

You've got to say your name.

**L. PADDOCK:** He's waiting for the light.

**D. TRASK:** There was also slower household income growth expected in '25 versus '24. That's obviously related to the economy, the tariffs' impacts. So there are a number of factors. As the minister said, prior year adjustments from the federal government is one thing, as well as we have slower household income growth forecast.

**S. COADY:** But you will note in the next line, Sales Tax, we are seeing a slight

increase, and that's because we're expecting retail sales to grow.

**L. PADDOCK:** Again, I was going to ask that one, so I thank you for highlighting it because, to me, there should be some positive correlation between both. If your personal income goes up, then you would see an increase in retail sales.

**S. COADY:** But, again, we take the forecast from the federal government on personal income tax and on corporate.

**L. PADDOCK:** Okay so then with that, do you have any – sorry.

**D. TRASK:** There's also a large prior year adjustment occurring in '25-'26, so that's why you're seeing the difference. Sometimes it's positive and sometimes negative. So in this particular case, it'll be a positive for '25-'26.

**CHAIR:** I just want to say that the system is slow because we are in a new system. We've just done a new system, so it might be slow getting started. If you state your name, it will come on.

MHA Paddock.

**L. PADDOCK:** Like I said, I'm not going through every one. Notable variances where I have somewhat of an understanding in following some of the economic factors.

So the next one, again, I'm curious with regard to the gas tax because of the elimination of the consumer gas tax, and the increase projected there.

**S. COADY:** Do you want to take it, Mr. Trask?

**D. TRASK:** I think they're referring to the elimination of the carbon tax which would not be here. This is consumption based per litre tax. It's basically the same as the prior year but –

**AN HON. MEMBER:** HST on it.

**D. TRASK:** Yes, HST would show up under HST, sales tax, not under gasoline tax. It's basically no change, probably a small increase in consumption would be causing that.

**L. PADDOCK:** Yeah, and that was my – was the tax on that tax, right? It's that step and if it's a step down then you would see less.

Tobacco and vaping, the reduction, is that due to better policing or lack of policing because of significant underground economy on the tobacco side?

**S. COADY:** A couple of things. As you noted, we're seeing lower expected tobacco consumption, especially as people age. So lower expected tobacco consumption. To your point about the underground economy and the fact that there are some things happening with regard to tobacco and alcohol, we have put in place a task force to address that.

So a little bit of both but we think there's going to be less consumption but I hear your point on the contraband, and that's why one of the things the task force is tasked with is impacting that underground contraband issue.

**L. PADDOCK:** Okay.

Corporate Income Tax and then a significant drop there, and then looking at the overall economy and the start of some significant projects, all else being equal, I just found that a notable variance. I was just looking for an explanation as to what that is based on.

**S. COADY:** Well, certainly a couple of things. We are expecting an overall slowdown in capital investment this year, because the projects for Voisey's Bay, of going underground, are completed. We've completed the West White Rose Project. We're completing the gold mine in Central, so some of that capital investment changes because you talked about the investment in the economy.

We are expecting a positive nominal GDP growth of about 4.3 per cent this year, but again, on corporate income tax, I will say to you that the federal government gives us those estimates. We are seeing some general slowdown in the economy broad based, overall because of tariffs, but I'm going to turn to – oh, do you want to take it? Certainly.

**M. JEWER:** From a corporate income tax perspective, what we're seeing is there's a decline in projected taxable income, in particular for our mining sector, which flows through our corporate income tax.

**CHAIR:** I'm assuming you have more questions, so we'll add more time to the clock.

**L. PADDOCK:** Oh, yeah.

**S. COADY:** If I can say, commodity prices are going to be lower because of that overall broad change in the economy.

**L. PADDOCK:** Well, yes and no. I mean, the price of gold has increased 45 per cent since January. So that's my, I guess, next question.

Again, is the variance on mining – so you're forecasting a decline –

**S. COADY:** Slight.

**L. PADDOCK:** Yeah, but when you look at it overall, it is a 20 per cent-plus decline in mining, yet we have the Valentine Lake project that's coming into operation in the next two months and then we have Hammerdown which is going to restart in the next two months.

**S. COADY:** Two excellent projects but when you compare them, the commodity price for iron ore is slightly less. It's declining a little bit and they are the bulk of that mining tax.

I'm going to turn it to the deputy minister but that explains it. The commodity price for iron ore is going to be a little bit lower and it's really iron ore that's the bulk of our mining

tax; notwithstanding we still get mining tax from others, but the largest piece of it would be from iron ore.

**M. JEWER:** Just to reiterate, when we talk about corporate income tax and mining, the bulk of what comes into our revenue is iron ore. The gold certainly plays into that, but it's offset, right?

What we're seeing is that declining share of taxable income because of decrease in the mining sector, and then the mining tax and royalties are predominantly due to the decrease in the forecast of iron ore prices. Even though it may be offset by some increases in gold, that is the main driver.

**L. PADDOCK:** Yes, and I understand the situation, I guess, or fall in that situation geopolitically with China because that's the bulk of where that is going.

I guess from mining, and I'm curious then, where we have significant projects that are about to start, and that could start, does Finance look across departments and on the needs from a government to be able to expedite those opportunities.

Case in point, for a couple of the mines in my area, we need a little bit of road construction, and then one is in helping them navigate Firefly through the environmental process. For them, the base metal prices are not going to stay as high as they are right now most probably, so we have an opportunity to capitalize now.

**S. COADY:** So Finance would look, obviously, all across government. We certainly have a good list of projects coming up but it would be, really, the Department of Industry, Energy and Technology that looks at economic diversification and economic development. Programs would be hosted IET.

**L. PADDOCK:** Okay.

Sugar tax I was surprised, the exact same number – exactly – no variance. From an accounting background, I found that

surprising so can somebody please explain that to me?

**S. COADY:** Certainly, that's just an estimate based on information from the year prior. Now that we've had a full year and we know how much we've collected, that's what we're using as a forecast.

**L. PADDOCK:** Okay.

So when Nan continues to have her Pepsi with their fish and brewis you might see that number increase?

**S. COADY:** Hopefully, she'll switch to a different type of Pepsi.

**L. PADDOCK:** Actually, that's not good for you either.

Okay, I noticed in Fees, continuing again on Schedule I, the significant – actually more than doubling of fees?

**S. COADY:** Yes.

**L. PADDOCK:** So, you know, that made me wonder. What new fees are being planned –

**S. COADY:** No new fees.

**L. PADDOCK:** – and then why such a significant variance?

**S. COADY:** Again, that is where the tobacco tax settlement is being housed.

There are no new fees. We haven't increased fees in many, many, many years but the money that we're expecting from the tobacco settlement, that's where you'll see it.

The next one, under Fines, that's the speed cameras. We're going to have increase – not increased price in Fines, but increased Fines because of the speed cameras.

**L. PADDOCK:** Okay.

The tobacco settlement, is there any risk of us getting that money; because the federal government is a major player there, what

level of assurance do we have that we're going to get what is estimated here?

**S. COADY:** Well it's been through the courts – you can speak to it.

It's been through the courts. We know the settlement amount. That's what we take into the revenue but I'll let the deputy minister speak.

**M. JEWER:** There is outside legal counsel that is hired with respect to the government, just for our voice in the settlement. As you know, all provinces, federal government and other agencies as well, like Canadian Cancer Society, are part of that settlement.

So we have outside legal counsel that would give us advice on when to expect this revenue and when what they call planned sanction is achieved. That legal advice is telling us that will happen in '25-'26. So the total revenue, which is \$520 billion, is accrued in '25-'26. It's going to be cash flow over, I think, 30 years. That cash would then show up in the other Statement we talked about, under Revenue in the Cash Statements.

**L. PADDOCK:** Okay, DM, so that is net? That's net, right, of the legal –?

**M. JEWER:** No, that's gross. The legal fees would be about \$125 million and that would be in appropriation in our budget under Financial Assistance in Treasury Board Secretariat.

**L. PADDOCK:** Okay.

I'd now like to spend, again, a number of questions with regard to our offshore royalties given it is 15 per cent of the budget and comes with potentially significant risks given the volatile nature of where we are on a geopolitical side. So the assumption that the budget is built on is oil at \$73 USD, and I take it that's Brent, right?

**S. COADY:** Yes.

**L. PADDOCK:** Yet in the last little while, or the first two weeks, we have the price of

Brent down to \$64 USD. So that \$73, as you noted in your Budget Speech, is based on forecasters. When did the forecasters do their analysis for \$73?

**S. COADY:** Certainly, thank you.

We do use 11 different forecasters, experts in this space. I think the final one was March 20. That was the last date we took their viewpoint on it, but we have had subsequent conversations with them. There may be some variance by about a cent, but they're sticking by their forecast.

As I understand it, at this point in time, you'll note during any given year, kind of the volatility in the price of oil. It goes up; it goes down. We don't know where it's going to end. Today I think it's at \$64. It had been down to below \$60 at one point. It was up at \$75 in early April.

There's a lot of volatility right now, but we're in a volatile period. I would say to you that we're monitoring this. Obviously if we have to make changes as we move forward, we'll continue to monitor that and bring it back. That's why we do the fall fiscal update, too.

But it is going to be a volatile time, and we don't know where this is going to play out in the next number of months. We went back to them, I think, right before budget and kind of checked with them again, when we saw what was happening in April, and they said well, we might be off by a cent but they weren't indicating any major falls from where they had determined it to be.

But again, it's 11 different forecasters.

**L. PADDOCK:** No, I understand.

On that, given the significant budgetary impact, I'm also curious then with these forecasters, what type of update are you getting? Is it weekly, monthly, so that whole potential budget risk and variance can be managed?

Like I said, because I understand where everybody here is, they're monitoring it from a geopolitical side, with varied inputs, so

they are the experts to be able to be leveraged.

**CHAIR:** We will add another 10 minutes on now. I'm assuming you have more questions. We will add another 10 minutes.

**D. DROVER:** Yes, in terms of the 11 different forecasters, they all have different periods of how often they refresh. Some could be weekly, some are monthly, others are quarterly. So we take that into consideration when we're looking at the revised forecast. Should anything be too stale, if you will, kind of thing from a timing perspective, we would take that into consideration when we're looking at what price estimate to go forward with.

As the minister had referred to in terms of the most recent conversations we would have had is just an indication from those 11 independent forecasters of how uncertain the future continues to hold. So, as a result, they have no more insight into changing it at this point in time than they did before the recent tariff exposure.

**CHAIR:** MHA Paddock.

**L. PADDOCK:** With regard to our entire offshore fields, and ones that will come online in the near future, I was wondering then for '25-'26 fiscal year, do you have an overview of the estimated production for each of those projects?

**S. COADY:** Certainly, we would, based on both the Offshore Petroleum Board as well as estimates from the projects themselves.

Mr. Trask, do you have the list there, or do we have the list in front of us of the production per – do we have a total?

**D. DROVER:** From a total perspective, we're looking at just shy of 84 million barrels for the '25-'26 fiscal year.

**S. COADY:** (Inaudible) I just don't have them here.

**L. PADDOCK:** Would it be possible, Minister, to get a breakdown afterwards of that total?

**S. COADY:** We don't have it by project, but we do have it in total, per year.

**L. PADDOCK:** No, I'm just saying afterwards, to be able to get a breakdown of that 84 million by project.

**S. COADY:** Yes.

**L. PADDOCK:** Okay.

With that, are you forecasting West White Rose to come online this year and then when and then a rough estimate of impact?

**S. COADY:** Financial impact, you're talking about?

**L. PADDOCK:** Yes.

**S. COADY:** So, yes, we are estimating them to come on this year. We can break down oil production. I'll just give you an example. It was 76.5 million of barrels in 2024. We're going to 84.6 million barrels in '25, going up to 95.7 million barrels in 2026. Just to give you an example.

We are seeing the increases there. I don't know if you have it broken down that granular as to what month. I think that was the question, what month you're expecting (inaudible)?

**L. PADDOCK:** My question was with regard to West White Rose in particular, because I believe it's November, December is the latest that I've heard in talking to – so that would maybe be – and it still has to be commissioned after they're towed out. I'm just wondering then, was that included for this year – rough estimate, because there is now potentially some, or there could be, risk associated with that.

**S. COADY:** Well, production is always one of the risk factors we have to take into account because sometimes fields do not produce what they think they're going to produce. We do ask all the projects, as well

as the Offshore Petroleum Board, for that data.

I don't know if you have it there in front of you, David?

**D. DROVER:** It's 2027 when we see West White Rose factoring back into play.

**L. PADDOCK:** Okay.

**S. COADY:** In terms of revenue.

**D. DROVER:** Yes, for our royalties.

**L. PADDOCK:** Okay, so you're not factoring in any for '25-'26?

**S. COADY:** From a royalty perspective. They might be producing now –

**L. PADDOCK:** Okay, come back now to further down on Schedule I, down to Newfoundland and Labrador Hydro, a significant decrease again from a budget variance. I'm just looking at an explanation of what that entails.

**S. COADY:** That's their net income and I think the change is because of Muskrat Falls. They need more money for rate mitigation, so we don't get as much – they don't show as much income.

**L. PADDOCK:** Okay, but rate mitigation has been evolving over the last few years, so what's the change for '25-'26?

**S. COADY:** It's the first full year.

**M. JEWER:** For '25-'26, that's the first full year of rate mitigation. They are using more internal sources to be able to fund that, so then that drops their net income and what comes into the province.

**L. PADDOCK:** Okay.

Then, the Liquor Corporation, we're showing a decrease there, yet – I thought about this as well – if we are taking US wines and other stuff and I think we're seeing an uptick in Newfoundland spirits, so to me that was a bit of again a disconnect.

So again, I'm just looking for some explanation, an analysis here, and in particular when you're showing an increase in sales for retail sales.

**S. COADY:** Thank you. I'll speak to it.

In '24-'25 revised, that should be \$210 million. It says \$220 million but there was an error. It should be \$210 million, and the \$206 million is what we're expecting in dividend, correct?

**M. JEWER:** In revenue for '25-'26.

**S. COADY:** Right. In revenue in '25-'26.

Is there anything we need to add in that line? We're going to have NLC come here, too.

**M. JEWER:** Yes, so the minister is correct. That '24-'25 number should be \$210 million. We had \$220 million in the Estimates, but it's since been revised to \$210 million.

There is a slight decrease to \$206 million in '25-'26. You will note there's a number of things in the budget related to NLC and support to businesses, so that would reduce their net income coming into the province. At this point.

I should say, they had a one-time increase in revenue which increased their revenue in '24-'25. They don't anticipate that will come forward in '25-'26. In particular, there were a couple of things happening from a consumption – they had saw an increase in consumption in '24-'25. That may not happen in '25-'26. Again, we'll have an update at mid-year and then we might have a revised number for NLC at that point.

**L. PADDOCK:** Yeah, listen, I recognize the HST coming off helped them in the last quarter of the fiscal year significantly, but the removal of US products is also helping them significantly now with Newfoundland.

Other federal revenue is planned to be \$365 million this year. I'm just wondering – that's Statement B revenues – if you have a breakdown of that \$365 million?

**S. COADY:** Sorry, I just have to go to Statement B.

Okay, that's cash. Statement B, this is on page 24? Is that where you're going?

**L. PADDOCK:** Mm-hmm.

**S. COADY:** Okay, just trying to figure out where you're going on that. That is under Government of Canada.

The other, what is it? Oh, go ahead.

**M. JEWER:** That is the payments for net profit interest.

You'll notice it's zero in '24-'25. We didn't get the cash in '24-'25, so we got two years coming to us in '25-'26 for net profit interest.

**S. COADY:** Again, that's on the cash side of things versus the –

**L. PADDOCK:** The accrual.

**S. COADY:** – accrual. Okay.

**CHAIR:** All right.

You still have more questions, so we can put some more time on the clock, because we're just about finished with the section but we can give you another 10 minutes.

**L. PADDOCK:** Thanks, Chair.

I'll come back to the Budget Speech now. The Budget Speech notes that: "We have broadened the range of acceptable investments that the sinking fund and Future Fund may purchase so that we optimize investment performance."

I was wondering if you could put some colour around this statement with regard to that? What types of investments are the sinking funds and how are you able to invest in it because of these changes?

**S. COADY:** So we brought that to the House of Assembly prior to your joining us here in the House of Assembly.

We made some changes to allow us to, for example, buy municipal bonds to be able to invest in blue-chip stock. It's very, very highly conservative, however, it does yield a little bit more revenue on the sinking fund and on the Future Fund.

As I said, this spreads about 1.7 per cent this year, but I'll turn to Mr. Nemeč. Is there anything that you want to give any more granular detail on what exactly we are investing in?

**T. NEMEC:** Yes.

As the minister said, it's a very conservative investment mix. The bulk of the assets are in bonds, so government, provincial, municipal, federal bonds and corporate. We have a small equity component in each fund as well, so Canadian equities and US equities, but again very, very conservative, very blue chip and a small percentage of that of the overall fund.

So although they're invested conservatively, they are doing better and earning a better return than they did for many, many years when they were just purely a government bond fund. Until we made those changes, the riskiest thing the fund could own was our own bonds. It would be impossible to earn more return than our cost of borrowing.

Now we are able to do that because of these good long-term investments.

**S. COADY:** Thank you.

This was all part of our financial management strategy that we developed a couple of years ago. One of the things that we did was bring it to the House to allow us to do these investments. It has certainly been positive and we did have unanimous support of the House to make those changes, and I'm appreciative of that. We need to earn more money on our investments in order to help us pay off some of the debt that we have accumulated.

**L. PADDOCK:** In particular for the Future Fund, Minister and Mr. Nemeč, is that all

money market investments or is there anything beyond that?

**T. NEMEC:** In the Future Fund in particular, yes, there are corporate bonds, municipal bonds, federal bonds, Canadian equities and US equities. It's a very what I would call a conservative balanced fund.

**S. COADY:** (Inaudible) in legislation.

**T. NEMEC:** Yes.

What the funds can invest in is in the legislation. For the Future Fund, it's in the *Future Fund Act*, and for the sinking fund, it's in the *Financial Administration Act*.

That legislation says what we are allowed to purchase. Then, further to that, we have investment policies for each fund that limit, again, what it can invest in and the controls around our investments. It's quite robust in the analysis that we do. Again, a conservative balanced fund but, yes, it's certainly beyond the money market for sure.

**S. COADY:** Very important to be, really, a small-c conservative on these funds.

We've borrowed money to place in these funds. That's why it's so prescriptive in legislation as well, so that we, and future governments as well, are narrow in what they can invest in. In order to change that, they would have to come to the Legislature.

**L. PADDOCK:** You indicated for the Future Fund there is a combination of both Canadian and North American securities. Are we able to get just a flavour of that range of securities – like, the areas that are invested in? You don't have to drill down to specific names, but the areas of those investments?

The reason I'm asking is because I'm again looking at potential economic risk in certain areas.

**S. COADY:** Well, we have limited economic risk despite a volatile time because we are in such conservative and prescriptive areas.

Yes, go right ahead.

**M. JEWER:** From an asset-mixed perspective for the Future Fund, the target – because it is still in infancy, trying to get up to the full asset mix that we have approved. So 70 per cent is in fixed income, which is our bonds; 20 per cent is in equity; 15 per cent of the 20 per cent would be Canadian, 5 per cent US.

Just to give you a flavour of the breakdown of the target asset mix in that fund.

**L. PADDOCK:** Yes, again, for that Canadian/US equity and securities, I was just looking at a range of industry. Like, you're targeting something – I've been a personal investor the past 30-plus years. I am following all of this for a geopolitical side and I'm just curious then, you know, a range of industry like if it's transportation, there are still some additional risks because of the industrial carbon tax, banks, et cetera.

So I'm just looking for a general flavour of what those securities are, both Canada and the US?

**S. COADY:** I'm going to turn to Mr. Nemec who deals with this on a daily basis, but I also think it's important to understand the governance of how these funds are governed and there are investment committees. Maybe you can just speak to that too, Tom.

**L. PADDOCK:** Yes, that would be lovely.

**T. NEMEC:** Yes, so first there, just to the minister's point on governance, both funds are managed by a board of trustees who oversee the treasury management function where we manage them on a day-to-day basis. Both funds meet quarterly, on a quarterly basis and go through how the fund is done, what's bought and sold this quarter. So the governance is, certainly, quite robust.

With regard to the equities, yes, so due to the conservative nature of the fund, you're going to see our Canadian equities, for example, is very heavily weighted in

Canadian banks, which are very solid, utilities, telecoms. On the US side, you're going to see the largest blue-chip companies out there that are in the S&P 500. So big, large companies that have been around for a long, long time that are profitable and likewise on the Canadian side.

We do a lot of analysis on these companies. We look at everything from the price-to-earnings ratio, to the dividend yield, to how safe is their dividend, what's their dividend growth. As you can imagine, dividends for blue-chip companies are very important and a great way to earn an investment return in the fund. So yeah, it's the big names.

**L. PADDOCK:** As this fund grows, is there any consideration to having a portion, with regard to invested in Newfoundland securities, that are listed on either the Toronto or NYSE?

**S. COADY:** Certainly, we can have a consideration of that, as we move forward. The one thing I would say is there are a few things that we may want to look in the future for the Future Fund, is how we draw down on the monies that we draw.

Right now, it is only available to draw down to pay for debt. As we've moved through that 10-year cycle, I think that we would have to consider how we draw down, how we invest. At this point in time, I'm not prepared to go back to the legislation, only because I didn't receive the support of your party, quite frankly.

We're looking at as we move forward with the Future Fund and especially as it grows. I mean, \$1.3 billion by the end of this fiscal forecast, that's a significant amount of money and it can be used for very positive opportunity in Newfoundland and Labrador.

**CHAIR:** Okay, your time is up again.

Are you going to continue for another 10 minutes, before we conclude for lunch?

**L. PADDOCK:** Yes.

**CHAIR:** Go right ahead.

**L. PADDOCK:** Okay.

I was triggered with a question with regard to your quarterly review of this. For the Future Fund, the committee, is this all internal within government, or are you leveraging external to government to sit on some of that committee? So basically, leveraging investment advice from various banks or investment houses, et cetera.

**S. COADY:** I'm going to turn to the chair of the committee, Deputy Minister Michelle.

**M. JEWER:** Yes, I chair both the sinking fund and the Future Fund. The Future Fund does have an external representative on that board and yes, both funds would look to external expertise if we so need it, we could do that.

**L. PADDOCK:** Okay.

Still with the Budget Speech, page 4 of the Budget Speech document, contains a fiscal forecast. Is there any revenue from the Hydro MOU allocated into the forecast for any of the five years as showing into the forecast? And if so, how much by year?

**S. COADY:** Thank you for the question and we certainly disclosed this on budget day.

Yes, in the out-years and starting, I think, in the '26-'27, there is money from the potential change in contract for the Upper Churchill. So that would be in there. It does not show the equity that will be coming, the \$3.5 billion in equity that would come to Newfoundland and Labrador, of which \$1.3 billion is available to the province and not specifically required for equity.

It does include the revenues that we see from an improvement in the contract but not the equity, and we can get you the list of how much is in each year.

**L. PADDOCK:** Yes, and I guess where I'm going there is, again, that flow of money between Hydro-Québec to Churchill Falls and then the dividend from Churchill Falls to

Newfoundland Hydro and then the 35 per cent to Hydro-Québec and then from Newfoundland Hydro, that flow back into the province as a dividend, given the other commitments that Newfoundland Hydro has.

So it's not, I guess, the gross. I'm looking at the inflow into the provincial Treasury.

**S. COADY:** You're looking for the revenues that are seen in the forecast. We can provide that to you. I will also say to you that, where I think I covered it, the monies are not there for the equity.

Is there something else? Okay. She's making a note to herself.

That's fine. We can provide that but remember, having now, this is my sixth budget, revenue changes every single year. Being quite frank with you, you'll see revenue go up for, you know, personal income tax and then come down and then go up and then come down, and it is because the forecasting nature of the forecast, of the Estimates.

**L. PADDOCK:** Okay. I got several questions on NL Health Services.

So I understand that the debt of NL Health Services is included in that overall provincial debt but, specifically, what is the current debt of NLHS?

**S. COADY:** I'm assuming you're looking – so there's a couple of things that I'm going to draw your attention to. I'm trying to follow along with the book that you're following with and not the Estimates book.

There is some old debt under Schedule IV, page 19. You'll see Health Care Organizations, \$130 million. That's some old debt. Do you see it there?

**L. PADDOCK:** Yes.

**S. COADY:** So that is some old debt that the Health Care Organizations carry and they also carry a line of credit that I do not

have readily available but the deputy minister does.

**M. JEWER:** I don't have the exact number. Obviously, from a line of credit, it fluctuates as the cash needs for NLHS but it's something we could get at a point in time and provide to you. The line of credit would be captured in liabilities as a bank overdraft, not as a piece of debt as you would see on Schedule IV, on page 19 of the Statements.

**L. PADDOCK:** If possible, I'd like to have an understanding, just the balance of that line of credit.

**S. COADY:** The total limits are \$665 million, but that's for cash flow purposes.

**L. PADDOCK:** Working capital, yes.

**S. COADY:** Right.

So depending on a particular day, this time of year, they might be up because we're in budgetary process and then they'll be paid down. But overall, I will say we have some concerns on the use of the line of credit and we talked about that last year in Estimates. That is something that we are following and working with Newfoundland and Labrador health agency all the time on.

**L. PADDOCK:** Chair, I now have a bunch of questions based on the actual statements themselves. I'm just looking at the clock and then, what makes most sense, because there is a number of questions there and then getting ready for the House this afternoon.

**CHAIR:** Okay. Well, why don't we conclude now? We only have a couple of minutes left anyway, so we will conclude this and the next scheduled meeting for the Committee is Thursday, April 17 at 1 p.m.

So we will conclude here and we will come back and continue with the line under constituency funds. We will resume on –

**CLERK:** (Inaudible.)

**CHAIR:** We'll continue this meeting, and that will be at the call of the Chair.

Thank you to all the staff and to the Clerk for this morning for all of your help and support.

Motion to adjourn.

MHA Paddock; MHA Brown.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, the Committee adjourned.