

2022–2023
Annual Report

Environment and
Climate Change





MESSAGE FROM THE MINISTER

As Minister of Environment and Climate Change, I am pleased to present the 2022-23 annual performance report as per the requirements of the **Transparency and Accountability Act** as a category 1 government entity.

This annual report provides details on the indicators and objectives for the fiscal year of April 1, 2022, to March 31, 2023, which is the final year of the current two-year planning period (2021-2023) and includes information on the lines of business that fell within the Department during that period.

I would like to thank the staff of the Department of Environment and Climate Change as well as our community partners for their work and contributions over the past year to support our Department's mandate and vision.

By signing below, I undertake the necessary accountability for the outcomes reported in support of the Department's stated goals.

Sincerely,

A handwritten signature in black ink, appearing to be 'B. Davis', written over a light grey rectangular background.

Hon. Bernard Davis
Minister of Environment and Climate Change

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Departmental Overview

Organizational Structure

The Department of Environment and Climate Change (the Department) is a category 1 government entity under the **Transparency and Accountability Act**.

The Department is responsible for the protection and enhancement of the environment through the implementation of water resource and pollution prevention regulations and policies, as well as coordinating environmental impact assessments of proposed development projects, managing impacted sites and ecological reserves, and considering pathways for new protected areas and the reduction of greenhouse gas emissions. The Department also supports facilitation of the settlement of collective agreements, providing dispute resolution services, appointing arbitrators, and providing workplace training, in addition to ensuring compliance with minimum terms and conditions of employment.

As of March 31, 2023, the Department of Environment and Climate Change was organized into three branches:

- **Environment Branch** is responsible for the divisions of Water Resources Management, Pollution Prevention, and Environmental Assessment.
- **Climate Change Branch** is responsible for the divisions of Climate Change and Policy, Planning and Natural Areas.
- **Labour Branch** is responsible for the divisions of Labour Relations and Labour Standards.

Staff and Budget

As of March 31, 2023, the Department had 177 positions (113 permanent, 50 temporary, seven seasonal, and seven contractual), of which 136 were staffed as of March 31, 2023. The Department headquarters are in St. John's (128 positions) with additional positions located at Mt. Pearl (14), Trepassey (10), St. Mary's (4), Winterland (1), Grand Falls-Windsor (6), Corner Brook (12), and Happy Valley-Goose Bay (2).

The Department's gross expenditure budget for 2022-23 was \$42,672,800 with planned related revenue of approximately \$8,940,700 for a net planned expenditure of \$33,732,100. Please refer to financial information (p. 17) for a summary of expenditures and related revenue.

Division	# of Employees	Budget
Executive Support	12	996,600
Pollution Prevention	31	5,321,900
Environmental Assessment and Sustainable Development	14	514,000
Water Resources Management	40	3,616,100
Policy, Planning and Natural Areas	32	1,806,800
Climate Change	4	5,259,500
Labour Relations	5	526,500
Labour Standards	11	505,000

Vision

The vision of the Department of Environment and Climate Change is a clean, sustainable, and protected environment supported through effective stewardship, as well as a province where employees and employers are supported to achieve a healthy, safe, and productive workplace.

Mandate

The mandate of the Department of Environment and Climate Change is to protect, enhance, and conserve the province's natural environment including its water, air, and soil quality. In supporting the Minister Responsible for Labour, the Department takes a lead role in ensuring effective relationships between employers and employees through the administration and enforcement of applicable legislation.

Lines of Business

A number of key cross-departmental initiatives are led by the Department, including the Provincial Waste Management Strategy, Drinking Water Safety Initiative, and Climate Change Action Plan. In addition, the Department leads horizontal initiatives related to maintaining environmental health including the Interdepartmental Drinking Water Technical Working Group and the Impacted Sites Liability Assessment Program.

For more information on the Department's vision, mandate and lines of business, please visit us online at www.gov.nl.ca/ecc.

Reporting Entities

Under the **Transparency and Accountability Act**, a number of government entities also prepare plans and annual reports. Entities which reported to the Minister as of the end of the reporting period included:

- Labour Relations Board;
- Multi-Materials Stewardship Board;
- Net Zero Advisory Council;
- Newfoundland and Labrador Greenhouse Gas Reduction Fund Advisory Council;
- Standing Fish Price-Setting Panel;
- Wilderness and Ecological Reserves Advisory Council;
- WorkplaceNL; and
- Workplace Health, Safety and Compensation Review Division.

Highlights and Partnerships

Highlights

Provincial Government Supporting Electric Vehicle Project

Through Budget 2022, the Provincial Government announced investments of an additional \$1 million for electric vehicle charging infrastructure and \$900,000 for electric vehicle incentives. As a result, the purchase of approximately 400 battery electric vehicles and plug-in hybrid vehicles was supported. The Provincial Government committed \$77,900 for a new electric vehicle outreach project, provided by Drive Electric NL. Through this project, Drive Electric NL will help bring the electric vehicle experience to Newfoundlanders and Labradorians.

Expansion of Oil to Electric Rebate for Residents

In 2022-23, the Oil to Electric Rebate Program assisted approximately 1,700 homeowners reduce their greenhouse gas emissions with a \$5,000 rebate towards replacing their oil heating system with an electric heating system (e.g. heat pump, multi-split, electric furnace). The program was administered by Newfoundland and Labrador Hydro and Newfoundland Power. In Budget 2023, the Provincial Government announced expanded efforts to assist residents looking to switch from oil furnaces to electricity heating technologies. The program will support approximately 10,000 homeowners to transition their homes from oil heat to electric heat.

Measures to Help Residents with the Cost of Living and Increase Minimum Wage

The Provincial Government helped mitigate the high cost of living by providing \$80 million in support through measures such as a provincial gasoline tax reduction, a one-time home heating supplement for furnace oil, and a commitment to increase the minimum wage. The Provincial Government announced three increases to the minimum wage, bringing it to \$15.00 per hour by October 1, 2023. Government also created a one-year \$5 million transitional support program, to provide \$0.50 per hour, per employee, for employers with 20 employees or fewer.

Expansion of Transitional Support Program for Smaller Employers

In 2022, the Transitional Support Program (TSP) was expanded to provide short-term financial support to employers with 100 employees or less that employ minimum wage earners. The TSP offered \$0.50 per hour for all hours worked at the minimum wage rate, from October 1, 2022 to September 30, 2023.

Partnerships

Municipality Energy Efficiency Projects

The Provincial Government, through the Low Carbon Economy Leadership Fund, collaborated with a variety of municipalities and other groups in support of energy efficiency projects including:

- Town of Portugal Cove-St. Philip's: The Provincial Government announced cost-shared funding of over \$133,000 to replace the oil heating system in the town's municipal public works depot with electric heat pumps.
- Town of Stephenville: Approximately \$226,138 has been contributed from the Provincial Government in support of an energy efficiency project to replace the oil heating system within the electric boilers in the Bay St. George YMCA.
- The City of St. John's: The Provincial Government announced a contribution of approximately \$1,413,902 to support improvements at seven city owned facilities to see infrastructure upgrades, improving energy efficiency, and transition from oil to electricity.

- Labatt Brewery: Approximately \$500,000 was allocated in cost-shared funding to support efficiency and fuel switching projects that will reduce greenhouse gas emissions by 528 tonnes annually.
- Sea-Force Hyperbaric Inc.: Over \$147,000 was allocated in cost-shared funding to replace three oil furnaces with air to water heat pumps and reduce greenhouse gas emissions up to 150 tonnes annually.

Chemical Testing for Private Well Water Pilot Project

The Department collaborated with the Departments of Digital Government and Service NL, Health and Community Services, and the Department of Industry, Energy and Technology to provide free chemical testing kits to private well owners throughout Newfoundland and Labrador. The purpose of this pilot program is to collect baseline groundwater data for the province, while providing well owners with detailed information about their drinking water, in hopes of lowering the health risk to the public related to consuming groundwater with naturally occurring contaminants. Approximately 2,000 chemical test kits were made available during the reporting period and will continue to be provided given the high demand.

Report on Performance

Issue 1: Advancing Environmental Sustainability

To advance environmental sustainability in the province, the Department will continue to work collaboratively with local communities, other levels of government, industry, business, academia, and citizens. These relationships create a network of stakeholders who implement cohesive strategic approaches to preserve, protect, and improve the quality of land, air, and water. Advancing environmental sustainability will support Government's strategic direction of better living and a brighter future for all residents of the province.

Goal

By March 31, 2023, the Department of Environment and Climate Change will have advanced environmental sustainability.

Discussion of 2022-23 Objective

By March 31, 2023, the Department of Environment and Climate Change will have implemented efforts to improve environmental sustainability.

Planned Indicator	Actual Results
Continued support of the Regional Water and Waste Water Pilot Program.	The Regional Water and Waste Water Pilot Program continues to build local capacity in the area of clean and safe drinking water for small rural communities. Fifty-seven communities were included in the program in 2022-23,

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	including one added community. Program funding is extended until March 31, 2024.
Continued assessment and development of mitigation activities for impacted sites	The Department continues to work with the federal Department of National Defence towards securing a formal cost-sharing agreement for the remediation of former U.S. military sites in Labrador. The Department has formed stakeholder working groups to solicit further Indigenous feedback and to help further develop the remediation strategies where appropriate. Two community engagement sessions have been held, in July 2022 in Natuashish and October 2022 in Sheshatshiu. The Department has further engaged an environmental consulting firm to provide additional expert technical support to advance the consultation process.
Continued flood risk mapping to better anticipate and respond to possible flooding events and adapt to the impacts of climate change.	Flood risk mapping studies have continued to be updated, while new floodplain mapping for five communities in the province – Ferryland, Brigus, Hant’s Harbour, Heart’s Delight-Islington, and Winterton - were completed in 2022-23 using climate change projections.
Continued flood forecasting services to the Town of Badger, Humber Valley communities, and Lower Churchill River communities.	The flood forecasting services are ongoing with continued monitoring and forecasted water levels for areas where the potential for significant flooding exists.

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<p>Operated a hurricane alert system to forecast hurricanes path and associated precipitation.</p>	<p>The Hurricane Season Flood Alert System remains a key climate change adaptation and public safety tool used to help communities in the province prepare for storms. In 2022-23, the alert system was contracted to WSP with daily hurricane reports from June 1 to December 31.</p>
<p>Continued review of the provincial Environmental Assessment process and legislation to reflect changes to federal Impact Assessment Act.</p>	<p>On-going analysis and draft of amendments to the Environmental Protection Act and the Environmental Assessment Regulations occurred throughout the reporting period.</p>
<p>Continued development of a Natural Areas System Plan and engage in further consultation.</p>	<p>Throughout the reporting period, the Department worked with the Wilderness and Ecological Reserves Advisory Council to engage with indigenous governments and organizations regarding a consultation process for wilderness and ecological reserve establishment.</p>
<p>Collaborated with all levels of government to work with industry, community, and Indigenous stakeholders on Climate Change Action Plan initiatives.</p>	<p>Of the 45 action items in the 2019 Climate Change Action Plan, 30 have been completed and progress has been made on the remaining 15 action items. Throughout the reporting period, the Department worked with private sector companies, municipalities, non-profit organizations, and Indigenous groups in implementing the Low Carbon Economy Leadership Fund. The Department</p>

	<p>engaged with the federal government through various working groups and committees related to electric vehicles, green building practices, landfill gases, carbon offsets, and climate change adaptation. In addition, the Department engaged with municipalities and industry associations in the agricultural, forestry, and tourism sectors respecting climate change adaptation planning.</p>
<p>Identified new initiatives to reduce greenhouse gas emissions by 30 percent below 2005 levels by 2030 and to achieve net zero greenhouse gas emissions by 2050.</p>	<p>Throughout the reporting period, the Department engaged with the federal government to implement new programs, including a recapitalized Low Carbon Economy Leadership Fund and the Building Regional Adaptation Capacity and Expertise Program. Funding for these initiatives total \$159 million in combined federal-provincial funds over four fiscal years, beginning in 2023-24.</p>
<p>Advanced climate adaptation and mitigation measures through collaborative efforts with stakeholders.</p>	<p>Climate Change Branch coordinated provincial engagement on a new National Adaptation Strategy, released in Fall 2022. The Department continued to support the work of CLIMAtlantic through funding of \$25,000 a year to disseminate regionally relevant climate information to stakeholders including municipalities, land-owners, and industry stakeholders. Throughout the reporting period the</p>

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	<p>Department supported econext with \$31,250 in funding to support the not-for-profit association of businesses that accelerate clean growth in the province.</p>
<p>Supported sustainable business opportunities and green transition projects.</p>	<p>The Department continues to implement the \$89.4 million, 2018-2024 Low Carbon Economy Leadership Fund. As well, the Department implemented a transitioning from oil to electric heating rebate and an electric vehicle rebate.</p>
<p>Promoted development of resources while reducing greenhouse gas emissions and achieving net zero greenhouse gas emissions by 2050.</p>	<p>The Department continues to support the Net Zero Advisory Council, which provides advice on achieving net zero goals. The Department support for CLIMAtlantic has led to development and distribution of regionally specific information across the province.</p>
<p>Supported the work of the provincial Net Zero Advisory Council.</p>	<p>The Department's Climate Change Branch served as the secretariat for the Net Zero Advisory Council while providing logistical support and coordinating work for the Council.</p>
<p>Explored additional electrification opportunities, growth in the low carbon economy, and expanded home energy savings and energy efficiency supports.</p>	<p>The Department has continued to implement the 2018-2024 Low Carbon Economy Leadership Agreement, electric vehicle incentive program, and oil to electric program. \$1.45 million has been allocated to support research and development in carbon capture, utilization and storage.</p>

Discussion of Results for 2022-23

In 2022-23, the Department took extensive strides to implement efforts to improve environmental sustainability. The Department advanced programs to protect the province's water, soil, and air and operated services to predict flooding and hurricanes. The Department continued to advance climate change adaptation and mitigation measures through strategic investments in green technologies, energy efficiency, municipal infrastructure, and evidence-based decision making tools. This progress was made possible due to the increased support and collaboration with all levels of government, Indigenous groups, businesses, academia, and communities over the past year. These initiatives guide the province in its commitments to reducing greenhouse gas emissions, reaching net zero by 2050, protecting the environment and building more resilient communities.

Discussion of Multi-Year Goal Results

Goal Indicators:

- Implement improved environmental processes to ensure clean air, soil, and water.
- Implement actions to reduce greenhouse gas emissions, transition to a green economy, promote electrification, and enhance resilience to the impacts of climate change.

To ensure clean air, soil, and water the Department has implemented existing programs, and established new programs, policies, and initiatives throughout 2021-23. In department continued consultations on the Drinking Water Safety Action Plan for Newfoundland and Labrador. The long-term plan will focus on improving all types of drinking water systems in the province, including semi-public and private drinking water systems. The Department has continued to build resilience to impacts of climate change through increased capacity in flood risk mapping using climate change projections. In

working with the federal Department of National Defence, the Department has been working towards remediation of former U.S. military sites in Labrador.

To reduce greenhouse gas emissions, transition to a green economy, promote electrification, and enhance resilience to the impacts of climate change, the Department has continued to implement the 2019 Climate Change Action Plan. As of the end of the reporting period, 30 of the 45 action items have been completed, progress continues to be made on the remaining 15. Specific initiatives to reduce greenhouse gas emissions include the establishment of a net zero 2050 greenhouse gas reduction commitment, the ongoing work of the Net Zero Advisory Council, and provincial rebate programs for electric vehicles and residential fuel oil to electricity switching. In implementing the Low Carbon Economy Leadership Fund, the Department is supporting green transition opportunities.

Issue 2: Promoting Labour Relations and Labour Standards

The Department will work with employers, employees and unions to foster a positive employment relations climate in the province.

Goal

By March 31, 2023, the Department of Environment and Climate Change will have worked to advance discussions with employer and labour organization on issues of importance, and taken action to ensure increases to minimum wage are in line with the consumer price index.

Discussion of 2022-23 Objective

By March 31, 2023, the Department will have further advanced initiatives to increase the minimum wage and coordinate discussions with labour organizations on matters of importance.

Planned Indicator	Actual Results
Engaged Atlantic Provinces on the possibility of establishing a harmonized minimum wage.	The Department has advanced discussions and is continuing to evaluate the potential impacts of establishing a path to a harmonized minimum wage in the Atlantic Provinces.
Held a Labour Summit bringing together labour organizations to discuss and share Ideas to foster improved labour relations.	Planning has commenced for a Labour Summit and is ongoing.

Discussion of 2022-23 Results

In 2022-23 the Department engaged in discussions with labour organizations on matters of importance, particularly increasing the minimum wage through its Minimum Wage Review Committee. The Department continued discussions with its Atlantic counterparts regarding harmonization of minimum wage and proceeded with an evaluation of the concept.

Open communication with labour organizations continued with departmental officials in preparation for a Labour Summit.

Discussion of Multi-Year Goal Results

During 2021-23, the Department made significant progress towards increasing the minimum wage. The establishment of the Minimum Wage Review Committee was announced in January 2022, and led to a schedule of increases to the minimum wage during the reporting cycle. Regular engagement with labour organizations on matters of importance also took place throughout the reporting period.

Opportunities and Challenges

Maintaining and enhancing a sustainable environment requires significant leadership from the Department of Environment and Climate Change. Over the reporting period, effective delivery of related services, programs, and policies remained a key priority.

Climate Change is a critical challenge for governments around the world. Through implementation of the province's Climate Change Action Plan and funding programs, the province is making continuous progress toward achieving reductions in greenhouse gas emissions and meeting the net zero commitment by 2050. The plan provides opportunities to work with partners at all levels of government and the public.

The Department's progress in 2022-23 has laid the foundation for new opportunities for the province. Strategic investment in areas including drinking and waste water, waste management, and electric vehicles will aid in the transition to more sustainable systems long-term. The development of academic and training courses to provide individuals working with green technology will provide the skills and knowledge necessary to support the green transition.

Financial Information

Department of Environment and Climate Change

	2022-23	2022-23
	Budget	Expenditures
1.1.01 - Minister's Office	245,900	241,214
1.2.01 - Executive Support	930,700	1,152,202
Revenue	<u>(180,000)</u>	<u>(182,878)</u>
	750,700	969,324
Total Executive & Support Services	996,600	1,210,538
2.1.01 - Pollution Prevention	5,646,900	4,411,514
Revenue	<u>(325,000)</u>	<u>(291,225)</u>
	5,321,900	4,120,289
2.2.01 - Water Resources Management	5,342,100	5,504,625
Revenue	<u>(1,947,600)</u>	<u>(2,141,089)</u>
	3,394,500	3,363,536
2.2.02 - Water Quality Agreement	1,497,400	1,481,830
Revenue	<u>(1,275,800)</u>	<u>(1,404,973)</u>
	221,600	76,857
2.3.01 - Environmental Assessment and Sustainable Development	738,000	761,626
Revenue	<u>(224,000)</u>	<u>(56,406)</u>
	514,000	705,220
Total Environment	9,452,000	8,265,903
	5,259,500	10,132,252

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3.1.01 - Climate Change

Revenue	(1,000,000)	-
	4,259,500	10,132,252

3.1.02 - Low Carbon Economy Fund

Revenue	(2,000,000)	-
	15,291,800	7,441,343

3.2.01 - Policy, Planning and Natural Areas

Revenue	(401,500)	(189,510)
	1,806,800	1,687,599

Total Climate Change	21,358,100	19,261,194
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4.1.01 - Labour Relations	526,500	403,756
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4.1.02 - Standing Fish Price Setting Panel	205,900	334,995
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4.1.03 - Labour Standards	675,000	651,834
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Revenue	(170,000)	(159,825)
	505,000	492,009

Total Labour	1,237,400	1,230,760
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5.1.01 - Labour Relations Board	688,000	706,883
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Total Labour Relations Board	688,000	706,883
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6.1.01 - Workplace, Health, Safety and Compensation Review

Revenue	(1,416,800)	(1,070,001)
	-	38,902

Total Workplace, Health, Safety and Compensation Review	-	38,902
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Total Department	33,732,100	30,714,179
Total Gross Expenditures	42,672,800	36,210,085
Total Gross Revenues	<u>(8,940,700)</u>	<u>(5,495,906)</u>
Total Net	33,732,100	30,714,179

