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

April 11, 2022 - Issue 4

Department of Finance  
Public Service Commission  
Consolidated Fund Services

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## **GOVERNMENT SERVICES COMMITTEE**

Department of Finance, Consolidated Fund Services and Public Service Commission

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Chair: Paul Pike, MHA

Vice-Chair: Loyola O'Driscoll, MHA

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

Clerk of the Committee: Kim Hawley George, Evan Beazley

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Appearing:

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

Hon. Siobhan Coady, MHA, Minister (via video conference)

Michelle Jewer, Deputy Minister (via video conference)

Elizabeth Lane, Secretary to Treasury Board

Theresa Heffernan, Assistant Deputy Minister, Treasury Management and Budgeting

Doug Trask, Assistant Deputy Minister, Economic, Fiscal and Statistics

Tom Nemeč, Director of Treasury Management

Wanda Trickett, Departmental Controller

Diana Quinton, Director of Communications

Brad Sullivan, Manager of Pensions

Keith White, Executive Assistant to Minister

### **Public Service Commission**

Hon. Siobhan Coady, MHA, Minister (via video conference)

George Joyce, Chair/CEO, Public Service Commission

Tina Follett, Commissioner

Diana Quinton, Director of Communications

Mike Smyth, Manager of Accountability and Certification

Wanda Trickett, Departmental Controller

Keith White, Executive Assistant to Minister

### **Also Present**

Hon. Gerry Byrne, MHA, Minister of Immigration, Population Growth and Skills

Hon. Krista Lynn Howell, MHA, Minister of Municipal and Provincial Affairs

Hon. Pam Parsons, MHA, Minister Responsible for Women and Gender Equality

Tony Wakeham, MHA

Craig Pardy, MHA

Megan Winter, Research Policy Analyst, Official Opposition Office

Scott Fleming, Researcher, Third Party

Pursuant to Standing Order 68, Gerry Byrne, MHA for Corner Brook, substitutes for Scott Reid, MHA for St. George's - Humber.

Pursuant to Standing Order 68, Krista Howell, MHA for St. Barbe - L'Anse aux Meadows, substitutes for Lucy Stoyles, MHA for Mount Pearl North.

Pursuant to Standing Order 68, Pam Parsons, MHA for Harbour Grace - Port de Grave, substitutes for Brian Warr, MHA for Baie Verte - Green Bay.

Pursuant to Standing Order 68, Tony Wakeham, MHA for Stephenville - Port au Port, substitutes for Loyola O'Driscoll, MHA for Ferryland.

The Committee met at 9:06 a.m. in the Assembly Chamber.

**CHAIR (Pike):** Good morning, everyone.

**S. COADY:** Good morning.

**CHAIR:** Welcome to the Standing Committee for reviewing of Estimates.

First, I'd like to make some announcements.

Firstly, it's the official substitutions attending on behalf of Members of the Committee. Our substitutions are Gerry Byrne, who we're waiting for; St. Barbe - L'Anse aux Meadows, Krista Howell; Harbour Grace - Port de Grave, Pam Parsons, she'll be here soon; and Stephenville - Port au Port, Tony Wakeham.

Welcome, everyone.

Welcome, Minister.

**S. COADY:** Thank you.

**CHAIR:** Does the Committee agree to allow unaffiliated Members to participate in the proceedings by allowing them 10 minutes each to ask questions, once the Committee has concluded its business toward the end of the meeting?

Is that okay with everyone?

**AN HON. MEMBER:** That's okay.

**CHAIR:** Okay, thank you.

We're looking at having a break at some point this morning, so I guess we'll do that probably around 10:30?

**CLERK (Hawley George):** After the Public Service Commission.

**CHAIR:** After the Public Service Commission, that's correct. Okay.

A reminder to witnesses, department officials, of the following, always identify yourself and wait for the tally light each time before you speak. Wave to identify one's self if the light has not come on.

Consistent with the protocols in effect in the Confederation Building complex at this time, masks must be worn in the Chamber by employees, unless they are speaking. It is discretionary for Members.

Members and officials are reminded to not make any adjustments to the chair they are seated in. They are adjusted specifically to the Member who uses the chair during House proceedings.

Water coolers are located on the corners in the north and south end of the Chamber. For those without their own water bottle, glasses are provided.

To outline the approach we'll be taking at the start of this meeting, first I will ask the Members of Committee and any staff attending with them to introduce themselves along with any other Members in attendance, then I will ask the minister to introduce her staff. This is only an introduction. I ask the minister to wait until the Clerk calls the subheads to start with the introduction of their departmental Estimates. Following that, I will ask the Committee to move that the minutes of the previous meeting be adopted. Then I will ask the Clerk to call the first subhead to get us started. We will then proceed through the Estimates by subhead.

I'll now ask the Committee Members and department officials to introduce themselves.

The Chair recognizes Mr. Wakeham.

**T. WAKEHAM:** Good morning, it's Tony Wakeham, MHA for Stephenville - Port au Port.

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

**C. PARDY:** Craig Pardy, MHA, District of Bonavista, observer.

**P. PARSONS:** Pam Parsons, MHA for Harbour Grace - Port de Grave.

**G. BYRNE:** Gerry Byrne, MHA for the beautiful and historic District of Corner Brook.

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

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

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

**CHAIR:** Thank you.

I will now ask the minister to introduce departmental staff.

**S. COADY:** Good morning all, my apologies for not being there in person. I believe you understand why I'm not there in person. I'm going to turn it over to George, the Commissioner of the PSC, to make the introductions, as it may be a little different from what I'm viewing on the screen.

**G. JOYCE:** Okay, thank you, Minister, and I hope you get well.

I'm George Joyce, Chairperson of the Public Service Commission, and I'll just go around and let my colleagues introduce themselves.

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

**W. TRICKETT:** Wanda Trickett, Departmental Controller.

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

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

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

**T. HEFFERNAN:** Theresa Heffernan, Assistant Deputy Minister, Department of Finance.

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

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

**CHAIR:** Okay, I'm going to bring to your attention the minutes of the previous meeting and wondering if there are any revisions or amendments.

Are there any revisions or amendments to the minutes? If not, I would ask for a mover and a seconder for these minutes.

Moved by Mr. Brown

**CLERK:** We don't need a seconder.

**CHAIR:** We don't need a seconder, okay.

So the minutes are moved by Mr. Brown.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Motion carried.

On motion, minutes adopted as circulated.

**CHAIR:** I'm now going to ask the Clerk to call first subhead grouping of the heads of expenditure.

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

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

Minister.

**S. COADY:** Thank you very much and good morning, everyone.

Again, my apologies for not being there this morning, but this is probably the safest way for us to communicate today. Hopefully, it works well.

Thank you, I have to say to the Clerk, to the Chair, for accommodating myself, this morning. I understand my deputy minister of Finance has also been exposed – two different exposures – but will be joining online today.

So, first of all, I think this is a very important process and I've said this many times. I think the Estimates process is exceptionally valuable and I'm glad that we have the opportunity to spend some time, this morning, talking about the Public Service Commission.

As you know, and I mentioned last year, the Public Service Commission has really gone through, what I'm going to call, a renaissance and a reorganization with a new vision and purpose as of September of 2020, and it has expanded its role within the public service – professionalized and grown its role and its responsibilities.

It has gone from 19 employees, now, to 87 employees and I am really pleased to say that this is the transition – the new programs and services have been fully integrated into the Public Service Commission's culture and mandate. The Public Service Commission, for those who are not aware, is responsible for the merit-based appointments and promotions with the public service as well as agencies, boards and commissions. It is responsible for the Employee Assistance Program and the Respectful Workplace Program; the training and development of the public service; as well as strategic staffing and hiring of all the staff for core government departments; safety and wellness, which also includes occupational health and safety and healthy workplace initiatives; Harassment-Free Workplace programming and training; and the Opening Doors Program, which is the employment equity program within government.

Through the coordination of the Employee Safety and Wellness division, over 720

employees received their flu shot through 11 workplace flu clinics in December of 2021. The COVID-19 booster clinics were offered to employees and their families in December 2021 and January 2022 through four clinics. And we recently introduced a Graduate Recruitment Program to attract recent graduates to our workforce in the public service, and that's going to be a coordinated program that's going to have a mentoring component as well as a training component. We've already received well over 100 applications.

The current appropriations really reflect the operational needs of the programs and services of the PSC. You'll see that there hasn't been too much of an increase – I think there was only category that saw a slight increase and we'll talk about that, but you'll see that there have been some variances, primarily due to COVID-related activities.

So the Public Service Commission, while maintaining its professional workplace focus, is also very prudent in its operations, very responsible, very diligent as I've raised before and I want to thank the commissioners and I want to thank the team at the Public Service Commission for not just their outstanding work environment and the results of that work environment, but how they contribute to the strengthening of the public service.

On that note, I'll start taking questions I guess on the Executive and Corporate Support. You'll see no real increase in budget except for a slight increase in Salaries, but other than that the budget itself is very flat.

Thank you, Chair.

**CHAIR:** Thank you very much, Minister.

We're going to have questions now of a general nature or specific line items related to or within the subhead grouping may be asked.

I'll call for the first questioners.

Tony Wakeham.

**T. WAKEHAM:** Thank you, Chair.

Before I get started, I think my first comment would be, Minister, I hope you recover fast because I will miss the opportunity to question you in the House. It's not as much fun when you're not here. So that's just –

**S. COADY:** I'll be watching.

**T. WAKEHAM:** I look forward to seeing you back soon.

My first question, or general questions, and I guess it's to the chairperson first and Minister, you too. Who's responsible for the hiring of the chairperson and chief executive officer of the Public Service Commission?

**S. COADY:** Well, thank you for that question. Of course we will go through a professional process, and ultimately it goes through the IAC process and on then to the Clerk for final review. That is what I understand and I'll let Mr. Joyce explain that as well.

**CHAIR:** Mr. Joyce.

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

The commissioners for the Public Service Commission are appended to the *Independent Appointments Commission Act*. In order for an appointment to be made, it has to go through an independent review exercise involving the Independent Appointments Commission. The Independent Appointments Commission will conduct their due diligence, including interviewing, including discussions, including advertising. The Independent Appointments Commission will recommend, as in accordance with the *Independent Appointments Commission Act*, recommendation of three individuals for the position. That has taken place.

**S. COADY:** I will say welcome to our newest commissioner. Tina Follett has joined us of late. We followed that particular process that Mr. Joyce outlined. She's been very active and engaged, and I appreciate her support.

**CHAIR:** Tony Wakeham.

**T. WAKEHAM:** Thank you for the answer.

So am I to understand that the position is actually now being advertised and it's before the Independent Appointments Commission?

**G. JOYCE:** 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.

**T. WAKEHAM:** Thank you for that response, Mr. Joyce.

I'm not going to ask you if you applied or not, but I want to thank you for the work you've done for the last three years in an acting capacity. Pretty soon you'll be ready to step up to the next career in acting, but I want to thank you for – it's a difficult challenge to fill something on an acting basis for such a long time, and thank you for doing that, and I'm glad to hear that the position has been posted.

My second question then comes down to a number of positions in the public service that have not been filled. For three years now, I've been coming to Estimates and it's the same story: Salary surpluses, positions not filled and budgeted again. Because we're going to ask this question in every single department. The Public Service Commission is responsible for the hiring, then we might as well ask you to coordinate it, or someone. I would like a sense of how many positions in the public service have been vacant longer than six months, and longer than 12 months. I would like that list by department.

So that's a request that I'm making now, in hopes that we can get that information. So it's a heads-up that every Estimates, every department, we'll be asking for similar numbers, but I would like to understand exactly how many have been vacant for more than six months and how many have been vacant for more than 12. I don't know if you have that answer with you today.

**G. JOYCE:** Jennifer?

**S. COADY:** Thank you –

**G. JOYCE:** Go ahead, Minister, I'm sorry.

**S. COADY:** Thank you for the question, Mr. Wakeham.

I will say that not unlike other jurisdictions in the world, the staffing and the staffing complement, of course, has to go through a rigorous process and there have been challenges in a general sense on recruitment. That is not unique to the Government of Newfoundland and Labrador.

We have increased the available resources within the Public Service Commission to ensure that we are actively recruiting on an ongoing basis and that is the case. I will tell you that within the public service there are a number of positions, especially in the Office of Employment Equity. We have about 22 vacancies there. That is not unlike what I indicated to you last year. Recruitment in that particular area is challenged because of some of the equity issues. I'll let Mr. Joyce further expand on that. So that has about 22 vacancies.

Some of the other areas, I'll just give you an example. In Executive and Corporate Services, we just had a move within the public service of one individual and we're still recruiting in another area. So there are two position vacancies. For example, in Employee Safety and Wellness, we have one position vacancy and in EA and RW programs there are none. But we are still actively recruiting and, in particular, in the Office of Employment Equity. I will say that we're challenged in that particular area.

So there are a number of vacancies on the board. But as I've said, we've actively recruiting on an ongoing basis and we can go through the recruitments if you wish.

We are also doing a new marketing program. We've also implemented the new recruitment program that I've just announced for new graduates, the new graduate program. That, we are hopeful as well, will attract new people to the public service, but we will continue to put extra emphasis on the hiring practices and go through what we consider a rigorous, professional process in order to attract good people to the public service.

And now I'll turn it over to Mr. Joyce who may have more granular details.

**G. JOYCE:** Thanks Minister.

Mr. Wakeham, we can provide all that information that you were looking for in detail. We don't have it with us today, but that can be broken down readily for anything you're looking for. It's an open book. Whatever you want we will get for you or get it as soon as possible.

**T. WAKEHAM:** Thank you to the minister.

Thank you to Mr. Joyce for the comments and, again, that's why I focused on positions over six months and over one year. I recognize there is always turnover and always positions to be filled.

Last year in Estimates, we talked about approximately 500 vacant positions in government. I wonder do you have an estimate of how many vacant positions still exist today.

**S. COADY:** I will say that while there is turnover in those positions, there is still approximately – and Mr. Joyce can answer this more directly – 500 positions but they are a different 500 positions. So there is always turnover and change within those. Mr. Joyce would have exactly how many are in active recruitment.

Mr. Joyce, could you provide that?

**G. JOYCE:** Sure.

Mr. Wakeham, currently, there are 524 active files in the core public service: 55 are to be assigned, 48 on hold, 55 job ad development, 80 posted, 75 screening stage, 67 interview stage, and 140 recommendations issued waiting to be appointed.

**T. WAKEHAM:** Thank you for that information.

So from what you've been saying, I would expect that the list of vacancies for more than six months or more than one year would be a small amount of that 500? Is that what I'm hearing?

**G. JOYCE:** In its true form, what you're asking, yes. But just remember that's constantly turning over.

**T. WAKEHAM:** I would think though that there are positions that are position descriptions – actual positions that are vacant and they will be able to be told exactly how long they've been vacant.

**G. JOYCE:** No question. Yes, yeah.

**T. WAKEHAM:** Okay. I look forward to getting that information.

**G. JOYCE:** Yeah, and I would say that number is sharply less than what we're talking about.

**T. WAKEHAM:** Thank you.

**S. COADY:** If I may interject, I think for Mr. Wakeham's point, I will say that – and I mention this in my comments – the one area that seems to have been impacted by COVID significantly is the Office of Employment Equity and making sure that we're inviting people through open doors into government. That seems to have had some challenges, so while you might see some of those vacancies, it's because of COVID that we're mostly challenged. Hopefully, as we move through the pandemic, we'll be able to go back to full complement in that area.

**CHAIR:** Okay.

**T. WAKEHAM:** Still good?

**CHAIR:** Yes, still good there.

**T. WAKEHAM:** The next one I had was from Estimates last year, there were approximately 60 outstanding management classification appeals and 83, I think, the year before that, so I was looking for an update on those positions, those reclassifications.

**G. JOYCE:** Yes –

**S. COADY:** Certainly, the – go ahead, Mr. Joyce.

**G. JOYCE:** I'm sorry.

Management Classification Appeal Board appeals for management only; there are currently 49 outstanding. We're in the process now of getting members of MCAB – we call it – appointed. Then we're going to conduct some training so I'm hoping to have all of those completed by the end of the summer, 100 per cent. Now, that's the management, not JES.

**T. WAKEHAM:** I think Mr. Joyce has a career in mindreading, because my next question was going to be exactly on the JES and an update on those appeals as well.

Thank you.

**S. COADY:** If I may, Mr. Joyce, before you give the information, I would like to give kudos to Mr. Joyce and his team for making incredible efforts towards the JES appeal process. We started out, I think, with – 1,499 was the starting balance for '21-'22 and I think we cleared up well over 800 of those. So we have 676 remaining, but I understand that they should be completed by the fall.

Mr. Joyce.

**G. JOYCE:** Mr. Wakeham, yes, we had a high number. We had to basically – we put a team in for the past year, a team of four individuals: two adjudicators, one for process and another for administrative support. We went from over 1,500; we're at 676 and that was only for the past six months because we were without an adjudicator for six months. This should be done before the fall, completed, zero.

**T. WAKEHAM:** Thank you, Minister, and Mr. Joyce, those are excellent results and glad to hear it. Hopefully, as you said, we'll clear some of the other backlog soon.

I think I might have time for one quick question and that would be how long an average does it take for a posting to get filled through the Independent Appointments Commission process?

**G. JOYCE:** The length of time from the date that the minister makes a request to the Independent Appointments Commission to the date that the recommendations are generated by the IAC and sent to government has been



consistent for the past 5½ years, and that's six months. And that's on par with the private sector out there for moving those files.

**T. WAKEHAM:** Given that my time is up, I'll start the next round later.

**CHAIR:** Thank you.

The next round of questioning – the questions can alternate from amongst Committee Members. Each Member, including any subsequent turns of the first questioner, is given 10 minutes each – each turn. And we will continue this until all Members have exhausted the questions in this section.

If there is an agreement for non-Committee members to ask questions, we will work those into the rotation as required.

So we will now go to our questioning. You are limited to 10 minutes each.

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

I want to send my well wishes to the minister there. I know exactly how this goes and wish you a speedy recovery like I had. So thank you so much for still participating. I know sometimes you don't feel like it.

Perfect, my first question is: What are the upcoming projects for the Public Service Commission outside of the Recruitment Program announced earlier?

**S. COADY:** So I'll start and Mr. Joyce will chime in, I am sure, or Ms. Follett. As I said, the Recruitment Program is a priority, as are making sure that we have the incredible staffing complement – so strengthening that staffing complement as I mentioned earlier, the priority, of course, is the recruitment. We want to have a robust recruitment process. We're upgrading our marketing and recruiting campaigns as well.

Those are kind of the priorities. I will say the Employee Assistance Program is very important. Mr. Joyce can give you some more details on that – and training, of course, within the public sector. So if I was to say what is on our radar screen in terms of the next six months, it's recruitment and staffing. It's getting the

classifications completed and really marketing and recruitment to entice more people to the public service and strengthen our overall public service recruitment activities.

Mr. Joyce?

**G. JOYCE:** Okay. Thanks, Minister.

Just to complement what you've conveyed, I'll just touch on a couple of things. One, in our Centre for Learning and Development, we're putting in place a new operating system for registering for courses. It's going to be very user-friendly for the whole public service, that you can go in live, yourself, as an individual, and find out exactly what courses you did, what you didn't, what your plans are and develop that yourself. We're hoping to roll that out in the next few months.

In the area of safety and wellness, we're getting ready now to introduce to the public service a comprehensive psychological health and safety system, built on the Canadian standard, and we're going to kick that off, I think it's Mental Health Week, the first week in May, and you'll see more information on that.

Issues of mental health in the workplace, as you know now, has come to the fore in a huge way. And that's manifesting itself in our EAP program, our training that's utilized, and consequently through the safety and wellness program that we're putting a major focus on.

In the area of staffing, the minister touched on that, I'll defer to my colleague Tina, if she wants to indicate a little further on the staffing component.

**T. FOLLETT:** Thank you, George.

As the minister has noted, we are working through on our Graduate Recruitment Program, and it is being met with great success so far. As the minister has also noted, we have upwards of 160 applications at this point in time. The intent of that program is obviously to complement our existing public service and develop future leaders within the public service.

We are working on that front as well to develop mentoring and other learning opportunities for

applicants to the program. We are also, in terms of our general recruitment activities, working with the communications branch in developing a marketing campaign to provide better outreach and solicitation of interest for applicants into our public service.

So we've become quite aware, obviously, that nationally, globally, there are challenges with recruitment. Many have named this phenomenon as the Great Resignation, for example; you might have heard about that, read about that. During the pandemic, many individuals have re-evaluated their course in life, their careers and we've seen that impact, and so we're preparing to address that as best we can, and that is why we're forging with the marketing campaign and we are doing so, as well, in order to entice the interest of younger professionals into our organization.

We know we have to change the means by which we advertise. The traditional job ad is no longer working for us. We have to engage in more strategic planning and outreach through, what were once called headhunters, we now call them managers of talent acquisition. They are more proactive. They are seeking out, not just people who are interested in moving, but also individuals who we need to court, if you will, into the public service.

So we are using social media platforms for that and developing some branding that will be more recognizable, hopefully, in the months, years ahead.

**J. BROWN:** Thank you so much.

It kind of leads into my next question. What work is currently being done by the PSC on safety training and wellness in the workplace right now?

**S. COADY:** No, I was just about to say, Mr. Joyce, why don't you give an overview of that?

Thank you.

**G. JOYCE:** Okay.

In our Safety and Wellness Division are occupational health and safety officers and we have about nine individuals working and

focusing exclusively on safety; assisting government departments in reducing accidents; focusing on working with the Centre for Learning and Development, so courses can be developed to provide training that's required by the public service, compulsory and statutory training.

We spend a lot of energy with government departments to ensure that government departments are in compliance with the Workers' Compensation Act. But a safe and healthy workplace is the number one priority for the Safety and Wellness Division.

That's about 50 per cent. The other 50 now is we've taken a sharp turn – we're going to be focusing a lot more of our energy on psychological health in the workplace, and you're going to see and hear about that a lot more in the next couple of years and gone are the days that divisions are working in silo or by themselves. We're integrating now with the Employee Assistance Program, the Centre for Learning and Development and it's a lot more complex now in terms of dealing with the public sector and more professional. But we're integrated in that in a big way with government departments.

**J. BROWN:** Thank you, Mr. Joyce.

Another question kind of along those lines is we do see a lot of vacancies and a lot of employees having to do double and triple duty. Has there been any discussion within the PSC about workplace burnout and overloading of employees who have to pick up the slack because of vacancies?

**S. COADY:** I'll make a comment.

I think, as Ms. Follett and Mr. Joyce have alluded to, this is a challenge that we're seeing globally and we are very cognizant. That's why Mr. Joyce has been, as he said, putting extra emphasis and supports around mental health and wellness within the workplace. That's why we've put extra support there on the recruitment activities and made extra emphasis around marketing and the recruitment activities.

Because we do recognize the concerns around burnout and the concerns around – we want to

make it a very wellness-centred workplace and making sure that we are doing everything we can to eliminate the burdens that are being carried by some.

Mr. Joyce, would you like to comment as well?

**G. JOYCE:** Sure.

Well, I can say I've spent 35 years in labour relations, human resources, in the public sector and the private sector. In today's environment, yes, there are unique challenges, it's ever so dynamic, you're probably having more discussion with the health care and other professions in that area, but in the core public service, where the programs or services are evolving, I think that we're tailor-making programs now that are assisting in a big way. We're also participating in discussions with government on pilot projects for the future of work, a hybrid work approach.

Young people now are different from what they were in terms of their approach to the workplace and you're going to see more of that. So I think the future of the workplace and what's required for the future of the workplace is going to – that the public service is putting in place and focusing their energy now on assisting what the future of the workplace is going to be and it's going to help a lot of employees in a number of areas.

**J. BROWN:** Thank you so much, Mr. Joyce.

Thank you, Minister.

**CHAIR:** Do we have anybody else that is going to ask questions?

Okay, Mr. Wakeham.

**T. WAKEHAM:** Thank you, Chair.

I just want to follow up again with the Independent Appointments Commission for a second.

Could you outline how many tier-one Independent Appointments Commission appointments and tier-two Public Service Commission appointments were made over the last year and has the LGIC made any

appointments not on the recommendation of either the IAC or the PSC?

**G. JOYCE:** Minister, do you want to go ahead or do you want me to?

**S. COADY:** You go ahead. Thank you, Mr. Joyce.

**G. JOYCE:** So on the question of numbers, I'll defer to my colleague. I don't have it in front of me.

Mike, do you have the numbers for tier one and tier two for this year?

**M. SMYTH:** For tier one, this past year, was 30 and for tier-two appointments, it was 94.

**T. WAKEHAM:** Can you tell me if there were any appointments that the Lieutenant-Governor in Council made that were not on the recommendation of the Independent Appointments Commission or the Public Service Commission?

**G. JOYCE:** With respect to the Public Service Commission, which are all tier-two entities in the province, I know of not one case where government appointed from recommendations – not one case that did not get appointed. In other words, under the *Public Service Commission Act*, under the names that were generated for recommendation, it is my understanding that the LGIC followed the Public Service Commission in its entirety, 100 per cent.

In terms of the Independent Appointments Commission, my understanding is that 100 per cent of all appointments were made in accordance with the *Independent Appointments Commission Act*.

**T. WAKEHAM:** Thank you for that.

My next question is if whether or not you can provide some commentary on the Employee Assistance Program and has the demand for the program changed?

**G. JOYCE:** Minister, would you like me to handle that or do you want to? Sorry, we can't hear you.

**S. COADY:** Sorry about that. I'll start Mr. Joyce and perhaps you can fill in anything that I don't cover.

I will say, under the Employee Assistance Program, we have been seeing an increase, obviously, during the pandemic and we have made some accommodations for those. I'll let Mr. Joyce give you that information, but it is a continuous concern of ours to make sure that we have a strong and robust Employee Assistance Program.

It has been a difficult few years. We have increased the allocations to that division so that they can have the dollars available to meet the demands that we're seeing in the EAP.

I don't have the statistics right on my fingertips but I'm sure Mr. Joyce does. So I'll just turn it over to him for a moment.

**G. JOYCE:** In terms of the Employee Assistance and Respectful Workplace Program '21-'22, there were 1,898 eligible employees who accessed services. This is an increase of 21 per cent from the previous year. As the minister has indicated, government committed an additional \$200,000 to assist families and eligible employees to access the program and to work with the program.

We've had the Wellness Division. We've assisted the departments of government for many people who were experiencing mental health problems prior to COVID, pre-existing systems, existing during the pandemic, a big help. The Employee Assistance Program has 140 service providers right across the province that government contracts through to assist eligible employees.

We are experiencing an uptick. This is the highest level of utilization ever under the EAP since it started. We're flat out with the EAP for many reasons that you know.

**S. COADY:** But I will add to that, yes, it's the highest and that's why we put additional financial resources towards it, but the utilization rate has grown from 13.9 per cent in 2019-2020 to 14 per cent in '21-'22. The uptick is higher, absolutely, and that's why we've put extra financial resources towards it, but it is still

manageable. We have a very strong team that are offering the Employee Assistance Program and we want to continue to put emphasis on that in that area.

**T. WAKEHAM:** Thank you for those responses.

Last year in Estimates, there was a discussion that during COVID non-mandatory courses were reduced. Has the training now resumed for all courses? Is the training capacity now back up to pre-COVID levels?

**G. JOYCE:** In terms of the Centre for Learning and Development non-compulsory training, we are 100 per cent up to speed. In the Centre for Learning and Development – I don't have the numbers in front of me, but I will defer to my colleague, Tina, on that.

**S. COADY:** I have them in front of me, thank you.

In December, for example, we had 15,050 courses completed; on individual participating, self-directed e-learning courses were 1,503; and scheduled in-class virtual was 47. Just to give you an example, I mean, it is a tremendous amount of learning and development going on within government. As Ms. Follett is getting her papers pulled together – not only because of mandatory, compulsory, training but also we had training around COVID, specialty programming that we put in place around some of the concerns that we were having around COVID.

I'll allow Ms. Follett to add to this.

**T. FOLLETT:** Thank you, Minister.

Just to add, our course completions, we had 302 unique course offerings in the last year, with 16,000 completions overall and 75 per cent of that was via eLearning. Our top areas for course offerings included cyber awareness, ATIPP and privacy, fraud, harassment prevention and the others were more safety related.

**T. WAKEHAM:** Thank you again for the response.

Last year in Estimates, we also talked about the long-term work from home arrangements for the

public service. My understanding is that employees were under the understanding that the Government of Newfoundland and Labrador would bring in a program where some employees who qualified for the program could apply to work from home on a long-term basis, but this program hasn't materialized.

Is there still an evaluation of long-term work from home post-pandemic or is there now a desire to have the full workforce in the office?

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

This is certainly more Treasury Board related. I will say to you that we are working through a process for that; we are undertaking some pilot projects. I know in some divisions it was very successful and in others there were some concerns. We're doing pilots across the public service at this point. We have to make sure we have consistency and consistent outcomes across the entire public service. Certainly, we are looking at how we can accommodate, and it is something that we're actively pursuing.

**T. WAKEHAM:** Thank you.

Again, given my time is up, I'll defer to the next person.

**CHAIR:** MHA Jordan Brown.

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

One question there I have with this: Has a study or any work been done on pay equity in the public service, or is there anything ongoing related to pay equity across the public service?

**S. COADY:** It is built into our JES system, that employment equity is there. All the different components ensure that there is gender equality, whether – under the Job Evaluation System, I should say instead of using the acronym. A tremendous amount of work has gone on in that regard over the last decade, really. From that perspective, there are no equity concerns within the public service, in terms of the job evaluation itself.

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

Going to line by line there, 1.2.01, Centre for Learning and Development, under Salaries, under revised from last year's budget, there's a significant amount under; is this from vacant positions currently in the Centre for Learning and Development?

**S. COADY:** Sorry, I'm just trying to catch up to the head that you're looking at. I don't know if Mr. Joyce has a response very quickly, but I'm catching up to – you said it was 1.2?

**J. BROWN:** .01.

**S. COADY:** Centre for Learning and Development, that was vacancies throughout the year. That was the challenge, but as you can see we're back up – we're anticipating a similar amount that we had budgeted for last year, and, of course, there's a slight increase due to salary increases in January '22, but we are budgeting for a full complement this year.

As I said to you, we are recruiting for these positions. I don't know. Mr. Joyce, do you have what positions or how many positions there are for that area at the top of your fingertips?

**G. JOYCE:** We're in the process of filling two positions right now. A number of months ago, we experienced the untimely death of our long-term director, and that had repercussions right through the system. We had to put in place a quick plan to try to deal with that, and that sort of put some additional pressures on us, but you'll see that ramp right up in terms of this year.

**J. BROWN:** Perfect.

**S. COADY:** Thank you, Mr. Joyce.

Just so you know, I think it's germane. There are three position vacancies right now. One is permanent and two are contractual. So as Mr. Joyce is saying, they are moving through the process expeditiously as possible. The untimely death was something that really did shake the Public Service Commission and, of course, government as a whole because it was a very tragic loss. Obviously all of us send our best to the family and our strength and support to them.

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

Moving on over to 1.2.02, Strategic Staffing, we also see a significant drop in salary there. Is this from the same situation with that area?

**S. COADY:** Certainly it is. That is savings, of course – and I don't like using that term because it's a loss overall, but as you can see we've allocated the correct amount again this year. It's not like we're removing those positions, but we did have some staff movement and some vacant positions that were throughout the year. There was also strategic initiatives planned that were expected to be offset by other savings. There were some reclassification costs in the Employee Assistance Program. But we're expecting that program to be fully functional again this year.

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

**S. COADY:** I can tell you under Strategic Staffing, we have some positions available that are in various stages of recruitment, but we are actively looking for people in those areas.

**J. BROWN:** Moving on to 1.2.03, Employee Safety and Wellness, we notice that there was an increase in salaries in that area, but in the upcoming budget we see it kind of rightsized back to the 2021 budget. What was the reasoning for this increase over in this section compared to other sections?

**S. COADY:** It was an increase of an additional contract position from January 1 to March 31.

Mr. Joyce, do you have any further details?

**G. JOYCE:** The Safety & Wellness Division: as you are acutely aware in CSSD there's been some pressures and some challenges with social workers, the whole area of recruitment and placements. So we, being the Public Service Commission, dedicated an employee, contractually, to work with the CSSD. I may say the outcomes were very positive. The Safety & Wellness Division – the work was so positive that we worked with CSSD and CSSD hired that individual full time starting on April 1.

So we took that individual off our payroll.

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

Thank you, Minister.

Over in 1.2.04, Employee Wellness and Development continued, we see that there was a drop in Salaries there and now in the upcoming year we see a significant increase. What was the reasoning for this?

**S. COADY:** Again, I mentioned the Office of Employment Equity. We were concerned because we weren't able to recruit as much as we wanted to in the Office of Employment Equity. I mentioned that earlier, there was some 22 positions that were available. Again, because it is an equity position, sometimes they couldn't be placed because of COVID but we are hoping to have all the complement – now that we're coming through the pandemic – positions filled this year.

Mr. Joyce, do you want to add more detail?

**G. JOYCE:** I don't have it in front of me right now, but I will say from a general stance that when you are dealing with employees who have challenges and who are employed in that capacity, in terms of accommodations, in terms of trying to work them through the public service for a career, that during the pandemic phase, the last couple of years, there were triple challenges.

I'll defer to my colleague, Tina, for additional information.

**T. FOLLETT:** Thank you, George.

Just for some further information, pursuant to the 22 vacancies and in addition to what the minister has noted, Mr. Brown, there is also some long-term sick leave issues that we've been dealing with there as well. We also have four positions that are currently under competition. Nine of the positions, as well, were also utilized for the development of other temporary positions within the public service, because sometimes if there's a vacancy, the position might be classified in a particular way but the need may be somewhat different and there are skillsets amongst our registrants in the program, so we often adjust for that from time to time, as well. So that's how we utilize some of the funding from time to time.

Overall, we had total clients employed last year of about 98. We had an addition of 81 new clients added to our program.

**J. BROWN:** Perfect. Thank you so much.

Under the same heading, under Grants and Subsidies, there is \$100,000 budgeted but we only used \$23,000. What was the explanation for not getting all the grants and subsidies out the door?

**S. COADY:** That again was around that employment subsidies that we provide to the Opening Doors Program and to the equity program. Because we were challenged in the pandemic, the uptake wasn't there.

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

Under 1.2.0 – my time is almost up. I'll pass on to my colleague and I'll finish up there.

Thank you so much.

**CHAIR:** MHA Tony Wakeham.

**T. WAKEHAM:** I just want to go back for a second; we did understand how long it took to fill a position in the IAC process. How long does it take to fill a position in the public service process? In other words, from the time a vacancy is identified, how long does it take, generally, for a person, from the time it's vacant to the time it gets refilled?

**S. COADY:** Mr. Joyce.

**G. JOYCE:** Same, six-month time frame. However, I will say on that, the expert in that area on time frames and working directly with tier ones and tier twos is Mike Smyth. Mike you can correct me if I'm wrong, but what's the –

**M. SMYTH:** For the IAC process, yes, it's six months. That's correct, yes.

**G. JOYCE:** What about the PSC?

**M. SMYTH:** Six months.

**T. WAKEHAM:** Thank you for that.

So all of the positions that we talked about here today that are being actively recruited, we would expect to see the positions filled within a six-month process. I'm wondering if you can – and we've talked about turnover a bit – provide us with how many people actually in '21-'22, how many people left the Public Service Commission and how many people were hired in the Public Service Commission?

Because we still have that consistent 500 number talked about, so I'm just looking at what the turnover was: how many people actually left the Public Service Commission and how many people were hired into the Public Service Commission in the last fiscal year. That may not be something you can answer right now but –

**G. JOYCE:** Well, first of all, just for clarifications before I defer to the minister, you're talking about the core public service, not the Public Service Commission correct?

**T. WAKEHAM:** Correct. I'm talking about the public service, the actual people that work in all the government departments.

**G. JOYCE:** I'll defer that question to my colleague who would probably – either the minister or Treasury Board Secretariat can answer that question because they work directly with that. Is that fair?

**S. COADY:** Absolutely, Mr. Joyce, we'd be happy to get that information from the Treasury Board's perspective. Mr. Wakeham, you'll be able to ask me that question when we come to those Estimates, or I'll endeavour to get that to you and provide it for you.

I'll just ask Mr. White to keep note of that.

**T. WAKEHAM:** Wonderful. We'll have that when we do our Treasury Board Estimates.

The same way, Minister, I would think that in this budget just past, we did have a significant improvement in our overall deficit. I'm wondering how much of salaries in core government departments were budgeted for and how much the actual savings was in total, as a result of the fact that these positions weren't filled. I don't know if you'd know that answer or is that something again we can ask later.

**S. COADY:** It would be a challenge to provide it because, of course, positions are always being filled. So it's not like we're holding them, waiting for positions to be – holding them for budgetary purposes. We're actively pursuing them. It really depends on when the turnover was, and, of course, you're referring to a year when there was a pandemic, we were in the middle of a pandemic, so we'll endeavour to get you that information, but there are positions being held to balance books, that's for darn sure.

We're actively recruiting and we've put more emphasis towards that active recruiting process. We hired people, more staffing specialist, for example. Mr. Joyce can talk about this, more staffing specialists. We're putting in a new recruitment program. We've announced the new recruitment program for new graduates. All of this is a built on, attracting people to the public service.

This is not a phenomena for Newfoundland and Labrador; this is a phenomena that's going on around the world.

**T. WAKEHAM:** Thank you, Minister.

Again, if we're holding positions to help balance the budget, then we wouldn't really need to budget for them, I would think, in the current budget. I can go through every single government department and look at last year's budget and look at the revised to come up with the dollar figures. But I was wondering if it already had been done somewhere. If not then, we'll certainly go through that process to identify them.

But the question is – I know this has been three years and we're seeing the same type of budget revised and estimate that shows significant savings in government departments. It's not the first year. So I just simply want to understand if we're holding positions, it's great, but I wouldn't expect the monies to be budgeted for actually holding positions. I just like clarification on that point.

Thank you.

**S. COADY:** You're absolutely correct. Why would we budget for them if we weren't going to fill them? You're absolutely correct in that,

but as you can appreciate, over the last numbers of years, the last couple of years, at least, there have been drop balances because, of course, we are in the middle of a pandemic. So we are maintaining the budget, the expense for it, and realizing some drop balances. And that's either recruitment has been challenged or travel has been challenged. This is another one that you're seeing drop balances on, for travel, because we, literally, we could not travel. We can now.

So we'll endeavour to get that information provided to you, but I guess it will be through the Treasury Board.

**G. JOYCE:** I'd just like to underscore one point that the minister made, and that is government departments have, in the past couple of years, put significant pressure on the Public Service Commission and Strategic Staffing to get those vacancies filled. They have been on our case and we're working hard.

I just want, for context purposes, in your question – we don't see government departments slowing anything down. As a matter of fact, we're going gangbusters to try to do what we can do and put different policies in place to fill those recruitment positions.

**T. WAKEHAM:** Thank you both for the response, and I again look forward then to looking at the exact amount of positions of people who left and what positions were filled in the last year.

In terms of return to work, how many employees have not returned to work as a result of their vaccination status?

**S. COADY:** Again, this is under Treasury Board rather than the Public Service Commission, but I understand across all of government there are approximately 30 people. That's from memory, Mr. Wakeham. I don't have the officials here and I don't have the details here, but that's from memory.

**T. WAKEHAM:** Thank you, Minister. I appreciate that and I'll ask it again when we get to the appropriate place to ask that.

Okay, I have a couple of more questions, quickly. Under section 1.1.01, Purchased



Services, there was a slight savings there. I'm just wondering what that was. I think the savings was around \$7,300.

**S. COADY:** There was savings due to COVID-19 restrictions and divisions continuing to use electronic processes implemented during work from home. So instead of in-person meetings and things of that nature, they had to use electronic means and that was a money saver.

**T. WAKEHAM:** Okay, thank you for that.

My next question is under 1.2.01, Centre for Learning and Development. Again, under the Purchased Services category, there is a slight increase in that particular category. The budget has gone up to \$962,500. I was wondering if I could get an explanation as to what the increase was for.

**S. COADY:** That's still within the envelope – if you note that the overall total has not gone up. It's moving around monies – as you know, we do zero-based budgeting. If you look to the bottom line, the department is still spending \$1.865 million versus last year it was \$1.862 million; the difference, of course, being in salary. It's just movement within the categories to ensure that we have adequate – when you look at the Purchased Services, when you look within the envelopes. I don't know if there is anything further you would like to add there, Mr. Joyce.

**G. JOYCE:** I don't have the detail on that, but I'm just drawing a conclusion that we have a number of trainers out there, outside government, for compulsory training, statutory training, in-house training. I guess to reconcile prior to year-end, that's where we reprofiled those funds.

**T. WAKEHAM:** My time is up, so I'll defer to my colleague.

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

1.2.05, Employee Assistance and Respectful Workplace Program, there was a large increase in salaries last year in the revised over the budgeted and then we're going back to roughly the same again. What's the reasoning for this?

**S. COADY:** It was due to a reclassification of coordinators. It was retroactive payments that were made to coordinators. I don't know, Mr. Joyce, if you want to give any further details, but it was a retroactive payment that we needed to make because we had a reclassification.

**G. JOYCE:** Yes, to elaborate on the minister's point, there was MCAB, management classification review and appeal and it went back, I think, seven years. I think there was \$230,000 retroactive pay that I tried to get the money back from government, but they said no, find it in your own budget. So we had to move it around to fix it.

**J. BROWN:** Okay, perfect. Thank you.

I noticed under Professional Services, under the same heading, that it was up \$100,000 roughly for that and then we're going to budget again even higher again under Professional Services. What's the reasoning for this?

**S. COADY:** This is the EAP services that I mentioned to you previously. It was really driven by more usage of the EAP and employee uptake. As you saw there, we spent \$121,800 more than we had budgeted and now we're going to increase the overall budget for EAP by \$200,000 and this is to assist with the copay side and the financial pressures because we utilized outside expertise.

Mr. Joyce, I don't know if you want to add anything further to that, but we are seeing an uptake in EAP and we've budgeted accordingly.

**G. JOYCE:** Yes, the \$200,000 increase is for overtime. I think the last increase that government provided was seven or eight years ago, maybe a little longer, for increase to the EAP budget. Because of the pressures now, government saw fit to contribute a little more, and PSC now will sit down and look where we can best assist employees and their families on the copay component, to alleviate that burden somewhat.

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

Mr. Chair, that ends my questions for this section.

Thank you.

**CHAIR:** MHA Tony Wakeham.

**T. WAKEHAM:** Chair, I don't have any further questions, but what I would like to do is thank Mr. Joyce and his staff from the Public Service Commission. It's nice to be able to sit down and have a chat and find out some more information about what makes up the details.

Thank you to the minister, you're going to stay with us, and we look forward to the next bit of time that we have to chat on some other areas. But again, thank you to staff of the Public Service Commission.

**S. COADY:** I thank you, Mr. Wakeham and Mr. Brown, for your questions. I think we should all be proud in Newfoundland and Labrador of the Public Service Commission, their professionalism, their efforts and everything that they are doing to ensure that we have a strengthened and robust public service into the future.

So I want to thank Mr. Joyce, Ms. Follett, the entire teams within the Public Service Commission for their professionalism, their hard work, their efforts, their dedication and for their continuous support of really ensuring that we have that great public service that we do have. Thank you for that.

Thank you for indulging me by having me here online. I think my coughing has subsided a bit. So that's a good thing.

Thank you.

**CHAIR:** Thank you, Minister.

Thank you to the questioners and thank you to staff that are here. Minister, we all echo the same thing – hoping that you get better soon. Some of us have already had it and know what you're going to be facing in the next few days.

I will ask the Clerk to recall the head of expenditure.

**CLERK:** For the Estimates of the Public Service Commission, 1.1.01 to 1.2.05 inclusive.

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

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All against?

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 against?

Carried.

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

**CHAIR:** I think now it's the desire of the people that are in attendance here – would you like to take a 10-minute break? Would that be good, Minister? It would give you a chance to get some Benylin or something into you.

**S. COADY:** (Inaudible.)

**CHAIR:** All right. So I guess we will take a 10-minute break. That's good with everyone?

Okay. Thank you.

### Recess

**CHAIR:** Okay, I'm going to call the meeting to order, again.

All right, if everybody is ready.

I'm going to ask the Clerk to introduce the next subheads. As well, if there are any new people that have come into the Chambers, that weren't here before, would you like to introduce

yourself? If you were before that's fine. If you didn't introduce yourself, please do it now.

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

**B. SULLIVAN:** Brad Sullivan, Manager of Pensions.

**CHAIR:** Okay, we have everybody else?

**M. JEWER:** Michelle Jewer, Deputy Minister of Finance. I'm online.

**CHAIR:** Okay, good. You can hear us all fine?

**M. JEWER:** Yes, I can.

**CHAIR:** Okay, great.

**W. TRICKETT:** Wanda Trickett, Departmental Controller.

**CHAIR:** Everybody else okay?

All right, Clerk.

**CLERK:** For the Consolidated Fund Services, 1.1.01 to 1.5.01 inclusive.

**CHAIR:** Shall 1.1.01 to 1.5.01 carry?

MHA Tony Wakeham.

**T. WAKEHAM:** Thank you.

Welcome to the new people. A couple of general questions to start off with. The bond database lists a couple of bonds that are coming due this year, including a US bond, I think it matures later this fall. What is the plan for this debt and will you be rolling it over?

**S. COADY:** Thank you very much for the question, but if I may take a moment, and maybe this is not out of Mr. Wakeham's time, but I'd like to do an overview, if that's okay, Mr. Chair. We haven't done an overview of what we're dealing with today and I think for context it would be important.

**CHAIR:** No problem, Minister, go right ahead.

**S. COADY:** Okay.

I didn't want it to come out of Mr. Wakeham's time because he has important questions.

First of all, thank you to everyone again and to those who are joining us. I have a great deal of respect for the Estimates process. I think it gives us an opportunity to delve into the financial affairs of government on a granular level. As Minister of Finance, I certainly take appreciation for that.

For those just joining us, or for those interested, I want to say a couple of things overall about the two areas that we're going to delve into now. One is the Consolidated Fund Services and the other is, of course, the Department of Finance itself.

But before I do, I want to just point out this is the third budget in 18 months. So you can imagine the amount of work and effort that has gone on behind the scenes by a tremendous team at both Finance and Treasury Board, but Finance who are ultimately responsible for the budgetary process and for setting the fiscal and economic agenda for the Province of Newfoundland and Labrador.

I think not only have we done three budgets in the last 18 months, but there has been a lot of iterations of Interim Supply as well. So I want to thank – and I know that everybody here joins me in the province, as well – the tremendous professionals within the department for their outstanding efforts, their diligence, their professionalism, their hard work. You can come any time, day or night, to the Government of Newfoundland and Labrador, to Confederation Building, and there's likely someone in the Department of Finance doing some numbers or doing some work. You see them very early in the morning to very late at night, I know. Especially over the last couple of years, because sometimes they've had to do it from home, sometimes in the office, and you really have seamlessly provided, not only budgets, but, of course, the entire Estimates process. So I want to take the moment from all of us to say thank you for those efforts. We have a tremendous team.

I also want to point out, today we're going to go through the Consolidated Fund Services, which is managed jointly by Finance and the Treasury Board Secretariat and that's why you've seen

some people join us from the Treasury Board Secretariat. I'm responsible for the Treasury Board Secretariat, as well, so I certainly know how hard and the efforts that they are making.

The Consolidated Fund Services represents the interests, costs and management expenses related to the servicing of the public debt of the province and the funding of the pension plans for government and for government agency employees. So very important aspects of debt and financial management for the province.

I will say that we have increased the supports and work for debt management. I think I've mentioned this in the Budget Speech itself, that we're very focused on responsible debt management as well as financial management. We have a good strategic plan to lower our cost of borrowing as well as lower our debt.

Having said that, because I know Mr. Nemeč is probably biting at the bit to answer the questions of Mr. Wakeham, I'll pause there and ask Mr. Nemeč to respond to Mr. Wakeham.

Thank you.

**CHAIR:** Thank you, Minister.

**T. NEMEČ:** Thank you for the question.

Yes, we do have a US dollar bond maturing this fall. It was issued in the early '90s. It's for \$200 million US. We have approximately \$80 million US in a sinking fund for that maturity. So the net is around \$120 million US. That's part of our refinancing plan throughout the year, through our borrowing program which is ongoing once the loan bill gets passed.

**T. WAKEHAM:** Okay, thank you for that.

My next question, again, is: Could you please outline the borrowing strategy for this year? Are you looking at 10-year, 30-year bonds, US, international, Canadian – kind of outline what the strategy might be?

**S. COADY:** If I may, Mr. Nemeč, before you –

**T. NEMEČ:** Our program this year –

**CHAIR:** Just one second now, Minister.

**S. COADY:** Thank you, Mr. Nemeč.

I'll just say a few opening comments. You can appreciate, Mr. Wakeham, that we really do try and have a diversified portfolio. We will be borrowing, I believe, the number is \$2.7 billion this year. Mr. Nemeč and his team have been very thorough in making sure that we have a diversified portfolio. We don't generally borrow in the US markets but we will be preparing to do so if need be. But we have strong Treasury management and, as I said, a responsible borrowing program.

So, Mr. Nemeč, perhaps you can go further into details.

**T. NEMEČ:** Certainly. Sorry, Minister, my earpiece had fallen out there.

The borrowing program for the year is not something that we can just, today, say okay, this is where we're going to borrow. The bond market changes daily. So we try to be very nimble and we watch where the demand from institutional investors is, which part of the curve – that being 5-year terms, 10 year, 30 year. We also are very cognizant of the yield curve because interest rates are different at different terms. So we try to do what's in the best interest of the province, balanced with the demand from investors.

So right now our strategy would be to do a mixture of our benchmark issues in the seven-, 10- and 30-year term but what mix that will be is yet to be seen.

As the minister alluded to as well, we are also preparing for foreign issuance if that is needed. Sometimes the domestic market in Canada is not as conducive to borrowing due to its relative size, for example relative to the US capital markets. So it is always advantageous to have the option to borrow in international markets. Whether or not you do is another decision but having that option is key, really.

**T. WAKEHAM:** Thank you for that detailed answer. I have to admit that it is always a pleasure to come and listen to you when you talk about the bond market. It may only be once a year, but I truly look forward to it because it

gives me some confidence listening to you on what the plan is. So again, thank you for that.

My next question is going to be under Treasury Bills, 1.1.02. Again, could you please provide some commentary on the Treasury bill program? It looks like it is expected to increase in cost this year. What is the current size of the Treasury bill program?

**T. NEMEC:** The Treasury bill program forms a permanent part of our long-term debt and it is \$1.17 billion. We do a \$90-million Treasury bill auction every Wednesday, throughout the year, so it takes 13 weeks for the entire issue to rollover.

Short-term interest rates were extremely low for the past two years. We were borrowing at between seven basis points and 20 basis points, depending on the week. In the last six weeks, since the Bank of Canada started raising the overnight rate, this has increased those short-term rates considerably. So those are around 1 per cent now, which is a 400 per cent increase in what they were during the year. That is why we're projecting a larger interest expense for the short-term Treasury bills there over the prior year.

**S. COADY:** If I may add to that, Mr. Wakeham, there is offsetting revenue in 1.1.05. When you are looking at the numbers, you can flip between the two to understand that. I will say that's where we're getting some money out of Treasury investments.

Mr. Nemeč, I'm glad you raised his competence, because I can certainly say that he manages our borrowing program in a very – he's very fine-tuned, and he has made sure that we are liquid, we've improved our liquidity and made sure that we're placing money in the markets at the right time for the right amount.

**T. WAKEHAM:** Thank you again for that.

It looks like, yes, there's a difference there. The debt expenses are going to go up by some \$8 million and the revenue side is expected to increase by a little over \$3.5 million. Given the current conditions and the inflation that we face, it appears that the Bank of Canada is going to continue to increase interest rates.

I'm wondering, do you have any concerns about where we go from here type of thing? I know you've explained that you've put this in there as a contingency type of thing because you're seeing that significant increase. Is that something that – obviously you're monitoring it on a regular basis? You can't predict what interest rates will be, but is there enough leverage in here to protect?

**T. NEMEC:** Yes, I believe so. Right now the yield on our three-month Treasury bills has reflected around four hikes by the Bank of Canada. The market will price in what it expects. So if the Bank of Canada hikes more than the market currently expects, then yes, the interest expense would go up that we could not project.

Again, if they don't hike as much, well then we'll see an offset decrease. Right now the bond market has priced in at least four rate hikes this year, and more in the following fiscal year. Those will directly affect our Treasury bill rates. The effect dampens as you go out the yield curve. So although our interest rates on our long-term debt will see an increase this year, it doesn't march in step with the short-term rates. It gets dampened off somewhat.

**S. COADY:** Thank you, Mr. Nemeč, but I will add to that, Mr. Wakeham, that what is anticipated – and this is in discussions with my colleagues across the country as well as with the federal minister – is they're not expecting, this increases in inflation that you're seeing currently to remain. They're expecting it to ease later this year.

So the inflationary pressures are expected to ease somewhat. Just so that you can have some comfort in knowing that there is an anticipated easing and as you've seen in budget, an easing of, hopefully, the fuel prices as well.

**T. WAKEHAM:** It appears that from the answer there has been provision made for increases should they happen and you're there.

On the additional revenue you're getting under 1.1.05, under Temporary Investments, how do you anticipate generating that?

**T. NEMEC:** So the additional revenue there – we have our regular Treasury bill program which I outlined.

**T. WAKEHAM:** Right.

**T. NEMEC:** On a discretionary basis, we also issue additional Treasury bills. We call them cash management bills and I use them for two purposes. One is to increase our liquidity during the year in the event of a market event. So I will increase our bank balance and carry an increased cash reserve throughout the year. But on the other side of that, we have a positive carry so actually earn profit by doing that. The yield on our bank account is greater than the interest rate that we pay on the Treasury bills. So we have a risk free arbitrage there where we're able to make a profit.

But the real reason for doing that is for liquidity purposes. Even if there was a small cost, we would still do that. But as it happened, we make a profit on that each year.

**T. WAKEHAM:** Thank you, Chair.

I think my time is up, but I would just add one last comment on that particular topic and simply say: good for you.

**CHAIR:** Thank you.

MHA Jordan Brown.

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

I guess I'll start with the line items on this under Treasury Bills. I know you guys were having your back and forth with it, but I notice that we budgeted \$2 million but we spent \$3.7 million and now we're budgeting \$11.1 million. What is the explanation for such a large increase in this area right now?

**T. NEMEC:** Yes, certainly.

So there are two differences there, one from the restated original budget of \$2.1 million to the projected revised of \$3.7 million. That difference is the extra cash management bills that I issued throughout the year. We spent approximately \$1.6 million in interest on those that we hadn't budgeted for.

As I was explaining to Mr. Wakeham, we made approximately \$6 million in interest on holding those cash balances. We spent a little bit to earn much more.

Now, the larger increase there to this year's original budget of \$11 million, that's due to the significant increase in short-term interest rates. Yet, again, the cash management strategy we have still holds true, in that although our interest expense is higher, our interest revenue will also be higher for the year.

**J. BROWN:** Thank you, Mr. Nemeec.

So we're expecting roughly the same rate of return that we were using last year, you're expecting a similar rate of return this year coming up, hopefully.

**T. NEMEC:** We will see. The spread has narrowed somewhat, but as the Bank of Canada gets through its hikes we'll see where it falls out. For right now, it is still positive.

**J. BROWN:** Thank you.

Under 1.1.03, under Paid to Debenture holders, we didn't pay as much as we were expecting but we're also expected to pay more this year. What was the reasoning for this?

**T. NEMEC:** Yes, with regard to the decrease from the budget from \$611 million to \$591 million, a couple of reasons there. One was I was able to borrow in the 10-year part of the term of the curve, 10-year term part of the yield curve, more so than the 30 year, which lowered the interest rate that we had to pay on new borrowings during the year. That was part of the savings.

We had budgeted that our new debt would be at 3.25 per cent, but our actual average coupon rate was 2.33 per cent. So we were able to do a bit better there. We also borrowed less than we originally anticipated. In *Budget 2021*, we had anticipated \$1.7 billion, which was lowered than the fall fiscal update to \$1.5 billion and we did \$50 million in pre-borrowing. So there was \$150 million that we didn't borrow last year that we originally had intended. But the bigger savings was due to the interest rate we were able to get on that debt.

**J. BROWN:** Okay, perfect.

So we're expecting this year that we are going to have to pay a bit more back or this is just like there might be a possibility that we may in the 2022-2023 budget. Is it that we may see some savings here, potentially, or this is just what we're expecting to pay?

**T. NEMEC:** Yes, so I tried to be a bit conservative but I've made my best estimate of what the interest rate will be on our new \$2.7 billion in debt. I've estimated that at 3.05 per cent, which is right around where it is right now, but that can change. It changes daily. So the increase there is for taking on new debt during the year at an increased rate than we have in the last couple of years.

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

Under the Sinking Fund, I noticed we are pretty close to what we budgeted but next year – well, this budgeted year – we're looking at \$17 million. What's the reasoning for that right now?

**T. NEMEC:** Sorry, Mr. Brown, which section is that?

**J. BROWN:** That's still under 1.1.03, under Paid to the Newfoundland and Labrador Government Sinking Fund.

**T. NEMEC:** So what those are is the Newfoundland and Labrador Government Sinking Fund, the investment fund we manage to repay our debt. And in that fund, as part of our investments, we hold a number of Government of Newfoundland bonds. So we purchase our own bonds in the market as an investment.

So what that lists is, is the interest on those bonds that we hold because we need to disclose that, yes, we're paying this interest but this is the amount we're paying into the sinking fund on those investments.

**J. BROWN:** Okay. So it's gradually going down, I guess.

**T. NEMEC:** Well, it's disclosing the interest that we're paying to ourselves, really, on our own debt.

**J. BROWN:** Okay, perfect. Thank you, Mr. Nemeec.

1.1.04, the Canadian Pension Plan, you budgeted to pay \$12 million. We paid what we said we were going to pay but this year we're budgeting \$8.8 million. What was the reason why we're not borrowing from that this year?

**T. NEMEC:** Certainly.

So the Canada Pension Plan bonds are really legacy bonds from a number of years ago when all the provinces in Canada were allowed to borrow from the Canada Pension Plan. That program ended a number of years ago and these are outstanding bonds that are coming due each year. So that balance is decreasing. After this year, I believe, we're down to around \$150 million outstanding.

So as the principal is decreasing each year, the amount of interest is going down.

**J. BROWN:** Okay, perfect. Thank you.

1.1.05, Temporary Investments, Revenue: We budgeted to receive \$8.1 million; we received \$14.1 million. We're looking at receiving \$17.5 million. What's the increase in revenue coming from here?

**T. NEMEC:** So again, that comes back to the cash management Treasury bills that I issued to increase our liquidity. That increase is the earnings on those Treasury bills that I was able to make, on the cash.

**J. BROWN:** Okay, so \$17 million is roughly what you're expecting in return this fiscal year.

**T. NEMEC:** Yes.

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

Mr. Chair, how high is it we're going right now with the line items?

**CHAIR:** 1.5.01.

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

Under 1.3.01, Guarantee Fees - Non-Statutory, we budgeted in this area, but what are we using

this placeholder for at this time? We have \$50,000 put into it there, but what is this placeholder for at this time?

**T. NEMEC:** Yes, the placeholder there of zero, that's in case we have to pay out on a guarantee, which usually doesn't happen, but we put a placeholder there in case it does.

**J. BROWN:** Okay, perfect.

That's all my questions at this time. I'll hand it over to my colleague there.

Thank you.

**CHAIR:** MHA Tony Wakeham.

**T. WAKEHAM:** Thank you, Chair.

I will also go to 1.3.01. The question I have is: Can the minister provide a list of which organizations were charged for their guarantees in 2021 and how much was charged to each?

**S. COADY:** Thank you, Mr. Wakeham.

Well, it's Newfoundland and Labrador Hydro, predominantly, as well as the Fogo Island Co-op. I don't have the breakdown in front of me. Perhaps, Mr. Nemeec, do you have it in front of you? Or the deputy minister is also on the line, Michelle?

**T. NEMEC:** Yes, Minister, I have that breakdown. That entire balance is Newfoundland and Labrador Hydro, with the exception of \$15,000 from the Fogo Island Co-operative.

**T. WAKEHAM:** Okay. Thank you for that.

In fiscal '21-'22, \$10 million was expected but only \$8.7 million was received. Can you please provide some commentary on that?

**T. NEMEC:** Certainly. We did some borrowing for Newfoundland and Labrador Hydro during the fiscal year. We had projected that that would have been in the 30-year term but it was actually done in the 10-year term, which has a lower guarantee fee than the 30-year term. So that decrease is due to that difference.

**T. WAKEHAM:** Thank you for that.

One more question on this particular heading is: Are there any new loan guarantees being considered by Cabinet?

**S. COADY:** I cannot advise what is being considered by Cabinet but I can say there are no new loan guarantees that are anticipated.

**T. WAKEHAM:** Thank you, Minister.

I would like to move now to section 1.4.01, this is under Discounts and Commissions. Under Debt Expenses, can the minister please detail the \$58.8 million debt expense?

**S. COADY:** Sorry, I am just looking up – that is under 1.4.01, correct? And you want to know what the Debt Expense is?

**T. WAKEHAM:** 1.4.01, under Debt Expenses and revenue there is a \$58.8 million line item there.

**S. COADY:** And then it shows \$1,000, yeah.

So you're unable to estimate if debt will be issued as a discount or premium or at par until the debt is actually issued, therefore the \$1,000 is there as a placeholder. Perhaps, Mr. Nemeec, can you advise what the \$58 million was from?

**T. NEMEC:** Yes, certainly, Minister.

As the minister pointed out, in the bond market when we go to borrow, we don't issue new bonds each time. Quite often we will reopen bonds as the market expects us to build those up to a certain level so they are liquid and they can trade. If there is a difference between the current day yield on that bond and the coupon rate, which is fixed from when it was issued, if the yield is higher, then the bond price will be lower. It will be below par and that will be a discount. If the yield is lower than the coupon, they will be issued at a premium.

So bonds are priced for \$100 face value. If the coupon is low, then we'll have to price it under that at \$90 or \$92, \$95. If it's the other way around, it gets priced at a premium. But we have no way to know that until we actually issue them.



These discounts and premiums really then do get offset by the interest that you pay on those bonds. Because if you take a discount on the bond, then you'll be paying a lower coupon rate.

**T. WAKEHAM:** Thank you again for that.

Under 1.4.02, General Expenses, under the Professional Services category, please outline what professional services are included under the \$310,300. Then we're seeing the Professional Services budget is being increased to \$3.3 million. I was wondering if you could provide some commentary on this.

**S. COADY:** I'll start, Mr. Nemeec, if that's okay.

Under the Professional Services, that's where you're seeing all the investor services and fees from same. The difference is we're considering whether we should have a foreign borrowing program, and therefore, if we need to have it, then this is going to actually help lower our cost of borrowing. In order to set up the capacity to be able to do so we're increasing that area to allow us to do so.

Mr. Nemeec, do you want to provide comment?

**T. NEMEC:** Yes, certainly, Minister.

In the \$310,000 are the fees from our registrar, BNY Mellon, the rating agencies S&P, Moody's and DBRS, and that's pretty much the entirety of that.

We also budget in there for investor relations, but we didn't do any of that during the year. The large increase is, as the minister said, for us to plan foreign borrowing programs in the United States and in Europe, should the need arise. Foreign borrowing programs require registration with various regulators such as the SCC in the United States and stock exchanges in Europe. So there are costs involved with that, but they're significantly overshadowed by the savings you'd make if you were to undertake those programs because you would be borrowing at lower rates than you would be able to domestically. It would also decrease our domestic borrowing costs.

**S. COADY:** If I may just kind of talk about this in a strategic light. As I've mentioned and it's in the budget speech, I talk about kind of our three

pillars for responsible financial and debt management.

One is obviously the Muskrat Falls financing. The other is under this kind of really strong financial management. The other is under the debt management. And Mr. Nemeec and his team and all of us at the Department of Finance are very focused on trying to lower the cost of borrowing. You can imagine, it's close on a billion dollars a year just the cost of borrowing.

So what we have done is things like the future fund, the *Financial Administration Act* changes that you supported in the last number of weeks. Things like, perhaps, putting some of our money in different markets rather than just the Canadian market to drive down our cost of borrowing.

So this is all part of, a kind of, strategic focus on that financial management and debt management that we've been working on. I want to say kudos to Mr. Nemeec for a lot of the heavy lifting on trying to help us lower our cost of debt and lower our borrowing as well.

**T. WAKEHAM:** Thank you, Minister.

Have we registered with anybody yet?

**T. NEMEC:** No, we have not.

**T. WAKEHAM:** So the plan is, this is there in case you decide to go down that road?

**T. NEMEC:** Yes, that is approximately how much it would cost to register, but we have not started that yet.

**T. WAKEHAM:** Thank you.

My next question is under the Revenue - Provincial that's shown there. There's \$1.5 million in revenue under 1.4.02 expected this year, just wondering what that was from.

**S. COADY:** We're looking at the redemption of some preferred shares for Country Ribbon. We, the provincial government, has preferred shares dating way back under Country Ribbon and this is a stipend that we have there that if we exercise those preferred shares.

**T. WAKEHAM:** Thank you.

Given my time is nearing in completion I'll pass to my colleague.

**CHAIR:** MHA Jordan Brown.

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

On the foreign borrowing thing, let's say in Atlantic, how common is it for provinces to go to the European and US market for borrowing? Is it common or is it something we just never generally did and we're going to jump on the thing now, or is it something that's a bit uncommon?

**S. COADY:** If I may –

**T. NEMEC:** Go ahead, Minister.

**S. COADY:** Before Mr. Nemeec, I will say, we have not determined whether or not we're going to do this at this point. It will depend on if it's financially prudent to do so and whether or not it makes sense for us financially to do so, but we want to be prepared for it. I think it also helps to signal the markets that we are available, and it ensures that we're getting the best returns possible.

Mr. Nemeec.

**T. NEMEC:** Certainly. Thank you, Minister.

The Province of Newfoundland and Labrador has had a foreign-borrowing program back to even the days before Confederation. In the past 10 or 15 years, it hasn't been involved in those foreign markets but has done numerous deals over the years in other currencies. It is a very common practice for Canadian provinces. The only provinces in Canada right now that do not have an active foreign-borrowing program are Prince Edward Island and Newfoundland and Labrador.

**J. BROWN:** Thank you, Mr. Nemeec, for sharing that.

1.5.01, Loans and Advances to Government Entities, we never had anything in that area budgeted for last year, but we did have Professional Services and Loans, Advances and Investments. Can you explain what we did in this section last year?

**T. NEMEC:** Yes, certainly.

That was a bond issue that we did for Newfoundland and Labrador Hydro. We borrowed on their behalf, and it's a dollar for dollar flow through to Newfoundland and Labrador Hydro. So it was a \$300 million issue, issued at a discount. The \$1.8 million were the commissions on that issue. That was exactly flown through by Hydro.

**J. BROWN:** Okay.

Have we recovered all this yet from Hydro or are we expected to recover it over a period of time?

**T. NEMEC:** The bond is outstanding for around 10 years. We will make interest payments on that bond, at the same day Hydro will reimburse us dollar for dollar for those payments. Likewise upon maturity.

**J. BROWN:** Okay.

We're not expected to do anything similar for Hydro in the coming year. This is just a one-time thing at this current time?

**T. NEMEC:** At this time, we're not aware of any long-term borrowing requirements for this fiscal year for Newfoundland and Labrador Hydro. However, if they did come about, this is similar to what we would do.

**J. BROWN:** Okay.

And right now at this current time, are we doing anything similar for any other government agencies or entities at this time with this kind of similar scheme?

**T. NEMEC:** No, there are no entities where we would do an on-lend such as this. We do loans to government entities such as Memorial University, et cetera, but nothing on the scale of the financing like Newfoundland and Labrador Hydro requires.

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

This is my last question for this section right now.

Thank you.

**CHAIR:** MHA Wakeham.

**T. WAKEHAM:** Just on the 1.5.01, the bond issue, as you said was around \$300 million discounted. The Debt Expenses underneath the \$287 million, is that related to the same thing?

**T. NEMEC:** Yes. As I was explaining to you about bond discount, that \$12.6 million is exactly that, it's the amount below the face value that we got when the bond was issued.

**T. WAKEHAM:** Yeah, that approximately adds up to the \$300 million you were talking about, because we got lower than we thought, we didn't get face value.

**T. NEMEC:** Well, the coupon on the bond is lower than market interest rates at the time. So for the life of the bond, we'll be paying a lower interest rate and the offside of that is we get less upfront.

**T. WAKEHAM:** Sounds good.

I want to thank you again. That's all I have under this particular section, as far as 1.5 goes.

**CHAIR:** Thank you.

**S. COADY:** If I may, Chair, before we move on to conclude, I just want to say again how impressive I find the Treasury management and the debt management group and the work that they're doing. I want to thank Mr. Nemeć and the ADM and the DM for their concerted efforts and responsible development of this area.

You'll see some improvements as we continue to move forward that will help lower our cost of debt and continue to manage it in a very responsible way. So I want to make sure that we thank them for their efforts. I know that Mr. Wakeham had made comment that he appreciated hearing from Mr. Nemeć and I certainly wish that he can continue to do so, because he is a tremendous resource to the Government of Newfoundland and Labrador, so thank you.

**CHAIR:** Thank you, Minister.

I will now ask the Clerk to recall the subhead.

**CLERK:** For the Consolidated Fund Services, Servicing of the Public Debt, 1.1.01 to 1.5.01.

**CHAIR:** Shall 1.1.01 to 1.5.01 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, subheads 1.1.01 through 1.5.01 carried.

**CHAIR:** I will now ask the Clerk to call the next subhead.

**CLERK:** Consolidated Funds Services, Employee Retirement Arrangements, 2.1.01 to 2.2.01 inclusive.

**CHAIR:** Shall 2.1.01 to 2.2.01 inclusive carry?

MHA Wakeham.

**T. WAKEHAM:** Thank you, Chair.

Just a couple of quick questions here on 2.1.02, under the non-statutory, Salaries for last year, '21-'22, \$126 million was budgeted. I am aware that, obviously, some of this may have been transferred to other departments as needed but of the \$126 million, how much was spent? How could I get a list of the departments and how much was transferred to each?

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

My deputy minister, there you are Michelle. I just wanted to make sure you were there as well.

They were transferred, obviously, as you said, to fund departments and entities. My deputy minister will speak now in a moment. This is really where the negotiated salary increases are transferred. So this is kind of the ins and outs of how it goes about doing that as well as any employee benefits.

Ms. Jewer, are you available to give any more detail?

**M. JEWER:** Yes, for sure.

Thank you, Minister.

Approximately \$110 million was transferred out to departments, of the \$127 million. There was around \$5 million to Memorial for severance costs. There was almost \$35 million transferred to regional health authorities and NLCHI as a result of COVID pressure, severance pressures, retro costs and as a result of the cyberattack. There was about \$70 million spent to entities for salary increases – previous negotiated salary increases and that funding was transferred out to entities during the year.

But we can give you a full list if that's preferred.

**T. WAKEHAM:** Yes, it would be great to get the list.

I notice that in this year there is \$47.5 million budgeted for this year. Could you provide some commentary on how this number was calculated?

**M. JEWER:** Minister, did you want me to take that one, too?

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

**M. JEWER:** So, basically, we hold that for any severance costs or retirement costs that would be needed throughout the year. So it's just, basically, an estimate of what we may need.

**S. COADY:** If you note, that's a pretty standard amount that's put in the budget each year.

**T. WAKEHAM:** Just one follow-up question. Would that include all of your agencies, boards and commissions, any severance costs that they may incur as well?

**M. JEWER:** Yes, it would.

**T. WAKEHAM:** Thank you.

I just want to move over to 3.1.01 – are we dealing with that one? No.

Okay. That's all of the questions I have in this particular section, Chair.

**CHAIR:** MHA Brown.

**J. BROWN:** Mr. Wakeham asked all of my questions for this round. I'm good, too.

**CHAIR:** Thank you.

I will ask the Clerk to recall the subheads.

**CLERK:** Consolidated Fund Services, Employee Retirement Arrangements, 2.1.01 to 2.2.01 inclusive.

**CHAIR:** Shall 2.1.01 to 2.2.01 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, subheads 2.1.01 through 2.2.01 carried.

**CHAIR:** I will now ask the Clerk to call the next subhead.

**CLERK:** Consolidated Fund Services, Contingency, 3.1.01 to 3.1.02 inclusive.

**CHAIR:** Shall 3.1.01 to 3.1.02 inclusive carry?

MHA Wakeham.

**T. WAKEHAM:** Thank you, Chair.

I just have a couple of quick questions here on 3.1.01.

Can the minister provide a list of what transfers were made out of the contingency fund in '21-'22?

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

As you know, that's tabled in the House of Assembly and I would be happy to do that for you again, Mr. Wakeham. As you know, we put

a block – that’s a block funding at \$22 million and then we transferred out to the departments as required throughout the year.

I don’t know if you have any further details, Deputy Minister?

**M. JEWER:** Sure.

We transferred out approximately \$17 million out of that \$22 million. There was money transferred out for the asset review with Rothschild and with the professional services strategic advisory service for rate mitigation, as well, there was funding transferred to the Department of Health and the health authorities with respect to the cyberattack incident.

**T. WAKEHAM:** I’m wondering if you could give me that breakdown: it was \$17 million to a bunch of different events. I’m not sure if I caught them all but is there a dollar amount associated with each?

**M. JEWER:** We can get that for you.

**T. WAKEHAM:** Okay, that would be great if I could get that breakdown.

I understand \$17 million out of the \$22 million was transferred out, is that correct?

**M. JEWER:** That’s correct.

**T. WAKEHAM:** Okay, if I can get that breakdown, it would be fantastic.

My next question is under 3.1.02, it’s the COVID Related Contingency. There was \$120 million allocated. I’m wondering if you can provide a breakdown of how the \$120 million was spent and/or transferred to other departments.

**S. COADY:** We can certainly do that, Mr. Wakeham. We’ve provided that on a regular basis to the House of Assembly and we can provide it again.

**T. WAKEHAM:** Thank you very much.

I would look forward to it again, receiving it. That’s all the questions I have here.

**S. COADY:** As you may note, there’s no money put aside this year for a COVID contingency fund. As we’re moving through the pandemic, we will not have a COVID contingency fund for this year’s budget.

**CHAIR:** MHA Brown.

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

My only question, or request, is that the information to be provided to Mr. Wakeham, can you also provide it to the Third Party, too? We would really appreciate that.

That’s the end of my ask right now.

Thank you.

**T. WAKEHAM:** Mr. Chair, if I could.

**CHAIR:** Yes.

**T. WAKEHAM:** Just as a follow-up: Was any of the \$120 million allocated to the RHAs for the cyberattack and if so how much?

**S. COADY:** Are you talking about under COVID contingency?

**T. WAKEHAM:** Yes.

**S. COADY:** Not that I’m aware, but deputy minister, do you have any – was there anything out of the COVID contingency that went to the RHAs for cyberattack?

**M. JEWER:** No. As I had mentioned, there was money out of ex-gratia and normal contingency for the cyber attack. What came out of COVID contingency was for COVID-related costs that went to the RHAs.

**T. WAKEHAM:** Okay. Thanks again.

I’m done, Chair.

**CHAIR:** Okay.

I would now ask the Clerk to call the subhead.

**CLERK:** Consolidated Fund Services, Contingency, 3.1.01 to 3.1.02 inclusive.

**CHAIR:** Shall 3.1.01 to 3.1.02 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, subheads 3.1.01 through 3.1.02 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, Consolidated Fund Services, total heads, carried.

**CHAIR:** Now, there is one more head of expenditure after this, the Department of Finance. Would you like to take a five-minute recess? We'll have a short one and give you a chance to stand up and stretch out and we'll come back at it again.

You want to keep going?

Is that okay with everyone?

It's good with me as well.

Okay, we are considering the Estimates for the Department of Finance.

I'll ask the Clerk to call the first subhead.

**CLERK:** For the Department of Finance, Executive and Support Services, 1.1.01 to 1.2.04 inclusive.

**CHAIR:** Shall 1.1.01 to 1.2.04 inclusive carry?

MHA Wakeham.

**T. WAKEHAM:** Thank you, Chair.

Again, a couple of questions, I guess, general questions. We've talked about employees and vacancies and those type of things earlier under the Public Service Commission. Can you tell me how many employees are in the Department of Finance? How many of them are permanent, temporary, full time and part time? Just a breakdown of the type of employees, how many and their status.

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

We have 169 as the total complement within Finance; a very hard-working team, small but mighty I like to say. There are some that are temporary that are in departmental operations. These are mostly around tax administration or the economic stats agency, because some of those are temporary, they're not needed regularly. There are some contractual positions that I understand are now in the process of moving to permanent.

I'm just adding them up here, if I can do it really quickly, there are about – the majority of them are permanent. I don't have a number right off the top of my head.

**M. JEWER:** I do have one, Minister, if you want me to –

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

**M. JEWER:** So of the 169: 102 are permanent, 56 are temporary and 11 contractual.

**S. COADY:** I just found it, too.

Thank you, Deputy Minister.

**T. WAKEHAM:** Thank you.

How many positions are vacant?

**S. COADY:** There are approximately 36 that are vacant at this time. But the majority of those are in that temporary category. There are about 24 of them that are in the temporary category, that's that tax administration, economic stats agency, that are hired when required.

**T. WAKEHAM:** Thank you.

When will these be filled? Is there a timeline to fill these positions?

**S. COADY:** Not the temporary ones, it is as required. If we are doing a particular program around economic stats or we're doing telephone calls, for example, surveying the economy. There are 11 in process of being hired with the Public Service Commission. But the 24 that I mentioned that are temporary are literally hired as required.

I don't know if you have any further details, Deputy Minister.

**M. JEWER:** Yes, those 24 would be a combination of those, in recruitment as well as ones that would be filled when required as well.

**T. WAKEHAM:** Thank you, again.

How many positions and what value has been removed through your attrition program?

**S. COADY:** Deputy, do you have that handy?

**M. JEWER:** I don't have it handy but I don't know if Wanda does. If not, we can certainly get it for Mr. Wakeham.

**S. COADY:** With this low a number of employees, Mr. Wakeham, you can appreciate that it probably is less than one complement.

I don't know if the financial officers there can provide an update, otherwise we'll have to get that for you.

**T. WAKEHAM:** I don't see any hands, but that's great. I can wait and you can provide it.

In the same line of questioning, how many positions in the department have been vacant for longer than six months? If any are vacant longer than six months or a year.

**S. COADY:** Deputy Minister, I don't know if you have that available to you.

**M. JEWER:** No, I don't. As Mr. Joyce mentioned earlier, it is something we'd have to go to the PSC to get them to run a report for us and we would provide that.

**T. WAKEHAM:** Thank you, again.

Yes, I think Mr. Joyce will get it for all departments and be able to provide it to us.

I just want to turn for a second, Minister, to the overall deficit reduction plan, and certainly the Department of Finance would lead that in terms of returning to surplus position in '26-'27.

Table 9.1 of the PERT report outlined a summary of proposed fiscal changes that were needed in order for the province to return to surplus by '26-'27. I wonder are you following that plan.

**S. COADY:** I don't have the PERT report in front of me so I can't refer to 9.1 of the PERT report. I just have the Estimates in front of me.

I can tell you that we have a solid plan towards deficit reduction that does include modernizations and transformations that I've indicated in budget that are helpful. There's also growth in the economy and changes and improvements to our financial and debt management. All of those things combined are what's getting us to a balanced budget, including the development of the future fund and changes that we've made to the *Financial Administration Act*, for example, that I don't think will be listed perhaps succinctly in the report that you're referring to. I just don't happen to have that report in front of me.

**T. WAKEHAM:** Thank you, Minister.

I understand that you probably don't have in front of you, but there are some significant measures that PERT had identified in this table and, of course, the last multi-year forecast we've gotten in this year's budget indicates a return to surplus by '26-'27.

So, again, I'm wondering if in fact – and we can get that information, or maybe you can provide some commentary on it later when you have a chance to review the Table 9.1, as it relates to the measures required to return to surplus. I'll leave it there for now because it's something that we can come back to again.

In last year's Budget Speech, there was a reference to creating a committee of the House

of Assembly to review the budgets of the ABCs. It didn't happen between *Budget 2021* and *Budget 2022*, so I'm just wondering is there an update on this?

**S. COADY:** As I mentioned in the House of Assembly when I was questioned on this last week, that is in the hands of the House Leaders. I believe in the Estimates process and I thought it was a very good opportunity to have entities of government brought before a committee process. I understand that House Leaders are discussing how to actually do that and they'll advise the House as they make their determinations.

**T. WAKEHAM:** Thank you, Minister.

My next question is related to the fees that government collects. I was wondering if we can get a working paper on exactly how many different fees the government collects and what was the amount of revenue from each fee last year?

**S. COADY:** Well, that would be in the Estimates document itself.

Deputy Minister, do you have the full document there in front of you? I think it's Schedule II, maybe, but I'm going by memory.

Deputy Minister?

**M. JEWER:** I'm just looking there. So Statement II of the –

**S. COADY:** Yes, Statement II, I wasn't sure what it was called.

**M. JEWER:** It would have Other Provincial Sources, there would be a number of the fees outlined there like Vehicle and Driver Licences, Registry of Deeds, Fines and Forfeitures, Water Power Rentals, those things would be lined out in that document, but we could get the – I can't remember off the top of my head what the total is because that would only be for the Consolidated Revenue. That would be just the departments. You wouldn't grab the entities there.

**S. COADY:** I think the question was for government as a whole and that should be in that section, Schedule II.

**M. JEWER:** Statement II.

**S. COADY:** Statement II, I kept saying schedule. My apologies, I just don't have it in front of me.

**M. JEWER:** I just want to say that because there is a Schedule II as well. So I just want to make sure.

**T. WAKEHAM:** Thank you both.

I've got it opened up here now and it does show a breakdown at different levels of different sources and fees are some of those.

My next question is: Do we know what it costs to collect those fees?

**S. COADY:** At the granular level, I'm assuming you want to know if there is a cost benefit analysis. I think your question is: Is there a cost benefit analysis on collection of each of those fees because different fees may be collected by the same individuals, correct?

What you're looking for, I think, is more granular than that.

Deputy Minister, do you have anything that you have your hands on there that you could provide to Mr. Wakeham?

**M. JEWER:** No, it would be individual to each fee. You would have to look at how the department is administering each fee. I wouldn't have that available right now.

**CHAIR:** Okay. Thank you.

Time is up.

MHA Brown.

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

Under 1.1.01, Minister's Office, \$4,300 for Professional Services that wasn't budgeted, would you be able to explain what was purchased there?

**S. COADY:** Certainly.



As you're aware, any minister who has financial dealings or, what I'm going to call, any requirement to have a blind trust. So you put your items in blind trust, and I do have that requirement. Everything was put in blind trust when I became a Member, it's just I didn't collect on that cost and this is showing that this has now been paid.

This is standard requirement of the House of Assembly and this is showing the payment to ensure that I have a blind trust in place.

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

1.2.01, Executive Support, we notice there was a decrease in Salaries and then there's going to be a further decrease in this coming fiscal year. What positions are being eliminated or changed to reflect these costs?

**S. COADY:** No positions eliminated. This is under 1.2.03 or 1.2.02?

**J. BROWN:** 1.2.01, Executive Support.

**S. COADY:** We had four positions that were shown in that Executive branch that we moved to operations, four policy positions. If you just check, the positions are just moved. They're not eliminated; they're just moved. So you'll see them in the next one.

We did have some savings. We had \$100,000 in staff vacancies, but the rest of it was more that we moved those four positions under operations. They were four policy positions. They didn't belong in Executive; they belonged in operations.

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

I guess my question for 1.2.02 would be that these positions are now going to be in this section here, is that correct?

**S. COADY:** Correct.

**J. BROWN:** Okay, perfect.

Under Operations, we see that under Professional Services, you budgeted \$22,000 but only spent \$5,000. What wasn't purchased in that year?

**S. COADY:** I'm sorry, what's the category?

**J. BROWN:** Oh, sorry, 1.2.02 under Professional Services, we budgeted \$22,000, we only spent \$5,000, but we're going to budget \$19,000. What wasn't purchased in the last year?

**S. COADY:** I think it was costs for photocopiers, ergonomic assessments, banking fees.

Perhaps, Deputy Minister, do you have a more granular detail?

**M. JEWER:** This is the Professional Services line you're asking about?

**J. BROWN:** That's correct.

**S. COADY:** Oh sorry, I thought it was Purchased Services.

**M. JEWER:** That's okay.

It is lower than anticipated costs with regard to surveys of Newfoundland stats agency. So we didn't have those follow through in '21-'22 but we're anticipating them in '22-'23.

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

1.2.03, Salaries was budgeted at \$66,000. We only spent \$5,000 and we're looking at \$66,000 again this coming year. Was that a vacant position?

**S. COADY:** It was student summer positions that due to COVID restrictions last year, we didn't have as many. This year we are expecting the full complement.

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

That would end my questions for this section.

Thank you.

**CHAIR:** MHA Wakeham.

**T. WAKEHAM:** Thank you, Chair.

I just want to go back, quickly, to the cost-benefit analysis that we were talking about when it comes to the collection of fines and taxes and fees that the government charges. I am wondering if there is an analysis done to determine if the amount we charge for a particular fee, are we actually making money on it? How do we determine what amount to charge and whether or not we're actually, as a government, making money on a fee that we're charging?

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

I remember something similar to that last year, Mr. Wakeham, and I will say that we have no fee increases in this budget at all. As a matter of fact, we have a fee decrease but no fee increases. We have continued along with the majority of fees that have been introduced and been in place for quite a number of years. As we consider different fees and different programs and how programs are delivered, there is analysis done but there is no overall, general review of whether or not a fee is returning the right amount of money to government.

Deputy Minister, is there anything you need to add to this? It is analyzed as we're doing work in a particular area but there is no overall cost-benefit analysis that I am aware of. Deputy?

**M. JEWER:** That is correct. Every time we have a proposed change or an amendment to a fee, we do an analysis on that basis but we don't have one overall for the current ones.

**T. WAKEHAM:** Thank you for those responses.

Again, I would think that the reason we charge a fee is to generate revenue to government, so we can outline the revenue that we're generating. But the other side of that is how much is it costing us to collect that revenue? If we're spending more to collect the revenue than we are actually receiving in revenue, we have a problem. But without knowing that, it's very difficult for us – as you said this has gone on for years – to decide on whether or not the fee we're charging is actually allowing us to earn revenue, or if we're simply actually not even making any revenue, we're actually costing us more to collect.

So when you say you do an analysis every time you do an increase in a fee, does that analysis include what it costs you to collect that fee?

**S. COADY:** Certainly if we're making any changes, all those factors would be determined. We've just not done the overall arching, because it would take a considerable amount of effort. But any fee that is charged is to help offset the cost of providing that program. That's the concept of asking for a fee, to help offset the cost of that.

As we move through and consider any changes to fee structures, that would be taken into place, but there's no overarching cost-benefit analysis of all fees that are collected by government. But we do competitive analysis. We do look at other jurisdictions and make sure that we're in line in a general sense with other jurisdictions, and do take that into consideration as well.

I don't know if there's anything you want to add further, Deputy Minister?

**M. JEWER:** Yes, I can say that not all increases that have been brought forward have gone forward because of that analysis. So that is something that plays into when we look at that change to a fee, for sure.

**T. WAKEHAM:** Thank you again for the response.

In 2015-2016, if I recall, over 300 fees were increased or saw an increase in their amounts charged. Was this analysis done at that time on all of those increases so that those fees that were increased back in 2015-2016, were they all put under the microscope to look at how much we're actually collecting and how much it's costing us to collect? Because that would be a great place to start. If there's an analysis already done.

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

I will say I wasn't in the department in 2015-2016 so I can't speak to all the analysis that may have been done. I do know there was considerable work undertaken at the time because of the financial situation the province was in. I think it was a \$2.2-billion deficit. So it was a substantial deficit. We have made great headway in moving that to a better position for

the province, but I can't speak to something that happened six or seven years ago, unfortunately.

**T. WAKEHAM:** Thank you again for the response.

Again, it's not so much about the actual amount we're charging and we seem to want to increase that at times to bring in additional revenue. It's about whether or not we are actually costing us more to collect it and administer it.

So that part of the equation has been missing forever. I think it's prudent on us to ensure that, at the end of the day, if we're charging a fee in the hopes of generating revenue, that it is not costing us more to collect it. Otherwise, it's a waste of time to be charging a fee.

I look forward to, I guess, some commentary on what we might see going forward.

Thank you.

**S. COADY:** I will say that any time the Department of Finance would do analysis on fees, we would make the considerations that are required to ensure that they are being applied both in response to the requirements of funding the service; both in response to whether or not we are competitive across Canada. We would look at jurisdictional scans; we would look at capacity; we would look at cost, all those things. We have a very strong and dedicated team within the Department of Finance that would do that analysis on a per need basis. That does take place.

**T. WAKEHAM:** And again, I thank the minister for her answer, but today I have not received any evidence that we know exactly how much it's costing us to collect some of the fees that we continue to charge.

So I will move on to my next question, which is 1.2.02, under the Salaries section. There was a significant savings of \$1.6 million in 2021-2022. I am wondering if we could get some information on that particular savings.

Thank you.

**S. COADY:** Deputy Minister, what I understand is some timing delays on filling vacancies but

perhaps you can get more granular on that. We did move that policy office.

Do you have further details, Deputy Minister?

**M. JEWER:** Yes. The savings in '21-'22 are due to delays in filling vacancies and we do have a number of – as you can imagine – specialized, hard-to-fill positions in Finance that we are working with PSC to try to find different ways to recruit for those positions.

**T. WAKEHAM:** Thank you.

**S. COADY:** Again, I will say that this is not just a problem of government. Recruiting and retention of employees across the whole economy right now is of concern. That's why I said, when we were talking about the PSC, that we were undertaking that kind of marketing and recruitment campaigns that are required because we are seeing it across government, making sure filling these positions is critical to our continued professional public service.

**T. WAKEHAM:** Thank you, again.

Just one question before my time runs out on that thing.

Are the delays in filling vacancies in this year's budget for positions, are they different positions than the same answer we were given last year at the same time that the savings were due to delay in filling vacancies? Are these different vacancies or are they the same vacancies still outstanding.

**S. COADY:** They are generally different vacancies, but I will say that in the Tax Administration Division turnover is high. Some of them are very entry-level positions. This is a gateway into government and then people advance their careers, which is a very positive thing, within government.

As you can appreciate, people enter government and then find other opportunities throughout the whole of government. So you are seeing some of these entry-level positions in Tax Administration, in particular, they are filled and then they are vacant and then they are filled and then they are backfilled and then they are vacant

again. It is a movement of positions but it is because of the nature of some of these positions.

**CHAIR:** MHA Brown.

**J. BROWN:** Yes, I have one question.

Under 1.2.02, Grants and Subsidies, \$9 million was issued in Grants and Subsidies. Can we get a list of what Grants and Subsidies were in this section?

**S. COADY:** This is all about the COVID program, the Residential Construction Rebate Program and, as you know, that program is winding down. There is a small amount there, \$13,000, but the program – it was one program. It was the Residential Construction Rebate Program, a very successful program, but has now been wound down. It was all due to COVID contingency.

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

That was my last question for this section.

**CHAIR:** MHA Wakeham.

**T. WAKEHAM:** Thank you, Chair.

Under the 1.2.03 section under Administrative Support, I think this might have been asked and I apologize if I ask it again. There was \$15,500 under Revenue voted, actually received, I'm just curious what that particular item was.

**S. COADY:** Is this under 1.2.02 or can you tell me the section?

**T. WAKEHAM:** 1.2.03.02.

**S. COADY:** It's generally a placeholder. I'm just looking here now. That's provincial revenue. It's increased revenue due to more miscellaneous recoveries and telephone recoveries than anticipated. It's basically a placeholder position and when you make any recoveries, for example, that's where the monies would go.

Deputy Minister, anything further to add to that?

**M. JEWER:** No, I think that's good.

**T. WAKEHAM:** Thank you for that.

I'm not sure if we are going over to – how far we are going before I continue. We are not going over to 2.1 yet, are we?

**CHAIR:** No, not yet.

**T. WAKEHAM:** I've completed my questions.

Thank you.

**CHAIR:** I'll ask the Clerk to recall the subheads.

**CLERK:** Department of Finance, Executive and Support Services, 1.1.01 to 1.2.04 inclusive.

**CHAIR:** Shall 1.1.01 to 1.2.04 inclusive carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All against.

Carried.

On motion, subheads 1.1.01 through 1.2.04 carried.

**CHAIR:** I will ask the Clerk to call the next subhead.

**CLERK:** For the Department of Finance, Financial Administration, 2.1.01.

**CHAIR:** Shall 2.1.01 carry?

I recognize MHA Wakeham.

**T. WAKEHAM:** Thank you, Chair.

Under 2.1.01, there is \$42 million in federal revenue and \$25 million in expenditures schedule for '21-'22. Could you please provide some detail on this? I know there is a pot of money that gets transferred out to other departments so I'm wondering if you could provide a breakdown of what was spent by the departments.

**S. COADY:** This is really a funding pot, a mechanism for funding, so what you're seeing here in terms of the large amount of monies is the net profit interest money that will be flowing through, that will be coming through this year, so the money from federal transfer, as well as some of the transit and housing monies flowing through here. So you are correct in that it is allocated and then out to various departments.

I don't know if there's anything further you want to add to that, Deputy Minister?

**M. JEWER:** Yes, so for '21-'22, \$24 million was transferred out to Health to support various health initiatives and \$1.2 million was transferred out to OCIO for the vaccination VaxPass.

**T. WAKEHAM:** Okay.

**S. COADY:** That's in the binder, Mr. Wakeham, when you receive the binder at the end of the day.

**T. WAKEHAM:** Okay.

The other question I have is related to the \$225 million expected from the federal government. What is that for and is there a breakdown available?

**S. COADY:** The majority of it is that net profit interest that we'll be receiving that helps us with rate mitigation due to Muskrat Falls. That's by far the majority. It's \$220 million, I think, is just on that alone, so the majority of it. Then there's another \$8 million for the federal transit and housing program that was recently announced. Again, that is a placeholder; it will be reallocated from there.

**T. WAKEHAM:** Thank you, Minister.

Finally, there's \$230 million in spending expected here. Again, can we get the breakdown of what that's for?

**S. COADY:** I'll turn to my deputy minister, but I'm assuming that is the net profit interest monies received and then transferred out to the department or entity for rate mitigation. The rest is federal transit money and federal housing money.

Anything further you want to add there, Deputy Minister?

**M. JEWER:** Yeah, so of the \$230 million, I think \$220 million or \$221 million or so is net profit interest – incidental net profit interest. Then the \$8.1 million or so is that public transit and housing money.

From the revenue side, the public transit and housing money is 50 per cent, so that's why the revenue is just slightly lower of the \$225 million. But the net-profit interest is 100 per cent funded – 100 per cent revenue and 100 per cent expense.

**T. WAKEHAM:** Thank you, Chair.

That is all the questions that I have.

**CHAIR:** MHA Brown.

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

No further questions on this section you for the answer earlier.

**CHAIR:** Okay. I will ask the Clerk to recall the subhead.

**CLERK:** Department of Finance, Financial Administration, 2.1.01.

**CHAIR:** Shall 2.1.01 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, subhead 2.1.01 carried.

**CLERK:** The total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

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

**CHAIR:** Shall the total for Department of Finance, Consolidated Fund Services and Public Service Commission carry without amendment?

Shall I report the Estimates carried without amendments?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

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

Carried.

On motion, Estimates for Department of Finance, Consolidated Fund Services and Public Service Commission carried without amendment.

**CHAIR:** Thank you everyone for being here today. I must say that it was a great session. I thank you all for your participation. I thank the Committee Members and the officials; it was very enlightening. Great questions and lots of pertinent information.

I would ask if the minister would like to make any final comments.

**S. COADY:** Yes, please, if I may.

First of all, thank you for accommodating me today. I guess it's our first hybrid model in the House of Assembly and, unfortunately, it had to be me.

But I am glad for one thing; that we did do the work during, I think it was 2020, that allowed us to be able to do this hybrid model today and I am glad that it worked so well and I hope it wasn't too disruptive to the process. I want to thank, again, the incredible, hard-working public servants in the Public Service Commission, in Treasury Board and in Finance. We couldn't ask for better. I know how diligently and how hard and how constructively they work on behalf of the people of the province. I'm proud to work with all of them, as I know everyone in the

Legislature is proud to work with every one of them, and I thank them for their ongoing efforts.

I thank you, Chair, for your indulgence today. I thank Mr. Wakeham and Mr. Brown for intelligent, informed questions and I thank all who attended of the Committee and participated.

Thank you very much.

**CHAIR:** Would either of the Committee members like to have a final word?

**T. WAKEHAM:** Thank you, Chair.

I certainly would. I want to echo the minister's statements. Minister, thank you to you for not delaying this and for, actually, coming on – and technology is wonderful when it works and I am glad we were able to take advantage of this. I, too, want to echo the minister's sentiments when it comes to the staff in the Public Service Commission and in particular the Department of Finance.

In my previous life, I had many chances to deal with the Department of Finance. Some of them weren't as pleasurable as I would have liked, but let me tell you they were detailed and they certainly hold you to account, whether it was as working in another government department or working in an RHA. They have a tremendous job to do and they do it well and they certainly put in the efforts.

Thank you to all of you for your service.

**CHAIR:** MHA Brown.

**J. BROWN:** I want to thank the minister and her team and her department there and thank everyone that is here today both in person and virtually for coming and answering the questions. It was a good experience. Thank you for indulging us and answering our questions. I hope everyone is doing well and I hope that the minister and deputy minister gets well soon and feels better. I've been there and I know it can be rough at moments but, anyway, I hope you both feel better really soon and we'll see you both in person sooner than later.

**CHAIR:** Thank you.

If there are no further comments, I'd like to announce that the next meeting of the Government Services Committee will be at the call of the Chair.

I would now like to call for a motion to adjourn this meeting.

MHA Brown, thank you.

Have a great day, everyone.

On motion, the Committee adjourned.