

# **HANSARD**

## **NOVA SCOTIA HOUSE OF ASSEMBLY**

### **COMMITTEE**

#### **ON**

### **PUBLIC ACCOUNTS**

**Wednesday, September 7, 2022**

#### **LEGISLATIVE CHAMBER**

**2022 Report of the Auditor General - Follow-up of 2017, 2018 and 2019 Performance Audit Recommendations Regarding:**

**May 29, 2018 Report of the Auditor General: Chapter 1 - Grant Programs**

## **Public Accounts Committee**

Hon. Kelly Regan (Chair)  
Nolan Young (Vice-Chair)  
Dave Ritcey  
John A. MacDonald  
Melissa Sheehy-Richard  
Trevor Boudreau  
Hon. Brendan Maguire  
Susan Leblanc  
Kendra Coombes

[Hon. Brendan Maguire was replaced by Fred Tilley.]

### In Attendance

Kim Langille  
Legislative Committee Clerk

Gordon Hebb  
Chief Legislative Counsel

Kim Adair  
Auditor General

Adam Harding,  
Senior Audit Principal

### WITNESSES

#### Department of Communities, Culture, Tourism and Heritage

Justin Huston - Deputy Minister  
Bill Greenlaw - Executive Director, Communities, Sport and Recreation  
Christopher Shore – Executive Director, Culture and Heritage Department

#### Department of Finance and Treasury Board

Kelliann Dean - Deputy Minister  
Robert Bourgeois - Executive Director, Government Accounting

#### Department of Natural Resources and Renewables

Karen Gatien - Deputy Minister  
Matt Parker - Executive Director, Forestry and Wildlife  
Michael O'Brien - Executive Director, Finance and Treasury Board



**HALIFAX, WEDNESDAY, SEPTEMBER 7, 2022**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**9:00 A.M.**

**CHAIR**

Hon. Kelly Regan

**VICE CHAIR**

Nolan Young

**THE CHAIR:** I now call the Standing Committee on Public Accounts to order. My name is Kelly Regan, and I'm the Chair of this committee.

I want to welcome everyone on what is for many Nova Scotians the first day of school. I know some people started yesterday, but thanks for making it, everybody, and dropping any children off early - much appreciated.

Just a reminder here, folks, that we need you to place your phones on silent. I will ask my committee members to introduce themselves. I'll first welcome Kendra Coombes as a new member of the committee. Ms. Coombes.

[The committee members introduced themselves.]

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

On today's agenda, we have officials with us from the Department of Communities, Culture, Tourism and Heritage, Department of Finance and Treasury Board, and Department of Natural Resources and Renewables with respect to the 2022 follow-up report of the Auditor General regarding grant programs, Chapter 1, May 29, 2018 report of the Auditor General.

I'm going to ask the witnesses to introduce themselves, beginning with Mr. Greenlaw.

[The witnesses introduced themselves.]

THE CHAIR: I will invite the deputy ministers to make opening remarks, and we'll begin first with Deputy Minister Dean.

KELLIANN DEAN: Thank you for the opportunity to be here to answer questions about the Auditor General's May 2018 Report chapter and recommendations on grant programs. At this time, grant programs within the government of Nova Scotia are designed and administered by individual departments. There are general controls for all expenditures across government, and we ensure departments are aware of their obligations.

As the Auditor General's Office notes in the report, the delivery of grant programs varies in each department. We have accepted the Auditor General's recommendation that my department, in consultation with the Executive Council Office, should develop a framework to provide guidance to public sector entities on best practices for grant program design, administration, and monitoring of compliance at a program design level.

I'm pleased to inform the committee that work on this recommendation has moved forward and we are on track to have a formal grants management policy included in the Province's *Corporate Administrative Policy* manual by the end of this calendar year. This is an important initiative that affects all of government, and the Department of Finance and Treasury Board supports a more consistent approach to administering grants.

Implementing this recommendation required our department to do a considerable amount of consultation across government to review departmental grant programs and assess commonalities and differences. Understandably, the pace of this work was also impacted by the COVID-19 pandemic.

We also took the time to consider and implement recommendations the Auditor General's Office put forward about COVID-19 support programs as it relates to this new policy. We greatly value the role of the Auditor General. Her office does important work, and our department has a strong working relationship with the Auditor General and her staff.

Thank you for the opportunity to say a few words. I look forward to your questions.

THE CHAIR: Thank you, Deputy Minister Dean. Deputy Minister Huston.

JUSTIN HUSTON: Good morning, and thanks for inviting us here today. We look forward to discussing the great work that's under way to update our grants management processes to address the Auditor General's recommendations. I'll use my opening time to give context for this work at the Department of Communities, Culture, Tourism and Heritage.

The mandate of the department is fundamentally about supporting Nova Scotia's people and communities. A significant majority of our budget - about \$91 million this year - is invested directly in communities through grants and funding programs.

We support everything from sport and recreation to artists and musicians to African Nova Scotian community organizations to French and Gaelic language development to active living projects that help build healthier communities. In the past two years, Film and Tourism have joined the department, and we invest millions to help local creators and operators and grow these important sectors of our economy.

We agree completely with the Auditor General's recommendations to strengthen how we measure performance and ensure our programs are as effective as possible.

When I joined the department in 2019, the work was well under way. Then, of course, in 2020, COVID-19 hit. CCTH played a critical role in government's response to the pandemic. Staff were in constant conversation with sector partners in the arts, culture, sport, and tourism sectors to create new funding programs and supports to help them navigate and recover from the pandemic.

In some ways, this did slow our response to the Auditor General's Report, as we had to refocus our priorities. But it also spurred us to be nimble and adaptive in how we meet the needs of the communities we serve, which really is the heart of what we do.

Over the past two years, in conjunction with our review of the Auditor General's recommendations, we've also undertaken an extensive program improvement project, which we're in the final phase of now. We've worked to improve areas that the Auditor General noted, like consistency and documentation, but we're also focused on equity, diversity, and inclusion. Staff have reached out to people who've received funding, but also those who were unsuccessful applicants or may have never applied to us before.

We're identifying where our barriers may be. One thing that's clear - especially in communities that have been historically underserved by government - is that we can't copy and paste our processes or take a one-size-fits-all approach. That's not equitable.

I'm pleased to say that we've made major progress on many of the report's recommendations. We've updated guidelines, applications, and reporting to ensure that

applicants link their project to the program's objectives. We've developed tools and hosted training sessions to ensure we're embedding risk assessment in all our programs, but we're also making sure that our processes are accessible and meet the needs of the communities we serve.

I'll turn it over to Deputy Minister Gatién now to say a few words.

THE CHAIR: Deputy Minister Gatién.

KAREN GATIÉN: Good morning, and thank you for this opportunity to speak to how we are managing our grants programs.

I'd first like to say that we always welcome insight from the Auditor General's Office to help us continuously improve our service to Nova Scotians. Managing taxpayer dollars wisely and investing them in quality programs that have real benefits for Nova Scotians is something we take very seriously. It's important to have performance indicators for our programs so that we know they are having the intended positive impact for Nova Scotians. It's also important to have proper controls in place to ensure taxpayer dollars are managed appropriately, and we need to continuously monitor to ensure controls are followed and performance standards are met.

When the audit we're speaking about today was done, we were the Department of Natural Resources. At that time, the department had nine programs, and three of them were audited. I'm pleased to report that we've completed all our work to apply the Auditor General's recommendations to all nine of those programs that were with the former Department of Natural Resources. We completed the first three programs by Fall 2020 and the remaining six by December 2021. We've also reviewed and improved our approach to agreements with third parties to include clear performance expectations, reporting requirements, and conflict-of-interest guidelines. This work was completed in August 2019.

While that completes our commitments to the audit in question, we agree that the Auditor General's recommendations should be applied to all grant programs. That's why we're doing the necessary work to determine if any adjustments are needed to grant programs within the energy and mines portfolios that we gained when our current Department of Natural Resources and Renewables was formed a year ago. If any adjustments are needed to meet the recommendations, we will certainly make them.

We're very fortunate to have the ability to help so many Nova Scotians through our grant programs. We're committed to continuous improvement to ensure they are well managed and give Nova Scotians value for their tax dollars. We're very happy to take your questions today as well.

THE CHAIR: Each caucus will have 20 minutes to start for questioning. All of the witnesses here are not grizzled veterans, but they're veterans of this chamber, so you'll know that I may have to interrupt you in the middle of full rhetorical flight simply because we've reached the 20-minute mark. Just wanted to give a reminder of that.

We will begin with the Liberal caucus, and Mr. Tilley.

FRED TILLEY: Thank you all for being here today and thank you for your presentations. I just have a few questions, mostly for my own knowledge, I guess, and for others. When you're looking at a new grant for whatever particular reason - and I'll throw this out to whomever wants to answer it, or multiple answers - what process do we go through to determine a need for a new grant program? Is there a specific streamlined process we go through, or is it different by department?

JUSTIN HUSTON: I'll start trying to answer that question, and then my colleagues can hop in. We have approximately 77 different grant programs in our department alone. They've evolved over the years. Some have existed for quite some time - several years, decades - and others are relatively new. I'd say it's quite an iterative process, and it's responsive to what we hear from communities or the sectors that we work with.

One of the things that our department prides itself on is having a very close connection between staff and the sectors that they work with or the communities that they serve. There are constant conversations, whether it's through formal stakeholder tables, such as the Nova Scotia Arts Council, or it's more informal - it's just feet on the ground and people in community - and hearing what's needed, what's working, what isn't working, and being flexible and nimble to adapt to the needs of the community.

By and large, I would say it's tailor-made for what the sector and the communities are looking for. We really try to be responsive and not be one-size-fits-all. They can vary by region, as well, but we try to be as responsive as we can.

FRED TILLEY: Further on that, varying by region - an overall grant can change based on the needs of a particular region, then?

JUSTIN HUSTON: Perhaps not the actual program objectives - and I can turn to my colleague, Executive Director Greenlaw here as well to explain. But for example, with some of our recreation development facilities, we work closely with the needs of the municipalities and the local communities to understand. One area might be very rich in rinks so they don't need more rinks, but they need other accessible trail systems. It's working to understand what the needs are of the community to fulfill that.

I don't know if you want to add anything to that, Bill, at all?

[9:15 a.m.]

BILL GREENLAW: Just to add on to what Deputy Minister Huston just said, another way that we look at developing grants is looking at the government's agenda. Sometimes grants or awards - grant systems are the result of political - the campaigns going out. I know your platform commitments - so I would use the example of the Rink Revitalization Program as a program that was initiated from a party platform. Similarly, in the previous government with the Recreational Trails Expansion Grant Program - the million dollars that was invested by the previous government was a platform commitment that was there.

The other way that grants can be looked at in addition to what Deputy Minister Huston said is that for our proposal-based grant programs - so we partnered with the Department of Community Services on their Poverty Reduction Strategy, and we developed the Building Vibrant Communities grant. In the Building Vibrant Communities grants, we noticed that there was a lot of need to address food insecurity, and we noticed that the department evolved and created a food security grant program as a result of that. It is iterative, it evolves, and we really listen to what the sector has to say, and, of course, take direction from those elected officials.

FRED TILLEY: With regard to grants, Deputy Minister Huston mentioned that there are some grants that are very old and some that are very new. Is there a process for sunseting grants, or I guess we would look more along the lines of need. How does the sunset process work with grants?

JUSTIN HUSTON: There are a couple of different levels where we look at that. I'll take a moment - and I'm sure I'll talk about this at length responding to another question, so I won't go into too much detail.

We're going through what we call a program improvement process where we've been working across all the divisions of the department. We're working with all our staff, as well as having extensive conversations with external stakeholders to look at the programs that exist. Are they the right programs? Are they serving the communities that need it most? The sectors - are they geared and shaped in the way that would be most effective? If they're not, how can we change them? We're looking at the way that they're actually administered as well.

That's a more comprehensive, formal process where we will look at and say, this program isn't working. It served its need at the time, but things have changed and we're evolving into it. We have a limited budget, so if we're creating a new program, we've got to sunset another program. Let's say it's within the tourism industry or a particular sector - we'll work with our partners to understand which of those programs need to evolve and either sunset or change and be adapted to move into a different direction.



There are two levels. One would be a more corporate, holistic look at things, and we look at our budget every year to see what is relevant. The other would be within the sectors or directly with some of our offices like the Department of Gaelic Affairs, or the Department of Acadian Affairs and Francophonie, or the Department of African Nova Scotian Affairs that are in touch with communities, to understand what the needs are on the ground.

THE CHAIR: Do either of the other two deputy ministers have anything they would like to add to that particular conversation?

KELLIANN DEAN: I think what I would add - I think what Deputy Minister Huston is describing is the process that department goes through to make sure that their programming supports their clients. Deputy Minister Gatién would have similar processes that she would have to go through.

What we're trying to do with the new policy is make sure there's a level of consistency in approach across government. There's actually a lifecycle of a grant, and it would start with a pre-award phase. That's what Deputy Minister Huston was talking about in terms of design. How will I design the program? What are the things that I need to take into account to make sure that it's going to be effective? The policy will also outline some guidelines for departments to follow around how to actually award it.

Your question around evaluation would be in the post-award portion of a grant lifecycle. That would take into account how you're going to monitor, how you're going to evaluate, and how you would introduce some consistency in the approach. The actual programs themselves will vary across departments because the clients are so different and the program areas are so different, and some of the risk levels are different.

What we hope to do with the policy is provide tools, best practices, and guidance so that it takes a lot of the guesswork out of it for departments. So instead of having to design every stage themselves, there will be a best-practice guideline that they can follow. I think that will provide some consistency across departments.

KAREN GATIÉN: I don't have a lot new to add. I just want to affirm that that's exactly the process that we're following and what I mentioned in my opening remarks with respect to the former Energy and Mines portfolio. We're using that kind of risk assessment, first of all, and that will help guide us in terms of, are there changes needed to align with this common approach.

Similar to Deputy Minister Huston, the budget's pretty finite. We're not really in the business of creating new grant programs at this point, but certainly it's important as well, in terms of continuous improvement, to look at the ones that we do offer to examine if they are still relevant. Sure they might meet the risk threshold, and they may be

administered perfectly, but maybe they're not really meeting a need that the sector or community needs. Those are the things that we will look at as well.

FRED TILLEY: Perfect, thank you very much. That leads me into the idea of tracking the performance of grants. When we're looking at sunseting or looking at changing grants. What's the current process that we go through around setting performance indicators on grants? Is that a standardized process or is it program specific? I'm sure there are some overarching indicators we look for to see how successful grants are.

KAREN GATIEN: I can speak to what we've done at the Department of Natural Resources and Renewables. Remember, this is the Natural Resources side. We'll do the same on the former Energy and Mines.

We develop logic models for our grant programs. If you've seen a logic model, it kind of works through inputs, outputs, outcomes - the activities that will take place - and gives you something to measure against. So what's the process you're going to follow, and is the grant actually - the activities aligned with the grant that an organization is delivering, is it following our intended activities? Then the actual outcome evaluation would measure what's actually the result of that.

We look at all of that as the evaluation is done. Evaluations are typically done on a yearly basis. We give clear performance indicators upfront to the organizations to say, here are our expectations for your program. Then when they give us their reports - financial, and there's probably some narrative involved, as well as the outcome analysis - we would compare that to ask if they are actually achieving what it is that we've requested them to achieve, and if our corresponding agreement with them clearly outlines that that's what's required.

We're kind of always looking at that and hoping to improve. Following the risk assessment that we're doing with the other - I think it's approximately 17 grants with the former Energy and Mines - we'll start to develop the logic models aligned with that as well to start that process, if they're required. Many of them may not need them, because maybe they're running exactly the way we would intend them to run.

THE CHAIR: Would either of the other two deputy ministers like to comment?

JUSTIN HUSTON: I can probably speak at length, but I'll try to keep it relatively short just in the interest of availability for further questions.

I think it's important to say that this relates directly to the OAG's Recommendation 1.2, which is around the departments establishing performance indicators, measuring performance and regular evaluation. We completely agree with that recommendation. It's something that we already do in the work, with all of our grant programs.

Where I think the Auditor General really helped us to focus was around that consistency. That's something that Deputy Minister Dean spoke about, which we are doing as well through our program improvement process. It's bringing the staff together and looking at all the different ways that programs are administered, to look at if there's a more consistent way applied across the program so that we can look at key performance indicators. Are the programs meeting the goals and objectives?

I want to emphasize that that is the current practice. When we provide a grant to a community group or to a business within a sector, they specifically have to demonstrate in their final reports how the project meets the stated objectives and goals of that grant program.

Maybe I'll hand it over to Chris, who can talk a little bit about one, and then maybe Bill as well, just to give you an example of what I'm talking about.

THE CHAIR: Mr. Shore.

CHRISTOPHER SHORE: Similar to what Deputy Minister Gatien referred to in terms of logic models, we use logic models as well at CCTH for our programs. For example, in my division, which is the development of culture and heritage, we have a program called the Creative Industries Fund, which is specifically geared at support for what we call creative industries - publishing, music, film, that type of thing.

We have a very specific logic model that's in place which looks at key performance indicators. That program looks to build capacity within those businesses. It looks to build export capability and it looks to build innovation. Those are very clearly stated objectives at the beginning. When someone is applying to that, it's very clear to them. The project that they might bring forward is evaluated against those indicators - how they're going to address those things.

If the project is successful, then they go off and do their activity, then come back and give us a final report addressing those specific pieces. For example, if we're looking at innovation, we would be looking at whether this project is new, what type of new activity they're undertaking, what they're experimenting with. In terms of export, it's driven by sales, it's driven by the number of people that you've hired. All of those indicators are part of how we measure their success in any given program. That kind of logic model - which is sort of the input, the activity, the output, and the outcome - is a framework that we use for every grant program that we run.

BILL GREENLAW: Just to reiterate what everybody else has said, if you really think about it, it's an iterative or a fluid process. If you look at our program applications, the goals and objectives are clearly outlined. Applicants or proponents, need to explain how they're going to meet the goals and objectives of the program in their funding application, and then they're scored against that.

By the end of the project, the evaluation - I don't want to be too simplistic about it, but if you take a Recreation Facility Development Grant. If somebody needed a new roof, how does the new roof meet the goals and objectives of recreation for all? The evaluation at the end of it is, did the new roof get on - is it there? We go in and assess that to make sure it was done and if it's being used.

That's the simplistic form of a grant program. It's really the detail, and the devil is in the front end of setting up what we're looking for in order to meet the goals and objectives of the government of the day.

FRED TILLEY: Thank you for those answers; I appreciate it. With just a couple of minutes left, I wanted to chat a little bit about risk assessment. I forget who it was who mentioned that we're now embedding risk assessment criteria into the grant policies. I'm just wondering if we could elaborate a little bit on that and explain that process?

KELLIANN DEAN: I can start by saying that having a risk assessment as part of the evaluation framework or part of the program design up front was a critical element in improving the program administration. Really, it's about looking at the size of the grant, the level of eligibility criteria, and having that reflect the nature of what you're trying to do.

For example, if it is a very large grant, there may be a more rigorous eligibility process up front, more due diligence that needs to be done before a grant is provided. If it's a very small grant, you wouldn't do the same level of due diligence. So as you're designing it up front, you have to do a risk assessment around that.

Basically, most of the departments would be doing that. What we're going to do is put in place the best practice, which would be to do a risk assessment, and suggest that all departments that are designing new programs would look at that up front.

FRED TILLEY: From a departmental perspective, with regard to awarding of grants and then follow-up of grants, what's the current process that we follow, just as an example of assessing the risk from award to completion? Just briefly - I know it's a pretty broad question.

KELLIANN DEAN: I don't think I could speak to a specific departmental process.

KAREN GATIEN: I can speak to what we do. Following this audit, the department actually developed an enterprise risk management policy. As I mentioned, we ran all our Natural Resources grants through that to see if they were meeting a threshold for risk - the mitigations that are perhaps needed. I'm trying to go quickly because I know time is running short for you.

[9:30 a.m.]

That whole process has happened for the grant programs. Then as we are issuing grants to organizations, we are just laying out the performance indicators, the requirements - keeping that risk management process that we already follow for the grant program to make sure what we're asking this organization to do aligns with what we've said they need to do in terms of risk.

As they report back and monitor, we will then review the results of the grants that they disbursed or the work that they've done using the grant funding to make sure it all aligns with what we've set out for them in terms of our expectations and the evaluation aligns. We wouldn't necessarily do a full risk analysis every year, because we've done it for the program, but as part of the continuous improvement, of course we'd certainly be prepared to revisit it if we felt that the evaluations coming in were not meeting what we were requiring.

THE CHAIR: Mr. Tilley, you have 20 seconds.

FRED TILLEY: Thank you all for those answers. I really appreciate it. I can say the grant process helps a lot of organizations, and I'm really happy to hear that stakeholders are involved in that process.

THE CHAIR: We will now move on to questions by the NDP caucus. You have until 9:51 a.m. We will begin first with Ms. Leblanc.

SUSAN LEBLANC: I just wanted to start with a question to Deputy Minister Dean about this new overarching grant policy across departments. I'm wondering if it asks departments to consider whether operational funding would achieve objectives versus program funding - and this is across departments just as a general question. The second question, the B part, is: Does it require programs to consider equity or living wages?

KELLIANN DEAN: I guess what I would say is the policy is designed to be broad enough that it provides some core elements that everybody needs to consider in the different phases. The specifics would be program-specific. An equity lens is across all of government, so departments developing programming would apply that lens.

Your first question was about operational funding versus program funding, I think. I harken back to my days at CCH when I think about that - and perhaps you want to comment on that further. There are situations, absolutely, where the type of support that's required for an organization may be better suited to operational versus project-specific through a different program. I think as departments design programming, they have to assess the needs of the client they're supporting to determine the best way to deliver that funding, but that would be their decision.

The guidelines are more about best practices and things that you should take into consideration in your design, in your implementation, in your evaluation, but it's the departments that are responsible for actually designing to client need, for monitoring, for the accountability of their funding for the programs. Hopefully that addresses it.

SUSAN LEBLANC: I'm going to ask more questions about this later to Deputy Minister Huston. It's not necessarily a best practice when designing programs, then, to have a focus on individual grant programs versus operational funding, for instance, for an organization.

KELLIANN DEAN: I would suggest that it isn't that prescriptive. What we were trying to do with the policy is give space for departments to design based on the unique needs of their clients. We weren't as prescriptive as that.

SUSAN LEBLANC: I just wanted to ask a few questions about the grant review process that's happening at Communities, Culture, Tourism and Heritage. First question is: When will it be complete?

JUSTIN HUSTON: We should be wrapping up - and Chris, correct me if I'm wrong - toward the end of this calendar year, correct? I would say by December. I could be a little bit off by a couple months, depending on timing of things, but that's the target.

SUSAN LEBLANC: My understanding is that this is about a process that hasn't happened in a long time, so it's happening now. Is there an idea to continue it on a regular basis, like every five years or every three years or something like that?

JUSTIN HUSTON: Yes. Built into the process will be regular check-ins going forward, building on the work that we're able to do and the structures we're able to set up across the department and with the different sector organizations. The idea will be to revisit that and to see - particularly if we're going to be making some changes that are being desired by sectors - if they are effective and reaching the goals and objectives that we're trying for. We're going to need to go back and look at are they effective.

SUSAN LEBLANC: In the Department of Communities, Culture, Tourism and Heritage, does the review include an evaluation of operating monies versus program monies and that kind of thing?

JUSTIN HUSTON: Certainly that's an aspect of it, for sure. It's looking at the various different programs and what they're focused on, but it isn't necessarily looking at operating versus program projects. It's looking at the full piece.

Like I mentioned, there are over 77 different grant programs. Within that 77, about 45 or 44 are application-based, so public-facing - once or twice a year people can apply into that. There are three very large buckets are operating funding, focused on arts and

culture, sport and recreation, and museums, libraries, and archives. Across that broad spectrum, we're looking at all those different programs and how they apply. Within, say, the bucket for arts and culture organization core funding, we're looking within those and drilling down into that as well.

SUSAN LEBLANC: At CCTH, when a big project gets presented - I'm thinking of the Canoe '22 Championships or the sound stage in film and television or the World Juniors - is it the Women's World Juniors coming, or just the men's at Christmastime? How does that figure in? Do you have a giant pot of money that's special projects, and then that just gets doled out as organizations come and look for funding, or we're putting bids in or whatever, or does it come from a totally separate area of the provincial budget? Are there pockets that come from individual departments?

I guess this is for any department, in fact. How does it work?

KAREN GATIEN: We don't have any discretionary funds in the Department of Natural Resources and Renewables. If something were to happen like that, it would actually take government saying here's an allocation of funding and this is what we want you to use it for.

JUSTIN HUSTON: It's a little bit of both. I'll do my best to explain it, then I'm going to hand it over to Chris, who knows a little more than I do.

There are funds earmarked when we start the budget year - for example, the Strategic Fund Initiative or Events Nova Scotia - where we have funds that are allocated, which we think is an envelope towards projects we anticipate that are coming in the fiscal year that we see on the horizon.

Of course, opportunities arise. The World Juniors is a great example, where it couldn't be held in Russia and the opportunity to host it here in Canada and in Nova Scotia was the winning bid, along with New Brunswick. That requires us to go to the Treasury and Policy Board to request additional funds to be applied into that existing funding structure.

I'll let Chris explain in a little bit more detail, but yes, to answer your question - a little bit of both.

CHRISTOPHER SHORE: For example, with the two that you used, Events Nova Scotia is a unit that's in my division in the department, and they follow the Nova Scotia Events strategy laid out a number of years ago, which sets the process for how we deal with both the attraction and execution of those large-scale events. In certain cases there's a budget that's associated with that. I would say we have an idea of what's coming in a given year, and those organizations would come to us and say, I want to hold this event, so we would allocate budget that way.

When there are larger ones like the World Juniors that come within a given year, just as the deputy minister mentioned, we have the event strategy that was passed under the previous government. Basically it directs us to go into the Department of Finance and Treasury Board for these large-scale events - like Canoe '22, the World Juniors, or the North American Indigenous Games - and say, we have this opportunity, here's the amount of money we need, and here are the funding partners. We develop that type of ask.

As the deputy minister said, it's based on those two elements. One is around the smaller type of events that we can identify and come to us, and we have a schedule of that looking out for a couple of years. The other is around the big ones, which we don't have a budget for, but we specifically go to Treasury and Policy Board for specific asks.

SUSAN LEBLANC: Great, that's helpful. I just want to dig down for a second into CCTH. As you know, it's no secret that I come from the culture side of things and have written many a grant application in my life to this Province.

Since I've been out of it for a while, I just want to know - and maybe this is particularly for the arts sector, not even the cultural industries. When those grant applications are being considered, is there a higher scoring if there are living wages being paid to artists or the people involved? Is that something you're looking at? Are you looking at whether or not there's an equity lens? That can be a larger definition of equity, but you know, underserved populations and underemployed artists - that kind of thing.

I'm wondering if that is part of the scoring. I have another question, but I'll just leave that.

JUSTIN HUSTON: In answer to your question around living wages, the answer is no - we don't look at that as a screening criteria when we're looking at applicants in terms of what wages are paid. It's a bigger kind of project around staffing. We don't go down into those details there.

We do have an EDI lens on all programs, but they're applied sometimes a little bit differently. As you'd be familiar, there may be different judging processes or criteria within different grant programs. We think of Arts Nova Scotia, where they have an independent panel that would award and provide grants to individual artists. Then we have others that might be done through internal screening by the department and staff who look at.

So yes, we absolutely do look at EDI, but in answer to your living wages question, the answer is no.

SUSAN LEBLANC: Deputy Minister Dean talked about risk assessment, sort of in this larger grants management framework, and in that, there's risk assessment, obviously, which is very important.



However, in arts and culture it's so much harder to figure out what the risk is, or what the success is - what the key performance indicators are. Did you get 50 people at your play, or did 100 people walk through the art gallery? If they did, did they pay attention? How do you even figure that out?

Do you, Deputy Minister Huston, have to go to Treasury and Policy Board and say that it's a different situation and we need different types of KPIs or different types of risk assessment or the risk is different? How does that all work in the larger understanding of how we spend money in the province?

JUSTIN HUSTON: Yes, I can speak to that. I have the benefit of having a colleague, the Deputy Minister of Finance and Treasury Board, who was formerly the Deputy Minister of Communities, Culture and Heritage. She gets it. We're able to have those conversations, which is why I emphasized in my opening remarks that we know, because of the sectors we work with and the communities we serve, this can't be a one-size-fits-all approach. It needs to be geared toward the people we work with and the unique situations.

For example, we've got \$25 million this past year - a \$41-million film fund. We can't expect the same kind of rigour or risk assessment for a \$500 community art fund. It's just a different scale. This is part of the work we've been doing with program improvement. It's unfair to ask a community group, which is all volunteers, the same kind of level of rigour and requirements of reporting on a \$25-million grant as we do with \$500, which is not what we do. We don't want to see that happen.

The other thing I would just say is that we do rely on the folks we work with, whether it's peer councils such as Arts Nova Scotia or it's our staff, who would typically come from industry, to help provide that guidance in terms of what is a relevant and reasonable risk assessment for these projects, and whether it's a successful project or not.

SUSAN LEBLANC: Lest you think that I only care about arts and culture - which is absolutely not true - I have a question for Natural Resources and Renewables. I just want to clarify something from your opening remarks. Did you say that you have completed all of the Auditor General follow-up recommendations?

KAREN GATIEN: Yes, for the three programs. In fact, we've also done the additional six that were Natural Resources. We've not completed the Energy and Mines. That has begun though.

SUSAN LEBLANC: The Auditor General explained in the 2018 report that between administration fees and funding provided, Forest Nova Scotia collects the equivalent of about 25 per cent of the total grant funding. Has the department done any review to determine what is an appropriate amount to be spending on administration, and has the ratio changed since 2018?

[9:45 a.m.]

This is a question directed at Natural Resources and Renewables, but I'd be interested in fact to hear if Communities, Culture, Tourism and Heritage is also considering that: administration versus program, even though they're kind of intertwined.

KAREN GATIEN: The administration fee right now is 10 per cent. To my earlier point, as we move through these grant programs, it's something that we will have to continuously look at. It's 10 per cent for Forest Nova Scotia, I should say. Because we haven't completed the Energy and Mines recommendations, I'll have to look at those.

JUSTIN HUSTON: I was just conferring with my colleagues here. They were just mentioning to me that around 20 per cent of the budgets can be allocated toward administrative. That's where the average is across all the different programs, which is pretty good relative to some other administrative - if you look at some other major institutions, it's close to 40 per cent at some point.

KELLIANN DEAN: I'm actually thinking that this is a very good question. As we look at the policy, wondering what type of guidelines we could perhaps provide to departments around acceptable size of an administration fee, recognizing that there could be differences - again depending on whether it's an operational program or something project specific. Thank you for the question.

SUSAN LEBLANC: I want to ask about the sound stage in the film world. I forget when that was announced, but I believe there was money allocated in the budget in the Spring. Correct me if I'm wrong - maybe I'm not. Can you talk a little bit about where that is at, and who is administering that money? I understand that Screen Nova Scotia is the caretaker of the money, but can you just explain a little bit about where that is, how it's going, and what's going on?

CHRISTOPHER SHORE: The money was allocated at the end of the last fiscal year, and identified for the development of a soundstage. It was allocated directly to Screen Nova Scotia, so they are the caretakers of that money. The money went to them directly.

We work very closely with them on the development of that project. As part of them receiving the money, there's a terms and conditions document where they have to keep us updated and keep us informed throughout the process of the work that's going toward the building of that sound stage. We get regular reports from them, as is required. That would include all of their activities and if any money has been spent to date on that.

As of today, they have gone through a process where they've hired a project manager who actually is an expert in that particular kind of a build. It's a substantial, very specific kind of build that they're looking for. They've identified and actually travelled to

a number of different sound stages across Canada, and toward those, and are beginning to scope out exactly what they need specifically for the film industry here in Nova Scotia.

They've had some very successful meetings in the last month or so, I would say, and are moving along with all of the work that they have to do in order to set the groundwork for a successful project. Work is under way and going very well.

THE CHAIR: Ms. Leblanc, you have 40 seconds.

SUSAN LEBLANC: When the money was allocated to Screen Nova Scotia, which I have a lot of respect for the organization, but I thought it was a strange choice, just to dump millions of dollars for a project that didn't have a framework yet. Would you say that you're feeling really comfortable, given these regular updates? It seems like you are right on top of what's happening. You feeling good about all that?

CHRISTOPHER SHORE: The project itself was based on a feasibility study that was done before. Before any money was allocated, there was a feasibility study that was completed by Nordicity that identified what the needs were in Nova Scotia. It's based on some work that had already been done for a couple of years.

THE CHAIR: Order. Thank you. The time for the NDP questioning has elapsed. We'll now move on to the PC caucus. You have until 10:11 a.m. Mr. Boudreau.

TREVOR BOUDREAU: It's good to hear on these follow-ups of the 2018 recommendations that some are completed, some are scheduled to be completed this year, so that's encouraging. We all have questions in our caucus today, so I'm going to be pretty brief with my questioning.

I'm going to tailor my question to Deputy Minister Huston a little bit. You've talked about how the Province offers a whole bunch of different grants in your sector. Our organizations and our communities are obviously reaching out to us applying for grants, but to make sure that we're reaching those that could benefit from this type of funding, how do we typically promote our grants, and what kind of reminders does the department do for grant deadlines, for example?

JUSTIN HUSTON: I'll start with that, and then I'll hand it to my colleagues here who can give some specific examples. As I mentioned earlier, we really pride ourselves on having a really close ear to the ground and directly working with the communities in the sectors that we serve. That was really evident during COVID-19, and I think we were very supportive and responsive of those communities and sectors.

It's a multitude of ways. There may be emails sent out to listservs. There will be community meetings where things are communicated directly in communities at known events. There will be scheduled times where we will meet with certain sectors across a

range of, say, canoe and paddle clubs, where they will be debriefed on what's available in the upcoming year. There's a range of opportunities, but clearly some of the most important parts are around making a clear awareness of what exists, but also I think it's really important relative to some of the recommendations from the OAG is helping communities and groups understand what the program objectives and goals actually are.

I think the most critical part, actually, of the whole risk management process is that upfront work with organizations to understand what it is they're applying for and why. It's not uncommon for a group to come in Door A to work with our staff that may be over here and say, actually, who you need to work with who's better suited is to come in Door B over here, and I'm going to put you in touch with this person, or I'm going to set up a meeting with you directly.

What we don't like to see in our department - let alone across government, but particularly in a department - is the passing of the buck: No, we don't know who, doesn't work for this fund, sorry. That's not an acceptable answer in our department. It's always, tell us more about what you're trying to achieve. That might not work here, but we want to see how it works here. Maybe, Bill, I can hand it over to you to see if you have any examples.

BILL GREENLAW: I like your opening remarks, Madam Chair, about - what did you say about pontificating or something along those lines? I'll try not to do that too much.

Just to add on to what Deputy Minister Huston has said, we also do emails to your constituency offices about our grant programs, so your constituency officers are aware of those as well. In addition - particularly in my division, and they're used across our department - we have regional managers who have relationships with community members, and I keep them informed of our grants that are going out as a reminder.

In addition to that, we've made intentional efforts over the last five years to reach out to marginalized or disadvantaged communities to make them aware of our grant programs, et cetera. That's more complex, because there's an element of trust and reaching out to those who haven't really accessed government funding before, so it's also building that trusting relationship that we need to focus on as well. We're still working on that and still building those relationships of trust.

As the deputy minister said, we really think about the art of the possible. If a grant comes in and we look at it and go, well, that's really not for that program, but we really think it's a good fit over here, we'll move the file over so it has a better chance of being funded. We work with the clients and pinpoint those needs.

One specific example I'll give you is we have the Business ACCESS-Ability Grant in my division. The first call was before the fiscal year. We did a call for business and community accessibility. Community accessibility totally oversubscribes. So I would say

that by the nature of the applications to our grant programs, people are aware of it, but I'm not saying that all Nova Scotians are aware of it, so I want to preface that. As I said earlier, we do make efforts to do that.

There was still some funding left in the Business ACCESS-Ability Grant. We went out and looked at where the applications weren't coming from - what area of the province - and we did a specific media campaign in that region to try to get more interest in the Business ACCESS-Ability Grants. We were successful in doing that.

The Business ACCESS-Ability Grant is a relatively new grant program for our department and for government. I think this is the last time that we'll have to use the media to promote our grants, but there will be an example of: we've had it come in, we look and see there's a gap, we know that accessibility grants are very important to Nova Scotians, and we went out and made the extra effort. Quite frankly, we spent a little bit more money on advertising, which we try to avoid, to do a media call. I think that's a good example of the full spectrum of how we try to promote our grants.

TREVOR BOUDREAU: I would say my constituency office, like everybody else's, appreciates those kinds of heads up. We try to target and reach out to community groups and organizations once we get those to make sure they're aware of what's out there that could help them.

One of the questions I often get - and sometimes I'm able to answer, sometimes I'm not - is, what time of the year are most grants open? We have some grants that have a specific timeline, some grants that aren't. When are they open, when are they closed? I know you've got 77, I think I heard earlier, but do you typically have timelines for these types of grants?

BILL GREENLAW: The application deadlines are public. We have a brochure where they're public, but just as a general rule - which a lot of your constituents are particularly interested in - I would say our capital infrastructure grants. We open the call in early December with a closing of mid-February of that year so we can do our due diligence and do the lifecycle work, look at what people are applying for, scored, et cetera. When the budget is passed, we're ready to go out the door in April or May - depending on when the budget is passed - to award the capital grants so people can start doing the work during the building season. That's one example.

Then there are some grant deadlines, which are, again, public. There are two or three calls a year, depending. Then there's the proposal-based, which are generally open for the year. It's kind of a broad thing. I don't know all the 77. I can speak for the capital grant because I get asked that one - the most common question - but the rest, like you, I would have to look at our brochure.

TREVOR BOUDREAU: Just one more question. If I was a community group, how would I go about getting funding from your department? You talk about applications for that capital grant, and there's from November to February, but what about things that aren't in that? How does a community group go about applying?

JUSTIN HUSTON: Similar to my previous answer, there's a range of different options which is important because not every community group is going to want to understand or access government in the same way. For example, it may be through say, Acadian Affairs, in context, or African Nova Scotian Affairs in one of our new regional offices - someone coming in the door and saying, I've got a great project in my community, how do I make this happen, and having those staff connect with the relevant folks internally.

Again, we don't want the answer to be: oh, I don't know, go call somebody in the department. We want a sort of concierge service - get them to the right people at the right time.

The other thing that has been mentioned, and I thank Bill for bringing it up - going into constituency offices is absolutely key. We really pride ourselves on working with all MLAs. It's not uncommon that I'll get two or three calls a week from constituency offices anywhere in the province saying, I've got somebody who's got a great idea, is there something that's applicable? Nine times out of ten, there is, and here's who we can have them talk to.

It's really around meeting people where they're at, not forcing them to come in to government in a way that only works for us. We know that doesn't work. It's really about creating a lot of opportunities.

TREVOR BOUDREAU: Thank you for the answer to that question. I'm going to finish up with my time. I'll pass it over to my colleague, MLA Young.

THE CHAIR: Mr. Young, you have 10 minutes.

NOLAN YOUNG: Perfect, thank you. My question is going to be around the Rink Revitalization Fund. The Rink Revitalization Fund is a new grant. It was created under our government to support the sustainability of the facilities, and so far, it's my understanding that this fund has provided over \$2 million in funding.

In 2018, the AG recommended that the department establish performance indicators, measure performance, and regularly evaluate grant programs. Has the department done this for the Rink Revitalization Fund?

JUSTIN HUSTON: The short answer to that is yes, we have. I will take the opportunity - it's a new fund that was established through our Recreation Facility

Development Grant as a way to quickly be able to move the money out the door, because we knew that the demand would be so great. Sure enough, we were oversubscribed within the first year - I think in the second year as well.

[10:00 a.m.]

This is something I'll let Bill talk about in a little bit more detail. It is a pretty black-and-white one in that there are criteria in terms of who can apply - non-profits, municipalities, First Nations - but it's around a capital investment of some kind in terms of improving the facility to make the rinks more accessible and available to community for more community use.

At the end of the day, in terms of looking at whether outcomes were met, it's pretty clear to look at. Is there more availability for community? Are washrooms now accessible, so that more folks can enjoy the rink? The short answer is yes. Bill, I don't know if you want to expand on that at all.

BILL GREENLAW: Well, that was a really good answer. I'm not sure I can expand on it, deputy minister. Performance reviews are coming in, so - just joking.

I would say it's much like we described - it's the life cycle of the grant. Part of RFD - it has been an extremely popular oversubscribed grant for the first two calls. Then again, for the next year, the Rink Revitalization call will go out in December for a February close. For those of you who have children or have spent time in either curling rinks or arenas for skating, et cetera, I've learned more about ice chillers and ice plants on these grant applications, as I was intrigued to see what people would apply for. It's right from chillers to bathrooms to roofs to scoring clocks.

Again, the goals and objectives are right up front in the application. There's an assessment done. We do a risk assessment - can they actually spend the money? Are their estimates accurate for what they want to do? Then we progress to the awarding of the grant, and then there's follow-up by regional staff to make sure that what they said they were going to do is actually completed.

NOLAN YOUNG: Just a quick follow-up with that. How do you determine which applicants receive funding and how much funding they'll receive?

JUSTIN HUSTON: Similar to other grant programs, there'll be criteria that are established. In the case of this program, we look at things like community benefit and impact; needs assessment project planning; equity, accessibility, safety, and inclusion; and the viability and sustainability of the project. These are graded and scored on a percentage basis. When projects come in, we'll look and score that.

Again, we really pride ourselves on the art of the possible. If our staff are looking at an application - as we know, some of these rinks are run by community volunteers who have day jobs and are busy doing other work. If we see that they may just be missing some information, and our staff know this project is about accessible bathrooms so it's clear they just didn't maybe articulate clearly in the proposal that this would help raise their score - staff will go back and talk with folks and say, can we understand this project a little bit more?

This isn't about finding ways to say no to community projects. This is about helping folks to be able to articulate why this project is important to their community and why government should - that's how we operate.

NOLAN YOUNG: Thank you for the hard work that you put into this. I'll pass it off to my colleague, MLA Sheehy-Richard.

THE CHAIR: Ms. Sheehy-Richard.

MELISSA SHEEHY-RICHARD: Coming back fresh from a conference on Public Accounts, it's exciting to hear that you guys are listening to some of the recommendations and making those changes so that the public funding money is protected and spent and reaches the most amount of people that it possibly can in organizations. Thank you for your hard work. That was something that we learned, was to give credit where it is due, and thank you for that.

I want to touch a little bit on tourism, because we all know that growing tourism to ensure that all the regions of this beautiful province benefit from revenue growth is very important. Can you tell me a little bit more about what programs and services we are offering to achieve this goal?

JUSTIN HUSTON: Thank you for the question - it's a great opportunity to talk about the work of Tourism. As you know, Tourism came into the Department of Communities, Culture, Tourism and Heritage this previous year. It's been exciting to work with them and look at the synergies between the work that we do - whether it's in the film industry or with museums and libraries or out in the region. They've got a lot of experience working in target markets to look at bringing people to Nova Scotia, and there's some real opportunity to look at regional tourism assets.

They're working with the Tourism Industry of Nova Scotia and other direct marketing organizations, as well as directly with tour operators to develop essentially what they're calling compelling tourism communities initiative. It's a suite of different programs that are going to be available to different regional operators or regional organizations. For example, working with communities to do community assessments and understanding what their tourism assets are, where their strengths are and where they can build upon those.



Looking at the work they do already within visitor research, the Tourism Nova Scotia team does an excellent job of looking at key markets such as Quebec, Ontario, northeast U.S., parts of Europe, and working with those markets to understand what resonates best. What do people from Toronto who are coming to visit Nova Scotia looking to experience? Then they translate that down to the regional level - working with local organizations to understand what the travellers' interests and needs are, and helping gear those assets to that desire, that need.

They look as well at marketing campaigns and content, so working with regions on a consistent branding approach that can tie into the corporate provincial approach, so that it looks seamless. If say it's somewhere in Richmond County, it can tie in - that's the Nova Scotia brand.

The other part is that we're doing some work around digital adoption. We've all travelled, we're all tourism experts, but you typically don't go to CAA and get a trip advisor - you're going online. Essentially, if you don't exist online in the tourism world, you don't exist. It's a real effort to help operators have a digital presence, and a presence that captures people and say, I want to go there, I want to stay there, I want to experience that.

That's an example of some of the work that tourism is already doing right now and will be really rolling out over the next year. This time of year is not the best time of year to launch. People are busy actually operating and focused on serving visitors who are here now. Typically as we move into Winter is when these programs really get under way in preparation for next year.

MELISSA SHEEHY-RICHARD: That's really good - my colleague even said, oh good. It's evident even in my community and anywhere in the province that you guys are doing a pretty good job, because the tourism has just been phenomenal - I even noticed this Summer in particular. There's a car shortage for rentals and all kinds of those problems that are kind of good problems to have when you're trying to rebuild the economy.

When we start to move into this last quarter of 2022, I'm wondering if you can share with us some of the grant programs that local tourism operators were able to take advantage of this past year?

THE CHAIR: Deputy Minister Huston, you have 45 seconds.

JUSTIN HUSTON: Okay, I think I want to highlight the digital aspect then. We're working with them on digital content - a marketing program which is helping them acquire images. They co-invest, along with the Province, to acquire high-resolution digital photography and videos that can be used online. As well, we're working with them on upping their digital game - looking at online sales, opportunities to streamline their process, and move digital, which is what consumers are looking for these days.

THE CHAIR: The time has elapsed for the PC questioning, and that was the first round of our questioning. We will now move into a second round. Each caucus will have 11 minutes, beginning first with the Liberal caucus.

FRED TILLEY: At this point, I want to focus a little bit on the impact inflation has had on the grant process. We all know we're at a 40-year high in inflation, and I think this would apply mostly to the capital-type grants, but for others as well. How has this changed the implementation, or the uptake, on grant process?

JUSTIN HUSTON: It's a great question - it's very relevant, and very important right now. Let's focus on the capital a little bit, and we can talk a little bit about operating, either now or perhaps later as well.

When it comes to the capital, there have been some changes in the air. There are organizations that may have received funding for capital projects prior to some of this inflation, and we're in constant conversation with them. In some cases, the project may need to be scaled back. In other cases, if a compelling case can be made and there's a real need and a demonstrated need, we can look at going back to the Treasury and Policy Board and seeking additional funds, which has happened in some cases.

Some of what we're calling COVID-19 escalation costs in capital - and you would have seen this in probably some other Public Accounts Committee presentations - is real, but there is a difference. I think what we're seeing between some of what the real costs are and then some of the perception and some of the challenges around, frankly, some of the chaos that's right now within the construction sector around labour shortages, access to resources. That is requiring us in some cases to put a pause on some developments, and give it time to cool down so that we can understand what the real costs are going forward.

Going into this next funding cycle is when we're really going to see some of the differences, and I think it's too early to basically see what it's going to look like going into next year, but we know costs are going to increase.

FRED TILLEY: When we're looking at our performance improvement process, or in redesigning new grants, are we looking at a standardized process for an organization that's received a grant to come back with a process to say, you know what, the costs have exceeded our expectations and we're halfway through implementation. Is there a standard way that they can then access more funds?

JUSTIN HUSTON: That is certainly something that we're looking at, and it's a best practice that we do in almost all cases, but in those, we're looking to make sure that that happens as part of the process. What no one wants is a surprise at the 11<sup>th</sup> hour, at the end of a project or close to a deadline, and it's a surprise to everybody that, oh, costs have risen by a third and now we need additional dollars to finish this project, otherwise it's stranded.

[10:15 a.m.]

Inherent to all these processes, and Chris mentioned this in one of the projects - there are check-ins throughout. Again, this comes back to the risk assessment, frankly. If it's a major project - we're talking big dollars - there are more formal, regular check-ins so that there aren't big surprises. If it's a relatively small grant, and smaller, then we're not as focused on it.

That said, I mentioned our staff work very closely with organizations and communities, and it's very rare that we're surprised by a project. We usually can see there's something coming, and folks will come in early and ask us, hey, we need to sit down and talk. Sometimes it's, okay, where are you at in this project? We're going to need to look at maybe scaling back or doing this thing differently, or can other partners come on board to help defray the cost or is this something that we need? Because it is such an important community asset, is this something that we need to look at and go back and request additional dollars from the government?

FRED TILLEY: With regard to the operational side, and even some of the smaller grants, are there any plans in this fiscal to look at increasing those grants by the levels of inflation, or some way for those organizations to spread those dollars a little further?

JUSTIN HUSTON: Well, we're certainly limited within this fiscal, since budgets have been allocated and we don't have the ability to go back on many of these. We do constantly look at what we would refer to as slippage throughout the year. There may be projects that can't get off the ground for a variety of reasons, and government may then be able to reallocate some of those fundings for particular organizations that are in need.

I think COVID-19 illustrated very clearly that not all organizations should be treated equally, in the sense that they are all coming from different places, different backgrounds, in terms of the nature of the work that they do and the sectors that they serve. For example with COVID-19, performing arts organizations that need to have a live audience are not the same as organizations that deal with things remotely. Looking at ways that we can respond to the needs on the ground, understanding that there's always a level of fairness and accountability and transparency, but being realistic about who needs supports and when.

FRED TILLEY: Just thinking about budgeting and the cost of inflation - we don't see that coming down any time soon. Are there any plans in place for next year's budget to make recommendations to the government to increase the funding for grants?

JUSTIN HUSTON: Again, yes, but I think again, it isn't across the board. We're looking obviously - and the sectors that are feeling it the most have been very vocal. They have been meeting with our minister, and have been very clear around some of the pressures and the challenges that they're facing. They have recommended to us that we do

look at additional funding for operating to help defray some of those existing costs that they're feeling already, let alone some of the coming inflation.

Again, I just want to emphasize that across 77 programs, some organizations are feeling they're in a good spot and have had increases to operating, or because of the revenue they're able to generate are in a good place. Other organizations are having a more difficult time.

FRED TILLEY: I guess just sticking on the idea of the cost of living. When we're developing our performance indicators, when we think about the impact that some of these grants can have on community members - through the implementation of these grants, will we be looking at certain ways we can improve our organizations and their delivery of the programs, so that maybe there'll be some slippage to apply to other organizations?

JUSTIN HUSTON: Absolutely, that's a part of the work that we do with the organizations - to make sure that they are running as effectively and efficiently as they can by helping provide some of those supports, whether it's administrative or others around board governance and capacity.

I want to take the opportunity to say that these organizations are operating as lean and as mean as they can. Like I mentioned earlier, a lot of these organizations and community groups are run by volunteers in community or maybe have Summer students in.

Where we look at in terms of slippage is not to sort of see if we can scale back funding to organizations. It comes naturally around, like I said - there might have been a great project planned, but for whatever reason, construction didn't line up in time before the Winter. If it gets cold and they can't break ground, well, there are more funds available and let's look at ways we can reallocate that within that sector or that community that was targeted. We're not talking about always moving money from an arts and culture organization to sports and rec. It's looking within that sector and how we can use those funds differently.

FRED TILLEY: I know from my perspective, in my community, one of the organizations has received a grant under the Rink Revitalization Fund, and it's been very beneficial. Are there plans to expand that program into the next fiscal as well?

JUSTIN HUSTON: Yes. The Rink Revitalization Fund will continue. It won't expand in terms of the envelope, so it will remain at \$1 million, but it will continue.

FRED TILLEY: That's excellent. As you mentioned, a lot of the small rinks in our communities - I have two in my community that are run by volunteer boards, and the cost of inflation has really set them back. For example, the Emera Centre in North Sydney, once

they begin to put their ice in in September, their power bill alone will be \$22,000 a month. They're struggling to maintain their ability to be operational.

Are there any future plans to look at more on the operational side for those community organizations?

JUSTIN HUSTON: When it comes to the rinks directly, no. We're more focused on the capital investments. I can say that one of the things we look to do - it's two birds with one stone. For example, we can look at ways around energy conservation. You speak specifically of the power bills. If we can look at ways of greening facilities, up front or retrofitting, it's sort of a win-win. It's the ability to have a smaller greenhouse gas footprint, but also reduce costs to community groups - less bake sales they've got to run or fees they have to charge for folks, which then make it more challenging for folks to go out and actually be active.

We're always trying to look for those win-wins. Those are probably some of our more favourite projects, where we can look at ways to green the building and then reduce costs at the same time.

THE CHAIR: Order. We'll now move on to the NDP questioning. You have 11 minutes. Ms. Coombes.

KENDRA COOMBES: My question is for Community, Culture, Tourism and Heritage. This is coming from a Cape Breton perspective here. It's my understanding that grants for artists are undersubscribed in Cape Breton. I've heard from musicians that it is difficult for them to receive provincial grants via Music Nova Scotia. Cape Breton musicians are actually receiving more funding from the CBMIC through ACOA.

I'm just wondering if you have any information as to why you think this is, and what can we do to solve it?

JUSTIN HUSTON: I'll hand that over to my colleague Chris Shore.

CHRISTOPHER SHORE: Thanks for the question. CBMIC - the organization that you're referring to - actually receives funding from our department. In fact, recently we are working with them with an additional allotment, because their mandate is focused on the development of artists in Cape Breton. We fund Music Nova Scotia, which does provide money to individual artists across the province as well. There's a series of programs that artists in Cape Breton can apply to.

Additionally, we provide funding to Arts Nova Scotia, which is the provincial arts council, which allocates money to artists. However Arts Nova Scotia's evaluation is not based necessarily on region. It's application based and it's peer assessed, so it's based on the applications that are received, although they do have a strategic priority for funding

artists who are outside of HRM. That's something that they're hoping to increase the success rate of.

KENDRA COOMBES: The genesis of the question was that Cape Breton artists are undersubscribing to these grants from Music Nova Scotia as well as - I'm glad you mentioned other artists, because that is another issue that I'm hearing - not just undersubscribing but not receiving the grants as well. Artists of all scopes.

That's why CBRM is looking for a change in the MGA - the Municipal Government Act - to allow municipalities to be able to provide grants to individuals, because of the situation of the under-subscription, as well as the not receiving of the grants when they do subscribe to them.

JUSTIN HUSTON: Thanks for that question, raising the issue and the concern. We want to make sure that these grants and these programs are for all Nova Scotians. I'll go back and make sure. Particularly, we'll look into the Cape Breton piece because I want to make sure that there may be some - the numbers are different just because of per capita or whatever, but we all know Cape Breton's full of amazing artists. We'll go back and look at that, and we'll get back to you with information specific to that because it is important.

Relative to the CBRM looking at being able to fund artists, that's something that we're working with. We think it's great if any organization or level of government wants to help support arts and culture sectors. We're very supportive of that. We are working with the Department of Municipal Affairs and Housing folks around trying to enable that as well, so we're very supportive of that. We'll follow up with you on that.

KENDRA COOMBES: Thank you very much. You actually answered my next question on that - whether you were working with the Department of Municipal Affairs and Housing. Great to hear that. I hope we're going to hear something very soon - particularly, the Fall session. It would be a great thing to see an amendment to the MGA come - just putting that out there to everybody.

I also want to ask this question, switching gears a bit. For many years, the operating assistance to artist organizations has stagnated and any new money has gone into project-based funding programs. Is that based on an analysis or an evaluation by the department, that project-based programs are more effective at achieving the department's goals for supporting arts and culture than operating assistance?

JUSTIN HUSTON: Let me provide a bit of context, and then I'll answer the question. About \$91 million of our departmental budget is allocated toward grants and grant programs, and about half of that, or \$41 million, is toward operating. I just want to set the context that we are providing a considerable amount of operating.

That said, we know that the operating pressures are real and they are increasing, as MLA Tilley mentioned, in terms of some of the inflation. Part of it is that because we have a fixed budget relative to the grant programs that we're able to provide, increasing operating creates an ongoing annual pressure. The project management allows us to be a bit more flexible and nimble around year-to-year and not committing in operating, which is ongoing pressure.

That said - maybe I'll beat you to a follow-up question. I know some of the challenge is that organizations already struggling with operating - essentially, it's chasing projects to then help keep their organizations going. We're very alive to that. I'm not saying it's the best solution, but part of our program improvement process has been to look at when we do our grant programs - what kind of procedures and programs we are putting in place, and whether we can do something in a one-page or two-page report versus a five-page report to help reduce some of that administrative burden?

THE CHAIR: Ms. Leblanc.

SUSAN LEBLANC: I just want to follow up on that. First of all, I want to say I recognize that you are very alive to that question. I appreciate, and we appreciate, that consideration. It's true that there's a substantial amount of the budget that goes to operation, but what you just said is "unless there's more money." That is the question I want to ask.

I'm taking off my Public Accounts Committee hat for a second here, folks. We know that the Premier said earlier this year, when he referred to the art gallery, that now is not the time for projects like these. I just want to know what the process is, and how your department is going to get more money to put into this kind of funding.

We all know that it contributes to health and wellness, it contributes to education, it contributes to art for art's sake. We all know how important CCTH is to our province. How come there can never be any new money for operating?

JUSTIN HUSTON: You guys want to take that one? (Laughter)

THE CHAIR: Perhaps I should have sent that over to Deputy Minister Dean, but she was dealing with arts so it went to you.

JUSTIN HUSTON: I don't mean to dominate the mic here. Thanks for the question. I know, MLA Leblanc, you in particular have been a champion of this issue for quite a while. You and others, particularly within this sector, have been very vocal and have been meeting and communicating with the minister on a regular basis, so the minister understands what the challenges and the needs are.

[10:30 a.m.]

Our role as public servants and working in this is to help provide that conduit and flow of information analysis to help understand what's going on in this sector, and where the pressures and the opportunities are. It's really a matter of bringing things together within our Fall budget planning process into the Spring, and it's around balancing the variety of pressures and challenges that exist across the system. I remain optimistic that we're able to work with the sector as is, but I remain optimistic that we're able to look at other opportunities going forward as well.

THE CHAIR: Back to Ms. Coombes.

KENDRA COOMBES: I have one more question that's around youth. I know we've discussed operating and we're banging on about it, but youth centres, BGCs, other youth centres- how are you funding them? They're also in need of operational more than capital. Can you explain how you are helping or working with those underserved communities?

THE CHAIR: Deputy Minister Huston, you have 30 seconds.

JUSTIN HUSTON: It's a great question and I wish we had more time to answer this. A lot of this is working directly with the community organizations. The Province plays a key role in that, but we are one of the levels of government - municipalities, First Nations, in other cases, federal government - in terms of how we come to the table. What we always look to in terms of if we can - one is the capital build, but we want to ensure that organizations and facilities are sustained . . .

THE CHAIR: Order. The questioning for the NDP caucus has elapsed. We'll now move on to the PC caucus where Ms. Sheehy-Richard will continue questioning. You have until 10:44 a.m.

MELISSA SHEEHY-RICHARD: I just wanted to go back to where we finished up. You did really well answering in your 45 seconds that you had. When we were talking about what kind of programs the tourism industry operators were able to take advantage of, you were talking about the digital. I just want to know what some of the performance indicators and evaluations your department will be looking at to assess the success of the grants for small-to-medium tourism operators?

JUSTIN HUSTON: I should start out by saying that Tourism Nova Scotia have really done an amazing amount of work over the last several years around really focused on research-based decision making. One of the key foundational aspects of any dollar invested, particularly when it comes to marketing, is that they do the work to understand that for every dollar invested, there should be a \$20 return in terms of influenced spending or decision here in the province.



That's one of the key indicators that we look at that's done by an independent third party every year: based on the investments that were made in marketing, are we seeing a \$20 or better return? Typically, over the last - we're seeing closer to \$23 to \$24 a year.

Some of the other work that we do around indicators is around stakeholder surveys. It's working directly with tourism operators, direct marketing organizations, and others that are either directly or indirectly involved within the tourism sector. We will do an annual satisfaction survey with them, particularly of the different programs that are being run through Tourism Nova Scotia.

I'm happy to say that based on from 2016, I think the number was about 6.6 or close to 7 out of 10 folks thought that we were doing a good job, but now it's closer to 8 out of 10. That's a marked improvement, and that's something that we're always looking to see improve.

I'll leave it there for now, but if there are other questions, I'm happy to answer.

MELISSA SHEEHY-RICHARD: Then kind of still in tourism, but kind of film - a little bit of both - is how exciting it is. What better way to advertise what our province has to offer than having films be put into production here because everybody wants to go watch that film even in Nova Scotia - because we want to see our province in a movie.

The increased cap under the Nova Scotia Film and Television Production Incentive Fund, which makes it easier for larger film productions to operate in Nova Scotia - how were these changes made and how will the changes benefit the industry?

JUSTIN HUSTON: It's really exciting to be able to have that connection within a department and to sit down around the table with folks who are all working in the same department, to have some of these discussions and strategies, and then working with external stakeholders such as Screen Nova Scotia, the Tourism Industry Association of Nova Scotia, and others. I'll start off at a high level and I'll hand it over to Chris for more specifics.

One of the things - I'll give you an example. The movie *Titanic* still drives tourism here in Nova Scotia. We have a lot of visitors who come off cruise ships and go directly to the Maritime Museum of the Atlantic to visit the *Titanic* exhibit, or to visit cemeteries downtown because of the final resting place of some of the victims of the *Titanic* disaster.

One of the things we're looking at with our tourism folks and TIANS is: can we do a better job of making direct connections with a series that's filmed here? Take *The Book of Negroes*, for example, which spread a lot of tourism in southwestern Nova Scotia and in Nova Scotia because of the success of that book and the mini-series. When we know a production is coming to Nova Scotia, can we start sowing the seeds for tourism experiences that link to that film that's coming out?

I'll hand it over to Chris to talk a little bit more specifics around that, but *The Curse of Oak Island* is another great example. The most popular show right now on the HISTORY channel, and it has spurred a bunch of local tourism opportunities there for people who want to visit.

CHRISTOPHER SHORE: To what the deputy minister just referred to, we have an internal working group with my division that handles funding for the film industry and tourism and TIANS and Screen Nova Scotia. We've already begun work on the development of a film tourism program and initiatives.

We've had meetings to date with a number of experts in the industry who have developed ways of not only using the assets we have now - so not just *The Curse of Oak Island*, for example - the number one-rated show on the HISTORY channel. There are tourism operators who actually operate in and around Oak Island that attract a significant number of people every year to that part of the province.

Additionally, we're also looking at new and innovative ways that we can team up with film production companies in order to market Nova Scotia. It's not just about necessarily a destination, as in Oak Island is very specific to that part of the province, but it's also related to the type of marketing that a film - that you might attract to Nova Scotia, and the type of visitor that you might attract.

For instance, an example recently would be *Washington Black*, a significantly large production that just wrapped filming not that long ago. To take advantage of the fact that they were there, but also moving forward in the marketing of that production for Disney, how can we take advantage of and team up with Disney to kind of work together towards bringing people together and making an awareness of the fact that they shot here in Nova Scotia?

So there's a lot of very interesting work moving forward that I think is really going to help the tourism industry, especially in shoulder seasons.

MELISSA SHEEHY-RICHARD: I think it's just phenomenal what it does for our communities. Sometimes your house gets a little bit of a facelift because they want to show it on a street, or all of your restaurants are all of a sudden packed full with people. I'm a big fan of the film industry. I'm just really happy to hear of the collaboration that's happening within the department, with the tourism and film together.

I think I'll pass it on to MLA - I forget your name. (Laughter)

THE CHAIR: Mr. MacDonald, you have four minutes.

JOHN A. MACDONALD: I guess the conference was good - you forgot me when I was there. (Laughter)

Thanks to everybody for coming. I just want to comment that I like the point that you're not looking at one-size-fits-all for any application, because you're right, it depends on the size.

Natural Resources and Renewables seems to be ignored, so I'm going to ask questions to Deputy Minister Gatién. The AG recommendation established performance indicators for all of your programs. How did you go about getting those done? Can you give us a couple of examples?

KAREN GATIEN: As I explained earlier, we started with three and then expanded to the six. We began with a risk assessment using our risk management policy, and then we developed logic models for each of the programs so that we could lay out what the program is really trying to achieve. What are the activities? What's the intent of it? What are the outputs and outcomes that we're looking for? You then have kind of a visual map of what you're looking for.

Then at the same time, we developed an operating program and guidelines as well so that we could give proponents clear direction around this is what we're looking for from this program - these are what we're looking for in terms of performance when you submit your evaluations to us in your reporting. I know at least one of the programs, the Forest Nova Scotia program - this was before my time, so I'm going back in history a little bit here. There wasn't a clear agreement for that program, so we developed a clear agreement so that they knew up front this is what we're looking for in terms of meeting the performance indicators when you submit your evaluation reports or annual reports to us.

It's really a process, and it has to be iterative as the demands of government may change. We do everything from funding for silviculture to now, with our Energy and Mines group, we're also, of course, providing funding to Efficiency Nova Scotia and the Clean Foundation for very different types of programs and scholarships to individuals in the mining groups. It really has to be what works for the intent of the program and the proponents that will be accessing it.

THE CHAIR: Mr. MacDonald, you have a minute and a half. I misspoke earlier, it's 10:43 a.m.

JOHN A. MACDONALD: No problem, Madam Chair. Back to the deputy minister: what do regular evaluations of your programs look like, and how often do you do them?

KAREN GATIEN: Just for clarification, are you talking about the evaluation of the funding we give to an organization or the overall grant program?

JOHN A. MACDONALD: Overall grant program.

KAREN GATIEN: Because we just did the nine, I guess it is, from the previous Natural Resources and now we're moving to Energy and Mines - this will be the first go-through for those.

Obviously, every year we look at the evaluation reports - or the annual reports, depending on the organization. When they provide those to us at the end of their period of time, if there is something we notice that isn't quite working, of course we would review it, but at this point, we're going to try to go through everything. Then I would expect putting it on a cycle of a three-to-five - I think somebody mentioned before we could put it on a cycle - maybe a three-to-five-year period to say, okay, let's revisit this, and that will always depend on government priorities of course. If they were to change, we would have to look at things differently.

THE CHAIR: Order. The time for questioning has elapsed. Do any of the deputy ministers have any closing remarks they would like to make?

JUSTIN HUSTON: Since I've talked so much today, I think I'll just talk a little bit more. One thing that I didn't mention earlier and I thought it might come up in questions - I want to emphasize that we take the OAG's recommendations seriously. We've completed one of the four, but we're on track to finish all of them by the end of this fiscal year. We're well under way and I think we would have been finished either a year or two ago had COVID-19 not hit.

I just wanted to report that we are on track. We accept all the recommendations and we're going to be making those changes to come into compliance with those recommendations by the end of the fiscal year.

KELLIANN DEAN: I'd just like to thank you all for the questions because you have raised some other ideas that we can use as we finalize the policy. It's been very helpful for us. We're always grateful for input, and the departments will be providing us with further input, and we aim to finalize this policy by the end of the calendar year, so thank you.

KAREN GATIEN: Just not to repeat again but thank you very much for your questions. I found them personally very helpful, too, as I'm relatively still new to the file. As we go through the process of reviewing the additional programs, your comments, your questions will be of great help to me, so thank you very much.

THE CHAIR: Thank you to all of our witnesses here this morning. Thank you so much for your answers, and you are free to leave. We'll just carry on with committee business. Thank you very much, good to see you again, take care.

TREVOR BOUDREAU: Just while the witnesses are leaving, could we take, maybe, a three-to-five minute recess?

THE CHAIR: We can - three minutes? Okay.

[10:45 a.m. The committee recessed.]

[10:48 a.m. The committee reconvened.]

THE CHAIR: Order. We will now move into the committee business portion of our meeting. My understanding is that a motion has been distributed. Ms. Leblanc.

SUSAN LEBLANC: I'd like to move that Kendra Coombes, the member for Cape Breton Centre-Whitney Pier, have the ability to attend Public Accounts Committee meetings virtually two times per month, and while attending virtually, be allowed to vote on motions and be counted toward the quorum in the room. This would continue for the period in which she is nursing her new baby.

THE CHAIR: I just want to note that if any of those meetings are in camera, they normally take place over in the committee meetings. They have some problems with doing a hybrid meeting, I think. We'll double check that, but I just wanted to lay that out there. That's the only caveat that I see as a problem.

Is there any discussion on this particular motion? No discussion.

All those in favour? Contrary minded? Thank you.

The motion is carried.

Now we will move along to correspondence. Previously, our crack clerk has distributed six pieces of email to us - I think on three occasions she has sent them out: correspondence from the Department of Environment and Climate Change, information requested from the June 15<sup>th</sup> meeting; from the Office of the Auditor General, 2021-22 Performance Report and 2022-23 Business Plan; from the Department of Justice, information requested from the May 25<sup>th</sup> meeting; the North End Community Health Centre, information requested from the May 11<sup>th</sup> meeting; from the Department of Municipal Affairs and Housing, information requested from the June 29<sup>th</sup> meeting; and from the Department of Municipal Affairs and Housing, information requested from the March 2<sup>nd</sup> meeting.

Is there any discussion about the correspondence that has been received? Hearing none, we will take all of that information into account.

Now we have a couple of items on the agenda as well. In addition to the ongoing training that's been provided by the Auditor General, the Canadian Audit and Accountability Foundation is also available to provide training. I think those of us who attended the conference in Ottawa this past week heard that a number of jurisdictions have

availed themselves of this particular training, and we had previously discussed having a training session with the CAAF but decided to wait until the committee had been operating for some time.

At present, October 19<sup>th</sup>, October 26<sup>th</sup>, and November 2<sup>nd</sup> have no meetings scheduled, so one of these dates is available to provide training to the committee. Would folks like to have that training, or are there any concerns? Any discussion?

SUSAN LEBLANC: I just want to say, as someone else who did go to the national conference in Ottawa, that I am fully excited by the CAAF and fully support the idea of them coming for training. It would be awesome if we were in the room with them, if that was possible. I think that would be more effective.

I will just note that - well, maybe I shouldn't, I don't know if that was an in-camera discussion or whatever, but whatever. There's a move afoot for there to be opportunities for yearly training, in fact, from the CAAF, and I think that we would benefit from a yearly meeting with them. I would even think that it would be great if we had more than two hours, like if we could do a more substantial thing.

THE CHAIR: We will have a further conversation with CAAF and find out how long their training lasts when they come down to do that kind of thing.

JOHN A. MACDONALD: I'm in agreement. The only thing is I'd prefer if it wasn't November 2<sup>nd</sup>. I've got something that morning.

THE CHAIR: So not November 2<sup>nd</sup>, but the 19<sup>th</sup> and 26<sup>th</sup> are good for you.

JOHN A. MACDONALD: Yes, ma'am. Thank you.

THE CHAIR: All right. I guess I'll just ask that the members signify by saying Aye that they're open to further training with the CAAF, but not on November 2<sup>nd</sup>. Thank you.

Does the committee wish to set up another training session with the Auditor General to continue our work that we started on the issue of statement of purpose, et cetera? I'm open to hearing some discussion about that.

MELISSA SHEEHY-RICHARD: Just from being on the conference and some of the discussions that were held, I would think that maybe our training with the CAAF might be good to do that first, and then if we could have them in on the 19<sup>th</sup>, and then I don't know if we want to do it back to back, but it might work out better.

NOLAN YOUNG: I don't know if this is a possibility, but the sooner the better would be good, especially with everyone coming back with information and stuff from the conference in Ottawa. I would like to see if there's any possibility to have a training session

sooner than later, especially as we're going down agenda-setting. I think it would be a good opportunity for us to look at some of the topics there and see if they fit within the mandates and the purpose of the PAC.

THE CHAIR: I'm hearing that Mr. Young would like it to be sooner rather than later. Ms. Langille.

KIM LANGILLE: Do you mean other than those two dates that the CAAF are coming? Before that, or after? We're talking about the AG situation now.

NOLAN YOUNG: Is our next meeting that an in-camera meeting to review a report? Perhaps there's opportunity within that time to discuss a training session as well. Just throwing that out there. I don't know anybody's schedule. I see nods over there.

THE CHAIR: In terms of our next meeting - not next week, but the week after - it is a meeting with the Auditor General, so she will have released it the day before, and then we have our next meeting with her. We could piggyback on the back of that for further training with the Auditor General - sorry, not further training - further discussion of the statement of purpose et cetera. Are members in favour of that - that would be September 21<sup>st</sup>?

All those in favour? Contrary minded? Thank you.

The motion is carried.

And I realize I didn't ask for contrary minded on the last vote, but everybody said "Aye," so that's why I didn't. Just so you know.

With that said, surprise, surprise - our next meeting date is September 21<sup>st</sup>. It's in camera with the Office of the Auditor General to discuss the 2022 Report of the Auditor General regarding healthy eating in schools.

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

[The committee adjourned at 10:57 a.m.]