

October 22, 2021

Undertaking #7

Corporation to advise as to the amount by which the current forecast budget for compensation is overstated, given the Corporation's current vacancy level.

RESPONSE:

In its current budget/forecast for 2021/22, MPI includes vacancy allowance of \$8.3M. The vacancy allowance is reflected within the forecasts as a deduction against compensation, is properly captured in forecasts and is therefore not overstated. MPI includes the vacancy allowance to account for positions that it anticipates will remain open in the forecast year.

Vacancies arise because:

- the collective agreement requirements to post unionized positions internally, which creates internal movement within various unionized positions as employees change roles;
- of lateral changes/promotion of current employees creating natural vacancies;
- of a significant amount of retirements that impact vacancies (approximately 28% of MPI employees that can retire within the next three years);
- short term disability leaves create vacant positions until the respective employees return; and
- of difficulties in procuring external employees for technical positions.

On a corporate basis, there are 159 vacancies for the month ended September 30, 2021, of which 100 positions are in the recruitment phase. Current vacant positions represent an overall vacancy, as a percentage of total budgeted staff, of 7.8% (and 2.9% when factoring in recruitment), which are reasonable and expected.