Strategic Plan

2026-2029

Finance

Newfoundland & Labrador

MESSAGE FROM THE MINISTER

As Minister responsible for the Department of Finance, I am pleased to present my department's 2026-2029 Strategic Plan. This plan covers a three-year timeframe from April 1, 2026 to March 31, 2029.

In accordance with the **Transparency and Accountability Act**, the Department of Finance has prepared this strategic plan, which sets out the goals and objectives to be met during the 2026-2029 time period. It was developed in accordance with the applicable legislation and guidelines, and takes into account the strategic directions of Government, the department's mandate and current budget as per the 2026 Estimates document.

Since joining the department in the fall of 2025, I have been consistently impressed by the team's enthusiasm, professionalism, and depth of knowledge. I am very much looking forward to working alongside them to advance these initiatives over the 2026–2029 period, and I am proud of the strategy outlined in this plan. I know that, by working together, we can achieve our government's objective of creating a stronger, more resilient Newfoundland and Labrador.

My signature below attests to my accountability for the preparation of this plan and for achievement of its goals and objectives.

Sincerely,

Craig

Hon. Craig Pardy
Minister of Finance

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Overview

Mandate

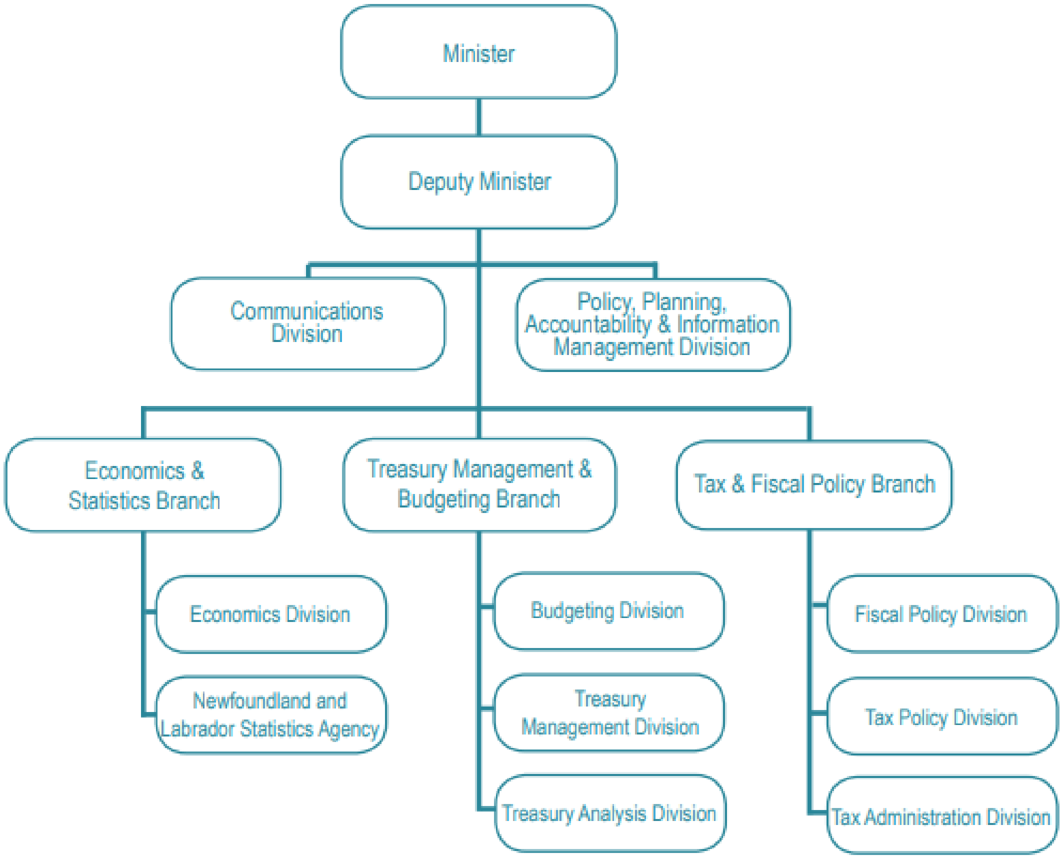
The Department of Finance is responsible for the development of fiscal, financial, statistical, and economic policy. These responsibilities are primarily achieved by providing timely analysis and advice to Cabinet, the Committees of Cabinet, government departments, and agencies, boards, and commissions (ABCs). The Department is responsible for the development and oversight of the annual provincial budget, administration of provincial tax statutes, management of provincial borrowing and debt, project analysis, economic and fiscal forecasting, negotiation of Federal transfers, and representing the Province on national fiscal, economic, and statistical matters. Additional information is available on the Department's website at: www.gov.nl.ca/fin.

Structure and Budget

The Department is primarily located in the Confederation Building, East Block, with other office locations in Corner Brook, Grand Falls-Windsor, and 5 Mews Place in St. John's. Contact information is available online at: www.gov.nl.ca/fin

As per the 2026 Budget Estimates, the total budgeted net expenditure for the Department for the 2026-27 fiscal year is $27,134,900. Included in departmental appropriations is $40,000,000 for the funding of Federal Programs. These funds are transferred during the fiscal year to departments and crown agencies for various initiatives, which are fully funded by Government of Canada.

On March 31, 2026, the Department had 135 employees. At that time, approximately 50 percent of employees were female and 50 percent were male. Staff are allocated across the following branches and divisions:



Lines of Business

The primary lines of business of the Department are as follows:

- Supporting Government's provincial revenue and expenditure planning processes;
- Providing economic and treasury impact analysis for major projects;
- Analyzing and forecasting the macroeconomic environment;
- Conducting statistical research, analysis and data development;
- Supporting the analysis, updating and negotiation of Federal transfer programs;
- Management of the Province's borrowing and debt servicing programs, including cash management and the investment of sinking fund and future fund assets; and
- Policy analysis and advice, administration and audit of various provincial taxes, rebates and credits.

Vision

The vision of the Department of Finance is of a sustainable financial management framework that supports a vibrant, self-reliant provincial economy and prosperous people.

Primary Clients

The Department of Finance plays a unique role within the Government of Newfoundland and Labrador. It serves not only as a central agency, offering supportive financial, economic and statistical services to Government departments and agencies; but also as a front-line delivery department, dealing directly with both personal and corporate/business tax filers, and community interest groups. Within this context, the Department has identified its primary clients as follows:

- Cabinet and the Committees of Cabinet
- Provincial Government Departments and Crown Agencies
- House of Assembly and its Members
- Business Community
- Municipal Governments/Consolidated Communities
- Economic/Statistical Agencies
- General Public
- Taxpayers
- Community Groups/Special Interest Groups/Not-for-Profit Groups

Additionally, the Department takes a collaborative approach to efficiently fulfilling its mandate and delivering its services. As such it works closely with such stakeholders as professional accounting organizations, post-secondary institutions, other jurisdictions, and the financial institutions.

Strategic Issues

Strategic Issue 1: A Plan for Lower Taxes

The Government of Newfoundland and Labrador is committed to improving the overall quality of life for residents by making everyday living more affordable. The 2025 Election Platform, *For All of Us*, focused on three pillars: better healthcare, lower taxes, and safer communities.

The principal function of the tax system is to raise revenues necessary to fund government programs and services. This is offset by tax credits and incentives which are designed to encourage economic growth in strategic areas. The tax system can also be used as an instrument of policy that serves to advance a wide range of economic, social and other public policy objectives.

It is the responsibility of the Department of Finance to analyze taxation policies and administer provincial tax statutes, and through this strategic planning cycle, the Department will lead the analysis of ways the tax system can support affordability. The Department will also work with departments and entities to review all government fees. This review will determine whether current fees are set at appropriate levels, are not considered a barrier to economic development, and continue to serve a public purpose.

The following goal and annual objectives have been established.

Goal

By March 31, 2029, the Department of Finance will have undertaken a comprehensive review of the provincial tax system and, where directed, implemented tax relief measures to improve affordability.

Goal Indicators

- Completed a review of government fees with the goal of removing unnecessary fees.
- Implemented targeted tax relief measures to improve affordability for residents and businesses.
- Completed an indirect tax review to recover possible overpayments.

Objective 2026-2027

By March 31, 2027, the Department of Finance will have initiated the review of the provincial tax system and implemented priority measures to improve affordability.

Indicators

- Consulted with all departments and entities to complete an inventory of all government fees.
- Analyzed the implications of proposed changes to existing taxation policies and implemented priority tax relief measures.
- Initiated the procurement process required for the indirect tax review.

Objective 2027-2028

By March 31, 2028, the Department of Finance will have progressed its review of the provincial tax system and completed the indirect tax review.

Objective 2028-2029

By March 31, 2029, the Department of Finance will have completed its review of the provincial tax system, implementing targeted tax relief measures where directed.

Strategic Issue 2: A Plan for Effective Borrowing

The Department of Finance is responsible for the effective management of the public treasury - ensuring the government has the money it needs, when it needs it, at the lowest cost and within an acceptable level of risk. When the amount of money required to fund programs and services is projected to exceed revenues, the Province uses borrowing to cover the difference. Funds are raised by issuing short-term Treasury Bills or long-term bonds, which are sold to investors in capital markets. At the beginning of the 2026-2029 planning cycle, the Province's borrowing and debt servicing programs totaled over $24 billion.

Reducing the public debt is a long-term challenge that will require long-term planning. The Government of Newfoundland and Labrador is committed to a reasonable and responsible approach that prioritizes people today, while securing Newfoundland and Labrador's future. Reliance on debt is the current economic reality, and the Department of Finance will ensure there is a plan to borrow effectively and create the conditions necessary for future fiscal prosperity.

The following goal and annual objectives have been established.

Goal

By March 31, 2029, the Department of Finance will have improved treasury management, ensuring the province is able to borrow effectively and incur the lowest cost of borrowing.

Goal Indicators

- Recommended amendments to the Future Fund Act to reduce borrowing requirements.
- Completed a banking syndicate review to improve transparency and results of bond issuances.
- Expanded the provincial borrowing program to provide flexibility amid uncertainty in international markets.

Objective 2026-2027

By March 31, 2027, the Department of Finance will have advanced legislative changes to reduce borrowing requirements and reviewed the investment policies of departmental entities.

Indicators

- Supported the progress of amendments to the Future Fund Act through the House of Assembly.
- Advanced changes to Newfoundland and Labrador Future Fund investment policy to align with legislative amendments.
- Reviewed the investment policy of the Newfoundland and Labrador Government Sinking Fund with the goal of optimizing investment returns.

Objective 2027-2028

By March 31, 2028, the Department of Finance will have completed a banking syndicate review and identified adjustments to the bond allocation for new bond issuances.

Objective 2028-2029

By March 31, 2029, the Department of Finance will have diversified the province’s investor base and enhanced access to borrowing opportunities.

Strategic Issue 3: A Plan for Improved Processes

The Government of Newfoundland and Labrador is committed to fiscal responsibility, thoughtful decision-making, and spending smarter. As the department responsible for the development and oversight of the annual provincial budget, the Department of Finance plays an important role in ensuring government meets this commitment. The Budget process is consultative and collaborative, requiring significant work and input from many stakeholders. The Department must ensure its processes are modern, accurate, and aligned with decision-making needs, in order to best serve the people of the province.

In his Mandate Letter, the Premier has set an expectation that all Ministers will exercise fiscal responsibility with a steadfast focus on results. Undertaking an assessment of existing processes and seeking external feedback will allow the Department to capitalize on opportunities for continuous improvement and support evidence-based fiscal decisions. In addition, the Department will engage with clients to expand the collection and distribution of economic, social, and demographic data in targeted program areas, further supporting data-driven decision-making across Government.

The following goal and annual objectives have been established.

Goal

By March 31, 2029, the Department of Finance will have modernized financial and data management processes to improve accuracy, transparency, and decision-making.

Goal Indicators

- Completed a review of the budget process with the goal of improving forecasting methodologies.
- Modernized manual or outdated business processes to increase departmental efficiency.
- Provided additional data support to improve interdepartmental collaboration on program and service delivery.
- Supported the implementation of fiscal responsibility initiatives.

Objective 2026-2027

By March 31, 2027, the Department of Finance will have initiated key activities to improve and modernize forecasting, data management, and internal business processes.

Indicators

- Aligned budgetary reporting with updated accounting standards.
- Collaborated with the Office of the Chief Information Officer on application modernization priorities.
- Developed additional database layers and provided data from the Community Infrastructure Mapping System in support of emergency services program delivery.

Objective 2027-2028

By March 31, 2028, the Department of Finance will have implemented targeted improvements to forecasting, data management, and business processes.

Objective 2028-2029

By March 31, 2029, the Department of Finance will have integrated modernized processes into departmental operations.

Annex A – Strategic Directions

Strategic directions are the articulation of a desired physical, social or economic outcome that would normally require action or involvement of more than one government entity. The **Transparency and Accountability Act** requires that the strategic direction of the government entity's mandate is to be communicated by the responsible Minister. This facilitates the integration of planning practices across government. The strategic directions for the Department of Finance are identified for the 2026-2029 cycle.

Strategic Direction #1: A Plan for Lower Taxes

Outcome: The tax system is used to support affordability measures that improve the overall quality of life for residents by making everyday living more affordable.

This outcome supports the policy direction of the Department of Finance and will require focus in the following areas:

- Removing any unnecessary government fees.
- Analyzing the implications of possible changes to existing taxation policies.
- Implementing priority tax relief measures.

Strategic Direction #2: A Plan for Effective Borrowing

Outcome: The public treasury is managed effectively at the lowest cost of borrowing.

This outcome supports the policy direction of the Department of Finance and will require focus in the following areas:

- Amending legislation to reduce borrowing requirements.
- Maximizing investor interest in provincial bond issuances.
- Optimizing sinking fund investment returns.

Strategic Direction #3: A Plan for Improved Processes

Outcome: The Department of Finance is better able to serve the public with improved forecasting and modernized business processes.

This outcome supports the policy direction of the Department of Finance and will require focus in the following areas:

- Assessing existing methods and seeking feedback for improvement.
- Modernizing manual or outdated processes.
- Supporting fiscal responsibility initiatives.