

2025-2026

Annual Report

Finance





MESSAGE FROM THE MINISTER

As Minister of Finance, I am pleased to present the Department of Finance's 2025-26 Annual Performance Report. Prepared in accordance with the **Transparency and Accountability Act**, this report outlines the department's performance and compares actual results to the commitments identified in the 2023-2026 Strategic Plan. My signature below attests to my accountability for the results reported herein.

The Department of Finance plays a critical role in supporting a strong, sustainable future for Newfoundland and Labrador. Throughout the 2025-26 fiscal year, the department continued to advance key priorities focused on improving the province's fiscal situation through smarter spending, supporting the economy, and strengthening long-term fiscal sustainability across government. These efforts help ensure we can continue to invest in the programs and services people rely on while building a stronger province for all of us.

I would like to thank the staff of the Department of Finance for their ongoing commitment to public service and their work in supporting sound financial management on behalf of the people of Newfoundland and Labrador. Their expertise, professionalism and efforts are unmatched and help position the province for continued growth, stability, and opportunity for all of us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Craig Pardy'. The signature is fluid and cursive.

Hon. Craig Pardy
Minister of Finance

Table of Contents

Departmental Overview	1
Highlights and Partnerships	2
Highlights	2
Partnerships	2
Report on Performance	4
Issue #1: Financial Health and Well Being	4
2023-26 Goal and Indicators	4
2025-26 Objective and Indicators	7
Issue #2: Evidence-Based Decision Making	10
2023-26 Goal and Indicators	10
2025-26 Objective and Indicators	13
Issue #3: Strengthening Financial Capacity	16
2023-26 Goal and Indicators	17
2025-26 Objective and Indicators	20
Opportunities and Challenges	23
Financial Information	25

Departmental Overview

The Department of Finance (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. Additional information, including contact information and the 2023-26 Strategic Plan, is available on the Department's website at www.gov.nl.ca/fin.

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

Branch	# of Employees	Budget (\$)
Economics and Statistics	30	3,805,500
Tax and Fiscal Policy	67	10,110,900
Treasury Management and Budgeting	22	2,570,200
Executive Support and Administration	16	2,046,100
Total Executive and Support Services	135	18,532,700

The Department's Executive and Support Services budget for 2025-26 fiscal year was \$18,532,700. The total budgeted net expenditure for the Department was \$34,132,700, which includes \$15,600,000 for government rebate programs. Please refer to the last page of this report for detailed information on the Program Expenditure and Revenues of the Consolidated Revenue Fund for the year ended March 31, 2026 (unaudited).

Highlights and Partnerships

Highlights

The Department would like to highlight the following accomplishments for the 2025-26 fiscal year.

- To support residents facing rising costs, the Department extended the seven cents per litre reduction on gasoline and diesel taxes and implemented legislation to permanently reduce the provincial tax on gasoline and diesel. These actions helped maintain some of the lowest fuel taxes in the country, supporting residents through ongoing pressures caused by the rising cost of living.
- Eliminated the Sugar Sweetened Beverage Tax, working closely with wholesalers and retailers to support a smooth transition and minimize administrative impacts. The first reading of the amendment to the **Revenue Administration Act** in the House of Assembly was on March 3, 2026, and the Bill received Royal Assent on June 2, 2026. The tax reduction formed part of government's broader affordability efforts, building on targeted initiatives to reduce costs for individuals and families throughout Newfoundland and Labrador.
- The Minister represented Newfoundland and Labrador at the Federal, Provincial and Territorial Finance Ministers' Meeting in Ottawa in December 2025, contributing to discussions on economic growth, trade challenges, interprovincial trade, housing, infrastructure investment, and fiscal priorities. This engagement supported collaboration with federal, provincial, and territorial partners on matters influencing Newfoundland and Labrador's economic growth, fiscal sustainability, and long-term prosperity.

Partnerships

The following are examples of how the Department worked with its internal and external partners during the 2025-26 fiscal year to address common priorities.

- In partnership with the Office of the Chief Information Officer, the Department initiated work to enhance government's survey capacity. This collaboration supports

more efficient engagement with survey participants and contributes to the ongoing modernization of data collection methods for government.

- Collaborated with the Department of Transportation and Infrastructure to support field-based geographic information system (GIS) data collection activities. This work will enhance the provincial road feature inventory and support the maintenance of accurate road network information.
- Collaborated with Statistics Canada to identify enhanced training opportunities for staff, supporting the development of internal capacity to use, interpret, and communicate data effectively.
- The 2025 Community Health Assessment survey for NL Health Services (NLHS) was undertaken to support the identification and understanding of community health needs across the province. Approximately 4,600 responses were received from residents across five health regions.
- Provided web-based application support to government departments including Forestry, Agriculture and Lands for Wood Cutting Permits Mapping and Forest Fire Hazard Mapping.
- Collaborating with Treasury Board Secretariat (TBS) of the Executive Council to collect and consolidate public sector employee payroll data. This annual process includes initiating data transfer from twenty public sector entities and integrating the data to establish a centralized data source to inform ongoing Government initiatives.

Report on Performance

Issue #1: Financial Health and Well Being

Budget 2023 focused on improving health – physical, mental, financial and economic.

The primary strategic issue of the Department for 2023-2026 reporting period is supporting the financial health and well-being of the Province, its businesses, and people.

The Government of Newfoundland and Labrador looks to the Department of Finance to lead the Government's strides towards a solid financial footing. The Department provides strategic leadership in provincial revenue and expenditure planning, which includes developing, implementing and monitoring fiscal government policies, as well as negotiating Federal transfer funding.

2023-26 Goal and Indicators

Goal: By March 31, 2026, the Department of Finance will have led measures that improve the financial health and well-being of the Province, its businesses, and people.

The following progress was achieved towards the performance indicators identified in the 2023-26 Strategic Plan:

Goal Indicator 1: Effective management of the province's debt ensuring the lowest cost of borrowing.

Throughout the reporting period, the Department:

- Strengthened investor relations, promoting the province's bonds as attractive investments in meetings with domestic and international institutional investors.
- Placed its first transaction in the European capital market, diversifying the province's investor base and providing opportunities to lower borrowing costs.

- Broadened the range of eligible investments for the Newfoundland and Labrador Government Sinking Fund and the Newfoundland and Labrador Future Fund to optimize fund performance.
- Implemented a proactive pre-borrowing strategy to ensure liquidity for upcoming debt maturities.
- Adopted a policy requiring all new long-term debt be issued with an associated sinking fund, ensuring that debt obligations are fully funded upon maturity.

Goal Indicator 2: Prudent fiscal governance including advising on measures to control spending and advocating for fairness in federal revenue.

Throughout the reporting period, the Department:

- Challenged and performed extensive analysis on additional spending requests to assess the reasonableness and potential impacts to government's fiscal forecast, human resources, etc.
- Supported departments and agencies to ensure appropriate allocation of expenditures through the annual Budget Process including zero-based budgeting submissions.
- Created a revised template for New Request Briefing Notes, requiring departments provide significantly more detail, the analysis of which will lead to better, more informed, budget decisions.
- Advocated for improvements to the Federal equalization formula that would result in additional revenue to the Province, including a constitutional challenge that was later withdrawn in favor of fostering a collaborative and constructive relationship with the federal government.
- Participated in the Revenue Allocation Sub-Committee to promote provincial interests in the allocation of Harmonized Sales Tax revenue to our province.

- Participated in Provincial and Territorial Finance Ministers meetings to discuss common priorities including: infrastructure funding; predictable and sustainable federal funding; economic growth and prosperity; and Canada-United States relations.

Goal Indicator 3: Supported business growth and prosperity through tax measures that address business needs and opportunities.

Throughout the reporting period, the Department:

- Increased the exemption threshold for the Health and Post-Secondary Education Tax from \$1.3 million to \$2.0 million, benefiting an estimated 1,694 taxpayers.
- Implemented the All-Spend Film and Video Production Tax Credit program in partnership with PictureNL. This credit, and the Film and Video Industry Tax Credit, supported 22 new projects in fiscal 2025, an increase of 69% from the prior year. Total tax credits issued in fiscal 2025 totaled \$13.1 million, representing an increase of approximately 23% from the prior year. Tax data for fiscal 2026 is not available at the time of this publication.
- Announced, in partnership with other departments, multiple initiatives to support small businesses including the Small Business Loan Guarantee Pilot Program, the Business Navigators Program, and the Harvester Enterprise Loan Program.
- Reduced the small business corporate income tax rate from 3 per cent to 2.5 per cent, benefiting approximately 6,200 small businesses.

Goal Indicator 4: Implemented and supported well-being measures that address the cost of living.

Throughout the reporting period, the Department:

- Introduced a 5 per cent increase to both the Income Supplement and Seniors' Benefit.

- Maintained measures to support the financial well-being of residents including: payments under the Home Heating Supplement Program to assist residents with the cost of furnace and stove oil; a 7 cent per litre permanent reduction of the tax on gasoline and diesel; and the permanent elimination of the 15 per cent retail sales tax on home insurance.
- Announced a provincial HST rebate to match Federal rebates on new purpose-built rental housing to improve availability of affordable housing.
- Assessed submissions for the Rental Housing Development Loan Program delivered by the Innovation and Business Investment Corporation, encouraging the construction of new rental housing.
- Introduced the Coastal Labrador Seniors' Food and Heating Supplement program, issuing payments to over 1,000 eligible residents in coastal Labrador communities.
- the Sugar Sweetened Beverage Tax, working closely with wholesalers and retailers to support a smooth transition and minimize administrative impacts. The first reading of the amendment to the **Revenue Administration Act** in the House of Assembly was on March 3, 2026, and the Bill received Royal Assent on June 2, 2026.
- Effectively eliminated the Sugar Sweetened Beverage Tax effective July 1, 2025, with legislation introduced in the House of Assembly in March 2026.

2025-26 Objective and Indicators

By March 31, 2026, the Department of Finance will have supported the implementation of short, medium and long-term solutions to improve financial health and well-being.

The following progress was achieved towards the Department's performance indicators of success:

Objective Indicator 1: Worked closely with Intergovernmental Affairs Secretariat on national trade discussions and efforts associated with United States tariffs and associated counter tariffs.

The Department worked closely with the Intergovernmental Affairs Secretariat to support Newfoundland and Labrador's participation in national trade discussions related to evolving Canada-U.S. trade issues. This included monitoring developments, evaluating potential impacts, and providing economic and fiscal analysis to inform provincial positions on U.S. tariff measures and associated Canadian counter-tariffs, as well as supporting federal-provincial-territorial engagement on trade policy matters.

The Department examined the potential effects of tariff measures on business costs, supply chains, consumer prices, labour market conditions, and broader economic growth to help inform government decision-making and strategic policy responses. The analysis supported the Province's understanding of potential risks to industries, public finances, and economic competitiveness arising from trade-related developments.

Objective Indicator 2: Ensured the people of the province are informed of the financial health of the province in advance of the provincial election.

Budget 2025 was delivered by the Minister of Finance on April 9, 2025. Given the fixed date for the general election was in September, more than three months past the date of the budget, the **Financial Administration Act** required a report on the financial state of the province be laid before the House of Assembly.

On August 18, 2025, the Minister of Finance tabled in the House of Assembly a brief presentation titled "Q1 Update 2025-26". In addition, the Department issued a news release regarding the financial state of the province, providing updates on key economic indicators, projected revenues, projected borrowing, and credit rating and outlooks.

Objective Indicator 3: Examined the landscape of financial literacy in the province and assessed the methods in which the Department communicates financial information to stakeholders.

The primary mechanism by which Newfoundlanders and Labradorians hear and learn about the financial landscape of the province is through the annual budget process and public communications products attached to it.

The department saw an opportunity with Budget 2026 to communicate the budget in a way that would appeal to the people of a province in a straightforward, easy-to-digest manner. For example, prior to each budget, the department undertakes a pre-budget engagement process. To appeal to residents, the process was branded, “Let’s Hear It!” – a phrase that was direct, with no doubt as to the goal of the project. The engagement website, questionnaire and engagement tactics, like public meetings, all took a very plain language approach to explaining the goals of the new government, what a budget is and what it would focus on. The Budget 2026 engagement process saw more engagement than the past three budgets combined.

The Budget 2026 website, videos and print materials were all written and reviewed with a plain language lens, as well. This approach will continue for future budgets.

Summary of Results

By March 31, 2026, the Department of Finance supported financial health and well-being by providing strategic economic and fiscal leadership, enhancing transparency and accountability in public financial reporting, and exploring opportunities to strengthen financial literacy. Through its support of national trade and tariff-related discussions, communication of the Province's financial position ahead of the provincial election, and review of financial literacy and financial communication practices, the Department helped inform government decision-making, supported public understanding of financial matters, and advanced sound financial management.

Collectively, these actions strengthened informed decision-making, improved transparency regarding the Province's financial health, and supported efforts to enhance financial literacy and resilience among Newfoundlanders and Labradorians.

Issue #2: Evidence-Based Decision Making

The Government of Newfoundland and Labrador is committed to improving access to accurate and unbiased information that supports evidence-based decision making.

Today's economy is one that is data driven. Industry publications are consistently reporting on the data economy and the exponential increases in the creation of data throughout the world. Emphasis is growing internationally on the importance of the unique role statistics agencies play in government to ensure accurate and unbiased information for evidence-based, transparent, and accountable decision-making.

The Economics and Statistics Branch (ESB) is the central point within government for the collection, management and distribution of economic, social, demographic, and fiscal data relating to Newfoundland and Labrador. The **Statistics Agency Act** ensures information collected is without influence, unobstructed, provided truthfully, and protected from disclosure as to ensure the integrity of the provincial statistical office and in the data it produces.

As government faces pressure to make decisions and deliver services faster than ever there is also a persistent focus to improve accountability and transparency in decision-making. The ESB's role in proving high-quality and timely data is critical for inclusive and unbiased policy research, monitoring and providing advice on the development of programs and services provided to the public and businesses. For government to be responsive to the needs of the province and its people, the ESB must anticipate decision-makers' need for statistical and economic data that is easily accessible, contextualized, and actionable.

2023-26 Goal and Indicators

Goal: By March 31, 2026, the Department of Finance will have improved the collection, development, and distribution of statistical and economic information to support evidence-based decision-making across departments.

The following progress was achieved towards the performance indicators identified in the 2023-26 Strategic Plan:

Goal Indicator 1: Provided statistical and economic data and analysis to support the design and delivery of Government programs and services.

Throughout the reporting period, the Department:

- Developed domain-specific presentations on the major contributors to well-being to support the implementation of the provincial Health Accord.
- Fulfilled custom data requests for departments and agencies including electric and hybrid vehicle registration data, a moose collision hotspot analysis to guide decisions on wildlife fencing, as well as an ArcGIS portal application mapping road networks and motor vehicle collisions.
- Completed requests for demographic insights on the LGB population of the 2SLGBTQIA+ community, poverty-related data relating to persons with disabilities, and family income distribution data for insights into housing requirements.
- Completed targeted surveys to inform key policy and program decisions in areas such as Agriculture, Fish Processing, Community Health, Nutritious Foods, Injured Workers, Immigration and Ecological Reserves.
- Delivered presentations to support departmental priorities and initiatives across various sectors including regional demographic and prosperity profiles and a housing needs gap assessment for the Newfoundland and Labrador Housing Corporation.

Goal Indicator 2: Updated methodologies to reflect the changing demographics and economic environment of the Province

Throughout the reporting period, the Department:

- Developed a new methodology to estimate future populations at the community level, providing analysts with additional detail to better inform decision making.
- Reviewed the methodology for the NL Market Basket Measure (MBM) to ensure the components are as current as possible and that it is aligned with the national MBM where appropriate.
- Worked with Statistics Canada to finalize an agreement for participation in a pilot project exploring remote access to census microdata. This collaboration will help assess opportunities to improve access to detailed census information in support of more timely analysis and responses to policy questions.

Goal Indicator 3: Improve access and interpretability of data-driven evidence to inform policy development and public service delivery.

Throughout the reporting period, the Department:

- Provided training and increased awareness to officials across government and government entities on the existing data systems such as Community Accounts.
- Updated the visuals for Community Accounts to improve the interface and modernize graphics, improving the user experience.
- Identified gaps in the statistical system through consultations and collaboration with departmental officials.
- Addressed gaps with additional support for the province's data requirements under the National Action Plan to End Gender Based Violence, and additional data and support to spatially analyze 20 years of forest fire data.
- Broadened the dissemination of key data and indicators to external stakeholders including community household digitization data to support the implementation of Next Gen 911; a review of all Designated Places in Newfoundland and Labrador in preparation for the 2026 Census in collaboration with Statistics Canada; and a spatial analysis of used oil drop-off locations was conducted for the Atlantic Used Oil Management Association.

Goal Indicator 4: Assessed infrastructure capacity and skills requirements to accommodate exponential data growth and modernization of data collection models.

Throughout the reporting period, the Department:

- Consulted with departmental officials to assess data and information needs, identifying statistical gaps to inform future planning and resource requirements.
- Began work to restructure the current Voxco data collection system to support more efficient upgrades, faster access to modernized features and improved long-term system sustainability.
- Identified skill and technology gaps to support increased use of modern data analysis techniques, including data visualization, geographic analysis, administrative data integration and advanced analytical tools.
- Completed an internal management assessment of capacity within the Newfoundland and Labrador Statistics Agency which helped identify operational pressures, future skill requirements and priority areas for resource planning.
- Undertook recruitment and staffing efforts, supporting the Department's ability to maintain core services and respond to growing demand for data products and analysis.

2025-26 Objective and Indicators

By March 31, 2026, the Department of Finance will ensure that Government has key social and economic data and information for policy and program development by continuing to develop innovative ways to ensure that data is easier to access, share and use.

The following progress was achieved towards the Department's performance indicators of success:

Objective Indicator 1: Completed a jurisdiction scan of data collection models and implemented initiatives supporting the modernization data collection methods.

The Department advanced efforts to modernize data collection methods by engaging with Statistics Canada and other jurisdictions to identify leading practices in survey administration, statistical service delivery, and multi-mode data collection. Discussions with Statistics Canada provided insight into call centre infrastructure, survey operations, and approaches that could strengthen the collection of social and economic data. The Department also initiated outreach with Manitoba, British Columbia, and Yukon to better understand current approaches to data collection and the delivery of statistical services.

In support of continuous improvement, the Department participated in discussions with Voxco users from academic and public sector organizations to explore practical opportunities for system enhancement and future planning. The Voxco data collection system was also updated to ensure government had access to the latest functionality and tools for data collection.

Objective Indicator 2: Expanded platforms used to disseminate data in more comprehensive and interactive formats.

The Department continued to expand the use of digital platforms to improve the accessibility and presentation of social and economic data. An ArcGIS Elections dashboard was developed in collaboration with the Office of the Chief Information Officer and Elections NL to support provincial election-related mapping and data visualization, demonstrating the application of geospatial tools for public information and operational decision-making; supporting the dissemination of provincial election results as they were officially reported. Community Accounts was also enhanced through the addition of new data visualizations, improving access to community, regional, and provincial social and economic indicators.

The Department further advanced the use of Power BI as a tool for presenting data in interactive formats and supporting internal analysis and reporting. In addition, the provincial expansion of the Community Data Consortium increased access to community-level data and information, providing government and partners with a broader range of data to support policy, program, and planning activities.

Objective Indicator 3: Assessed capacity requirements to accommodate data growth and the modernization of data collection and analysis.

The Department assessed operational and resource requirements needed to support continued growth in data collection, analysis, and information management. Work began to restructure the Voxco data collection system to support more efficient upgrades, improved access to modernized features, and long-term system sustainability. The Department also identified skill and technology gaps related to data visualization, geographic analysis, administrative data integration, and advanced analytical tools to better understand future capacity needs.

Opportunities were explored to improve efficiency while maintaining data quality, privacy, and the responsible use of information. Work also continued on remote sensing and household digitization initiatives to support geospatial and address-based data development.

An internal management assessment of capacity within the Newfoundland and Labrador Statistics Agency identified operational pressures, future skill requirements, and priority areas for resource planning. Recruitment and staffing efforts within Community Accounts and the Social and Economic Spatial Analysis unit helped support service delivery and address growing demand for data products and analysis. The Department also developed automation and programming processes to improve the efficiency of data downloading, processing, and analysis activities.

Summary of Results

By March 31, 2026, the Department of Finance strengthened government's capacity for evidence-based decision-making by advancing the modernization of data collection methods, expanding access to social and economic data through enhanced visualization and dissemination tools, and assessing the capacity, skills, and technologies required to meet growing data demands. These efforts supported more effective access to, management of, and use of information for policy and program development across government.

As a result, the Department enhanced its ability to provide timely, accurate, and relevant data and information, supporting transparent, accountable, and evidence-based decision-making and helping government respond to the evolving needs of the province, its businesses, and its people.

Issue #3: Strengthening Financial Capacity

To meet the Department's vision of a sustainable financial management framework that supports a self-reliant provincial economy, there must be long-term strategies in place that encourage strong financial decisions at every level of government and instill confidence in the public over the stewardship of public funds.

The budget preparation process is one which is integrated, collaborative, and consultative. While the Department is responsible for providing leadership and strategic direction through this process, Government relies on financial professionals in every department to provide the financial expertise and advice necessary to support government operations and decision-making. For this collaboration to be effective, the Department must ensure the budget process not only supports the needs of the Department, but also the needs of the users outside the Department. Information must be presented clearly and at the level of the user, and users must be trained to understand their responsibilities.

This is especially important given the recruitment of qualified individuals for roles requiring high levels of financial competency has been challenging. Financial expertise is in high demand across departments and current workforce demographics, job competitions for financial management roles have increasingly proceeded to external advertising to attract talent from a broader applicant pool. Strengthening financial competency throughout Government will help build this desired expertise and lay the groundwork for the succession planning needed to effectively manage public funds in the future. To that end, the following goal and annual objectives have been established.

2023-26 Goal and Indicators

Goal: By March 31, 2026, the Department of Finance will have developed methods and implemented changes to improve long-term financial competency within Government departments.

The following progress was achieved towards the performance indicators identified in the 2023-26 Strategic Plan:

Goal Indicator 1: Increased number of self-identified financial professionals in the public service.

Throughout the reporting period, the Department:

- Consulted Departmental Controllers throughout government on positions in their departments that were financially focused, with 97 positions identified in 2023.
- Working from this listing, the Department encouraged the group to share professional development opportunities with their team members and the Department reached out to financial professionals in non-financial roles through their membership in other groups and associations.

- Increased the number of employees invited to the professional development training for financially focused employees from 150 in May 2023 to 180 in December 2025, an increase of 20 per cent.

Goal Indicator 2: Relevant professional development opportunities for financial professionals in the public service are provided regularly.

Throughout the reporting period, the Department:

- Evaluated its approach to delivering professional development to ensure the methods undertaken best engaged the target employees.
- Adjusted the scheduling of the sessions and changed the virtual platform used to make attending the sessions more convenient and collaborative.
- Offered 40 professional development sessions for financial professionals over the three-year period. Sessions covered a wide range of topics including internal trade, professional ethics, fiscal and economic updates, cyber security, fraud management, and annual updates on the Public Sector Accounting Board Standards.
- Engaged a significant percentage of the target employees in professional development training with two thirds of invited employees attending each session and over 85 per cent attending at least one of the three presentation sessions held during each fiscal year.

Goal Indicator 3: Annual budget process has been reviewed and improved to better inform funding decisions.

Throughout the reporting period, the Department:

- Created, and provided to departments, a revised template for New Request Briefing Notes which aids Budget Analysts in the financial analysis of the request and departments in their budget submission preparation process.

- Enhanced the analytical review of budget initiatives by highlighting the deficit and borrowing impacts to the Province, the department's ability/inability to fund the initiative from within existing budget allocations, and if the initiative is in line with the strategic goals of the submitting department.
- Consulted with departments in advance of the normal budget process timelines to discuss financial pressures with Finance Executive.
- Reviewed and re-evaluated the budget process through the lens of users outside the Department, incorporating feedback received at various stages of the budget process, and ensuring that the department's needs were addressed.
- Increased the amount of time departments were given to respond to feedback and information requests, ensuring communications from the Department were understood by the people for whom they were intended.

Goal Indicator 4: Formalized training offered by the Department for executives across Government regarding their role in budget process.

Throughout the reporting period, the Department:

- Reviewed and evaluated opportunities for growth in existing education and training offerings.
- Engaged with the Public Service Commission and assigned a subject matter expert to the development of the curriculum on the annual budget process, including the identification of skill gaps and learning priorities.
- Provided executive training sessions and sessions to financial professionals across government on key topics including legislative budget proceedings, public sector accounting updates, and the Public Accounts.

Goal Indicator 5: Collaborated with Treasury Board Secretariat and the Public Service Commission on the recruitment and retention of financial professionals.

Throughout the reporting period, the Department, in partnership with Treasury Board Secretariat and the Public Service Commission:

- Developed a competency profile for Departmental Controllers to guide learning programs and link employee development to the critical knowledge, skills, and behaviors needed for employees to be successful.
- Conducted an eligibility list competition for Departmental Controllers to identify candidates who possess the desired competencies and to identify potential candidates who can become strong candidates in the future.
- Reviewed the accountabilities and qualifications of 23 departmental position descriptions to improve alignment between resources and departmental lines of business.
- Supported recruitment through the hiring of summer students, co-operative education students, Chartered Professional Accountant (CPA) candidates, and recent graduates, helping to build a pipeline of future financial professionals and support succession planning within government.

2025-26 Objective and Indicators

By March 31, 2026, the Department of Finance will have advanced efforts to improve the recruitment and retention of financial professionals.

The following progress was achieved towards the Department's performance indicators of success:

Objective Indicator 1: Reviewed the accountabilities and qualifications of departmental position descriptions and modified where required.

With support and advice from Treasury Board Secretariat, the Department reviewed its organizational structure and implemented changes to better align divisional responsibilities and reporting relationships with operational needs. These changes did not alter the Department's mandate, rather, they improved alignment between resources

and departmental lines of business. As part of this work, 23 position descriptions were reviewed and updated to reflect revised accountabilities and qualifications and subsequently submitted for classification review.

Objective Indicator 2: Worked with the Public Service Commission to ensure Selection Boards can adequately assess financial literacy.

The Department worked with the Public Service Commission to strengthen the assessment of financial literacy in recruitment processes by increasing the number of Selection Board Chairs in the Department available to support hiring competitions. A Selection Board Chair represents the Public Service Commission and is responsible for ensuring recruitment processes are conducted fairly, consistently, and on the basis of merit. Through focused capacity-building efforts, the number of Department of Finance employees trained as Selection Board Chairs increased from one in 2022-23 to six by the end of 2024-25.

This increased capacity provided the Public Service Commission with greater access to Selection Board Chairs possessing strong financial knowledge and expertise when assigning competition files. As a result, the Department enhanced its ability to effectively assess financial literacy requirements during recruitment processes, supporting the attraction and selection of qualified financial professionals and advancing government's long-term financial capacity.

Objective Indicator 3: Assessed and increased support for in-house training programs including the recruitment of students and new graduates.

The Department continued to strengthen financial capacity through targeted recruitment and development initiatives. This included the hiring of summer students, co-operative education students, Chartered Professional Accountant (CPA) candidates, and recent graduates, helping to build a pipeline of future financial professionals and support succession planning within government.

Employee learning and development opportunities were enhanced through the delivery of annual professional development sessions, supporting the ongoing growth of technical knowledge and professional skills within the Department and throughout government.

The Department also collaborated with the Public Service Commission to support the development of executive training on the annual budget process. Subject matter experts were identified within the Department and the Centre for Learning and Development to assess skill gaps and inform the design of relevant, scalable learning solutions.

Summary of Results

By March 31, 2026, the Department of Finance advanced efforts to strengthen financial capacity across government by improving recruitment, retention, and professional development opportunities for financial professionals. The Department reviewed and updated organizational structures and position descriptions to better align resources with operational needs, increased the availability of financially literate Selection Board Chairs to support effective recruitment processes, and strengthened workforce development through the recruitment of students, recent graduates, and CPA candidates.

The Department also enhanced learning and development opportunities through annual professional development sessions and initiated collaborative work with the Public Service Commission to support the development of executive training on the annual budget process. Together, these initiatives strengthened the Department's capacity to attract, develop, and retain financial talent, while supporting ongoing efforts to build financial knowledge and competencies across government.

Opportunities and Challenges

Newfoundland and Labrador continues to face fiscal, economic, and demographic pressures that affect government's ability to invest in programs, services, and infrastructure while maintaining long-term financial sustainability. These pressures reinforce the importance of balancing affordability with the revenues required to support public services. As government advances its commitment to improving affordability, the Department will have opportunities to examine the role of taxes and fees in supporting residents and businesses, while ensuring the tax system continues to meet the Province's fiscal and economic objectives.

Evolving economic and financial market conditions continue to create both risks and opportunities for the Province. Maintaining access to reliable and cost-effective sources of financing remains essential to supporting government operations and investments. The Department will continue to focus on effective treasury management, identifying opportunities to reduce borrowing requirements, maximizing investor confidence in provincial debt offerings, and achieving strong investment performance to support long-term fiscal sustainability.

The increasing demand for timely, accurate, and accessible information continues to create both opportunities and challenges for government. As expectations for evidence-based decision-making grow, there is an increasing need for reliable forecasting, modern business processes, and effective financial management practices. Advances in technology and data analytics offer opportunities to improve efficiency and support better decision-making; however, ensuring information remains accurate, secure, and relevant will continue to require ongoing attention and investment.

An ongoing opportunity exists to strengthen government processes by assessing current approaches, seeking feedback from stakeholders, and identifying areas for improvement. Continued efforts to modernize manual and outdated processes can improve efficiency, enhance service delivery, and better support government-wide fiscal responsibility initiatives. Strong forecasting, planning, and reporting processes will

remain critical to supporting informed decision-making and the effective management of public resources.

The recruitment and retention of qualified financial, economic, and analytical professionals continues to be a challenge in a competitive labour market. Sustaining the expertise required to support tax policy analysis, treasury management, financial and economic forecasting, and process improvements will be essential to achieving the Department's strategic objectives. Continued focus on employee development, knowledge transfer, and succession planning will help ensure the Department is well-positioned to respond to emerging opportunities and challenges.

Financial Information

Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2026 (unaudited).

	<u>Actual</u> \$	<u>Amended</u> \$	<u>Original</u> \$
EXECUTIVE AND SUPPORT SERVICES			
Minister's Office			
1.1.01 Minister's Office	268,618	273,400	267,400
Total: Minister's Office	<u>268,618</u>	<u>273,400</u>	<u>267,400</u>
General Administration			
1.2.01 Executive Support	967,335	1,059,800	920,800
1.2.02 Departmental Operations	13,594,447	17,199,400	17,344,400
1.2.03 Administrative Support – Capital	-	100	100
Total: General Administration	<u>14,561,782</u>	<u>18,259,300</u>	<u>18,265,300</u>
Government Rebate Programs			
1.3.01 Government Rebate Program	8,971,488	15,600,000	15,600,000
Total: Government Rebate Programs	<u>8,971,488</u>	<u>15,600,000</u>	<u>15,600,000</u>
TOTAL: EXECUTIVE AND SUPPORT SERVICES	<u>23,801,888</u>	<u>34,132,700</u>	<u>34,132,700</u>
FINANCIAL ADMINISTRATION			
Federal Programs			
2.1.01 Federal Programs	-	(8,144,400)	-
Total: Federal Programs	-	(8,144,400)	-
TOTAL: FINANCIAL ADMINISTRATION	-	(8,144,400)	-
TOTAL: DEPARTMENT	<u>23,801,888</u>	<u>25,988,300</u>	<u>34,132,700</u>

