

Strategic Plan 2008-2010



Department of Finance

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Message from the Minister

In accordance with my responsibilities under the *Transparency and Accountability Act*, I am pleased to submit a Strategic Plan for the Department of Finance for the three year period 2008-09 to 2010-11.

In development of this plan, careful consideration was given to the strategic directions of Government, as outlined in Appendix A of this document. These directions represent the desired fiscal, social or economic outcomes Government is seeking to achieve for the people of Newfoundland and Labrador. This plan identifies key focus areas, goals and objectives, requiring action by the Department of Finance to help Government fulfill its overall strategic outcomes. Further, these strategic directions have been communicated to departmental officials and entities who report to me for consideration in the development of their plans.

This plan provides an overview of the department and identifies the key strategic goals to be accomplished during the next three fiscal years. As Minister of Finance, I am accountable for the preparation of this plan and for the achievement of the specific goals and objectives therein.

Sincerely,



THOMAS W. MARSHALL, Q.C.
Minister of Finance



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1.0 Departmental Overview

1.1 Responsibilities

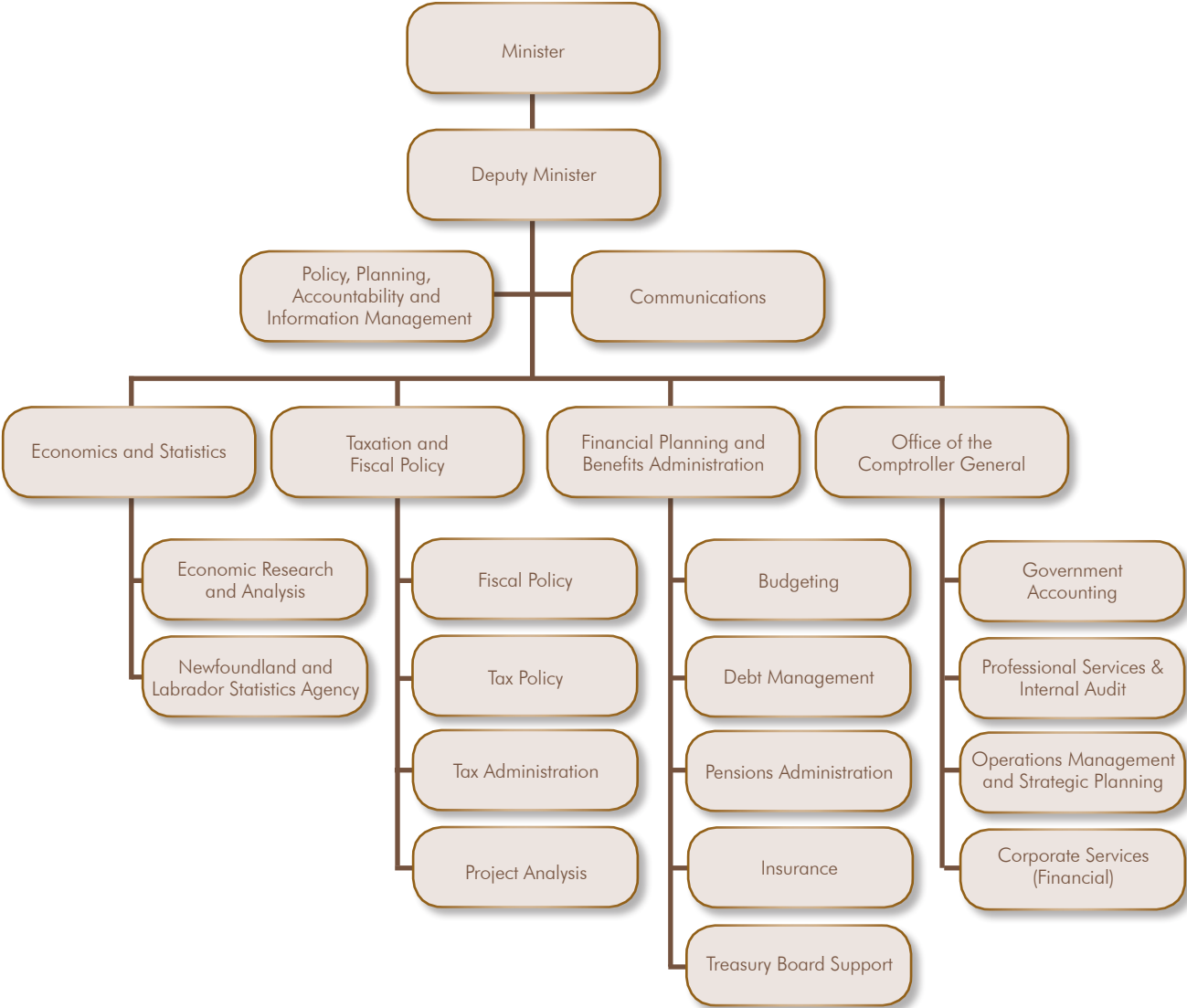
The Department of Finance is responsible for matters related to the financial, fiscal and economic policy of government and has stewardship over all public funds, which for the fiscal year ended March 31, 2008, was approximately \$6 billion. The department provides analysis and advice on these matters through the Minister to Cabinet and its committees, particularly Treasury Board, for which the Minister of Finance serves as President. The Department of Finance is also responsible for the administration of provincial tax statutes, as well as for the provision of centralized services to other departments including economic analysis and statistical services, financial management, payroll, pensions and other benefits.

1.2 Organizational Structure

The Department of Finance has four separate branches: Economics and Statistics, Taxation and Fiscal Policy, Financial Planning and Benefits Administration, and the Office of the Comptroller General. Each branch is responsible to an Assistant Deputy Minister, who reports to the Deputy Minister of Finance. Support services for the department are also provided by the Director of Policy, Planning, Accountability and Information Management and the Director of Communications. The Director of Policy, Planning, Accountability and Information Management is responsible for the development, coordination and implementation of the department's planning and reporting functions as outlined under the *Transparency and Accountability Act*. The Director of Communications provides strategic communications and support to the Minister of Finance and co-ordinates communication activities for all four branches within the department. Both of these positions report directly to the Deputy Minister of Finance.

In addition to the various branches within the Department of Finance, several boards, agencies, commissions and committees report to and are accountable to the Minister of Finance. These include: Atlantic Lottery Corporation, C.A. Pippy Park Commission, Newfoundland and Labrador Municipal Financing Corporation, Newfoundland and Labrador Industrial Development Corporation, Newfoundland and Labrador Liquor Corporation, Newfoundland and Labrador Consolidated Sinking Funds, Government Money Purchase Pension Plan, Newfoundland and Labrador Pooled Pension Fund, Newfoundland Government Fund Limited, Pension Investment Committee, the Public Sector Pension Plan Joint Trusteeship Transition Committee, and the Labrador Transportation Initiative Fund.

Organizational Chart



1.3 Financial Resources

The following table provides a summary of the Department of Finance's budget for the year ending 2008-09.

| Departmental Budget | \$ |
|----------------------------------|--------------------|
| Operating Salaries | 16,157,700 |
| Operating Salaries (Statutory) | 107,600 |
| General Operating | 3,185,900 |
| Professional Services | 448,000 |
| Grants Allowances and Assistance | 14,653,000 |
| Loans, Advances and Investments | 500,000 |
| Government Personnel Costs | 64,987,200 |
| Pensions Administration | 2,412,400 |
| Gross Expenditures | 102,451,800 |
| Related Revenue | (24,270,300) |
| Net Expenditures | 78,181,500 |

1.4 Human Resources

Employee Class

As of January 1, 2008, the Department of Finance had 356 employees as outlined below. Of the 356 employees, 3 are located outside of St. John's.

| Employee Class | Number | Percentage |
|-------------------------|---------------|-------------------|
| Clerical/Administration | 142 | 40 |
| Director | 16 | 4 |
| Executive | 11 | 3 |
| Manager | 57 | 16 |
| Professional | 53 | 15 |
| Technical | 34 | 10 |
| Other | 43 | 12 |
| Total | 356 | 100% |

Employee Gender

The current gender distribution of the department's staff complement shows that there are more women than men. As of January 1, 2008, there were 245 female employees in the Department of Finance (about 70% of all employees). This is in contrast to the Core Public Service where almost 60% of all employees are male. While the majority of the department's administrative staff are women, it is worthy of note that there are also a significant number of women in management positions. A review of all management positions as of January 1, 2008 (including executive, directors, managers and other professional positions), revealed that approximately 43% are filled by women. Historically, management positions in the financial area of government were male dominated with few women seeking a professional career in the financial field. However, over the last decade the Department of Finance has witnessed an emerge of more women into management positions.

Employees by Age

Approximately 61% of the department's employees are over the age of 40 and only 17% are less than 30 year of age.

| <u>Age</u> | <u>Number of Employees in Age Group</u> | <u>Percentage</u> |
|--------------------|---|-------------------|
| Less than 30 years | 61 | 17 |
| 30 to 35 years | 35 | 10 |
| 35 to 40 years | 43 | 12 |
| 40 to 45 years | 53 | 15 |
| 45 to 50 years | 70 | 20 |
| 50 to 55 years | 66 | 19 |
| 55 to 60 years | 22 | 6 |
| >60 years of age | 6 | 1 |
| Total | 356 | 100% |

Potential Retirements

An analysis of employees by age and years of services as of January 1, 2008, revealed that 8 employees are currently eligible for retirement and another 8 will become eligible during the 2008/09 fiscal year. Over the next 5 years, 63 employees, or almost 18%, of current employees will be eligible for retirement. The table below shows potential retirements for the next 5 years.

| | <u>Number by Year</u> | <u>Cumulative</u> |
|--------------------|----------------------------------|--------------------------|
| Currently Eligible | 8 | 8 |
| 2008/2009 | 8 | 16 |
| 2009/2010 | 9 | 25 |
| 2010/2011 | 12 | 37 |
| 2011/2012 | 14 | 51 |
| 2012/2013 | 12 | 63 |

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2.0 Strategic Plan at a Glance

ISSUE 1: FINANCIAL PLANNING

GOAL 1: By March 31, 2011, the Department of Finance will have provided comprehensive analysis and advice to Government on the long-term financial outlook of the province.

Objectives:

- By March 31, 2009, the Department of Finance will have developed a long-term financial outlook for Government.
- By March 31, 2010, the Department of Finance will have updated the long-term forecast of the province to reflect the current economic and financial outlooks.
- By March 31, 2011, the Department of Finance will have updated the long-term forecast of the province to reflect additional economic and financial outlooks.

ISSUE 2: FINANCIAL MANAGEMENT

GOAL 2: By March 31, 2011, the Department of Finance will have strengthened the financial management functions throughout Government.

Objectives:

- By March 31, 2009, the Department of Finance will have taken preliminary actions necessary to strengthen financial management functions.
- By March 31, 2010, the Department of Finance will have taken further actions towards strengthening financial management functions.
- By March 31, 2011, the Department of Finance will have strengthened the financial management functions throughout Government.

ISSUE 3: DEMOGRAPHIC CHANGE

GOAL 3: By March 31, 2011, the Department of Finance will have provided comprehensive demographic data/information to inform Government, and others who need it, regarding major policy and program decisions.

Objectives:

- By March 31, 2009, the Department of Finance will have completed a review of its major demographic data and information.
- By March 31, 2010, the Department of Finance will have developed a plan to address demographic information gaps.
- By March 31, 2011, the Department of Finance will have implemented appropriate priority actions related to enhancing demographic data and information.

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3.0 Mandate

The mandate of the Department of Finance is derived from the *Financial Administration Act*, the *Executive Council Act*, *Order in Council (OC1445(a)-76)* and various Minutes in Council and Treasury Board Minutes.

The *Financial Administration Act* confers various financial responsibilities and authority, pertaining to the stewardship of public money administered through the Department of Finance, including the following:

- the formulation, function and powers of Treasury Board;
- disbursement of public money;
- revenue and receipt of public money;
- the creation, duties and responsibilities of the Comptroller General of Finance;
- public debt;
- the investment of public money;
- sinking funds;
- the estimates of the province;
- the issuance of special and general warrants of supply;
- the role and responsibilities of the various Deputy Ministers or other officers responsible for a Head of Expenditure;
- appropriation controls;
- the role and responsibilities of the Lieutenant-Governor in Council, the House of Assembly and the Lieutenant-Governor with respect to public money; and
- the public accounts of the province.

The *Department of Finance Notice* under the *Executive Council Act*, Section 4, states that the department is responsible for the supervision, control and direction of all matters relating to:

- economic policy and statistics;
- debt management;
- administration of pensions and employee benefits;
- tax policy and administration of tax statutes;
- federal/provincial fiscal arrangements;
- project analysis; and
- the administration of the Acts set out in the Schedule to the *Executive Council Act*.

Various other Minutes in Council, Orders in Council and Minutes of Treasury Board confer responsibility with respect to the internal audit function, insurance administration, and financial and payroll consolidation and administration functions.

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4.0 Lines of Business

The Department of Finance delivers its mandate through the following lines of business:

Taxation and Fiscal Policy

- ***Fiscal Policy***

Negotiation and administration of all programs under federal-provincial fiscal arrangements; forecasting, analysis and monitoring of provincial revenues; coordination of the annual budget speech and mid-year financial update and analytical support for the development of government's fiscal policy.

- ***Project Analysis***

Analysis of the financial and economic impact of specific projects to assist government in decision making and/or policy development.

- ***Tax Policy***

Analysis and assessment of the implications of changes to existing provincial taxation and fee policies; options for taxation reform and new revenue proposals; negotiation and monitoring of federal-provincial tax agreements; coordination of the annual pre-budget consultations and preparation of the Budget Highlights.

- ***Tax Administration***

Administration of various provincial taxes, rebates and incentive programs including: tobacco tax, gasoline tax, health and post-secondary education tax, mining and mineral rights tax, insurance companies tax, utilities tax, financial corporations' capital tax, retail sales tax, school tax, the direct equity tax credit program, the home heating rebate program and other rebate programs.

Financial Planning and Benefits Administration

- ***Budgeting***

Annual budget preparation and monitoring; sets financial policies for government entities; provides financial analysis and advice to Cabinet and its committees; prepares the Estimates and multi-year fiscal plans; and recommends allocation of financial resources to departments.

● **Treasury Board Support**

Acts as a Secretariat to Treasury Board by setting the agenda; providing analysis on departmental submissions and papers; and providing feedback to departments with respect to Treasury Board decisions. Provides financial analysis and advice as input into the Cabinet Secretariat analysis of papers routed to Social and Economic Policy Committees of Cabinet and provides registry services for a portion of the Department of Finance and the Public Service Secretariat.

● **Debt Management**

Management of the province's borrowing and debt servicing programs, including cash management and the investment of sinking fund assets; assessment of applications under certain financial assistance programs involving loans, loan guarantees or equity investments; when required, assessment of unsolicited proposals which do not fall under established funding programs; follow-up administration of approved loans, loan guarantees, or equity investments; and management and operation of the Crown corporations NL Municipal Financing Corporation, NL Industrial Development Corporation, and Newfoundland Government Fund Limited.

● **Pensions Administration**

Management of various provincial public sector pension programs, including policy development and advice, the delivery and communication of benefit services and the investment of related trust assets.

● **Insurance Program**

Management of Government's general insurance and group insurance programs for selected government entities and public sector employees/retirees.

Office of the Comptroller General

● **Government Accounting**

Develops financial procedures and policies, administers applicable legislation and policy to ensure adequate controls over revenues, expenditures, assets and liabilities and prepares the provincial financial statements (Public Accounts) and related financial reports, as required by best practices and to maintain control over the Consolidated Revenue Fund.

Manages and administers the financial books of the province, maintains appropriation control, issues payments and records receipts on behalf of all government departments and provides ongoing advice to the Comptroller General with respect to interpretations of, and reporting responsibilities under, the *Financial Administration Act* and various other applicable legislation.

● ***Professional Services and Internal Audit***

Provides professional services and consulting to the executive and government departments in the area of: financial management, accounting and systems; financial policy development and implementation; financial reporting; operational support; and internal audit, in order to facilitate the efficient and effective management of programs and resources and promote accountability and quality reporting for Government.

● ***Operations Management and Strategic Planning***

Provides a functional leadership role in the identification, formulation, support and management of business processes and internal controls for financial management system applications throughout Government to ensure the proper books of account are operated and maintained.

● ***Corporate Services (Financial)***

The Corporate Services (Financial) Division is responsible for administration and processing of departmental payroll and time and attendance transactions. In addition, this Division is responsible for the development of business processes and a related organizational structure for accounts payable, purchasing, and accounts receivable processing in a Corporate Services environment. This is being completed in association with various interdepartmental teams and based on direction from the Corporate Services Steering Committee and the Comptroller General of Finance.

Economics and Statistics

● ***Economic Research and Analysis***

Analysis and forecasting of the macroeconomic environment; provision of specific macroeconomic analysis and studies related to policy and project impact assessments. Responsible for both Newfoundland and Labrador Econometric and Input/Output Models,

as well as, the Population Projection Model and demographic analysis. Also responsible for the publication of the budget document, *The Economy* and the mid-year review report, *The Economic Review*.

● ***Newfoundland and Labrador Statistics Agency (NLSA)***

Statistical and analytical services, including the development of specific provincial data and other unique information necessary for Government's policy development and analysis. Government's central source for data collection and information resources produced by Statistics Canada.

5.0 Values

The Department of Finance is committed to providing timely, professional and quality services through the efficient use of our resources. We work cooperatively with government departments, Crown corporations, agencies and boards, and other stakeholders to ensure our services are responsive to their needs. We believe in the value of our employees, the team approach to problem solving, and the need for progressive training and education in creating job satisfaction and career development.

Core values explain the character of the organization we promote. Strategic values help to ensure our core values are visible throughout the organization by identifying actions that demonstrate their meaning.

| <u>Core Values</u> | <u>Strategic Values</u> |
|---------------------------|--|
| Collaboration/Team Work | Each individual contributes to the completion of assigned projects and recognizes the contributions of others |
| Integrity | Each person ensures that clients are provided with reliable and objective analysis and advice and that their rights to privacy are protected |
| Professionalism | Each individual is committed to providing quality services through the efficient use of our resources. |
| Responsiveness | Each individual fulfills requests based on client's needs. |
| Timeliness | Each individual meets deadlines consistent with identified priorities |

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6.0 Primary Clients and Stakeholders

In delivering its mandate, the Department of Finance has identified the following primary clients:

- General Public
- Credit Rating Agencies
- Provincial Government Departments
- Government Employees and Retirees
- Cabinet and Cabinet Committees
- House of Assembly and its Members
- Business Community
- Federal Government
- Other Provincial Governments
- Municipal Governments
- Crown Agencies
- Media
- Vendors/Taxpayers
- Unions
- Auditor General
- Statistics Canada
- Volunteer Community
- Regional Economic Development Boards and Associations
- Student Community
- Academic Community
- Financial Community
- Economic Agencies

The department works collaboratively with its stakeholders, which include capital markets, the Canadian Institute of Chartered Accountants and other accounting organizations, Memorial University and the College of the North Atlantic. As well, the department engages in partnerships and collaborative initiatives with community organizations, citizens and others in the province, across Canada and elsewhere.

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7.0 Vision

A vibrant and self-reliant economy and prosperous people.



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8.0 Mission Statement

The mission statement represents the key longer-term result that the Minister and the department will be working towards as they move forward on the strategic directions of Government. The statement also identifies the measure(s) and indicator(s) that will assist both the entity and the public in monitoring and evaluating success.

In its vision of a strong, sustainable, self-reliant Newfoundland and Labrador, Government has to strike a balance between fiscal stability and strategic economic investment. In working towards its vision, Government must consider several key priority areas. These include, maximizing provincial revenues, promoting responsible and sustainable spending, reducing the province's debt and maintaining a business climate which attracts investment and encourages continued economic growth. The Department of Finance will support Government in the achievement of these goals through its responsibilities in relation to the stewardship of public money and responsible fiscal management, as conferred by Government and outlined in the department's mandate.

By March 31, 2011, the Department of Finance, in its commitment to strong fiscal management, will have supported Government in the effective management of the province's finances.

Measures: Supported Government in the effective management of the province's finances

- Indicators:**
- » Advice and recommendations
 - Long-term forecast developed
 - New tools developed (i.e. labour market basket, risk of homelessness indicators, neighbourhood accounts, iExpense, etc.)
 - New consultant guidelines developed
 - Business intelligence tool developed

 - » Implementation and monitoring processes in place
 - New tax policies implemented
 - Improved/new financial processes implemented (i.e. Management Certification Process, new/improved financial functions)
 - Improved debt servicing ratios
 - Budget reporting and monitoring through new budget system
 - New/improved financial controls implemented
 - Corporate Shared Services implemented

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9.0 Strategic Issues

The Department of Finance is committed to supporting Government in the achievement of its strategic directions. Government's strategic direction components that relate directly to the Department of Finance are contained in Appendix A of this plan and focus largely on financial management and taxation policies and incentives. Many of these components have been considered and shall be addressed by the Department of Finance in its goal of long-term financial planning. As part of this goal, the department will support Government by providing comprehensive advice and analysis. Long-term forecasts will be provided on the province's revenues, including tax revenues, resource revenues and revenues from other sources. Financial planning will also include long-term forecasts relating to the provinces expenditures, including those program and services which impact many individuals and groups living in our society, such as students, seniors, families and those living in poverty. Long-term population projections shall also be provided to support planning in an environment of demographic change. Together these forecasts will help ensure that Government has the best possible advice and analysis on which to base its financial decisions and to plan appropriately for the future.

ISSUE ONE: FINANCIAL PLANNING

The province's financial position has improved significantly during the past few years. This improvement has been largely due to an increase in natural resource revenues. While Government welcomes this increased revenue, it recognizes that these revenues are tied largely to one sector – oil and gas. As well, the amount of oil revenue received is influenced by a number of important factors which are beyond the control of Government, including the price of oil, the value of the Canadian dollar and production levels. Further, due to the finite nature of these resources, Government must ensure that revenues received from our natural resources today are maximized and will benefit generations to come.

While the Department of Finance recognizes the potential for increased revenues resulting from development of our natural resources, it also recognizes the risks, particularly those financial risks, associated with the inherent volatility of this sector. The department supports Government in its commitment to maximize the economic benefits of our natural resources and ensuring that revenues received today benefit future generations by ensuring that today's decisions are made with the benefit of an assessment of the long-term financial outlook for the province. The Department of Finance

is committed to completing and incorporating detailed sensitivity and impact analysis into its financial forecasts, so that Government has the best possible financial information on which to base its choices. The department will ensure that Government's long-term financial outlook is updated on a timely basis to reflect the potential financial implications that may result from changes to on-going or new resource projects, changes in the province's economic or financial outlook, or changes in other factors, such as oil prices, the value of the Canadian dollar and production levels.

Goal One: By March 31, 2011, the Department of Finance will have provided comprehensive analysis and advice to Government on the long-term financial outlook of the province.

Measure: Provision of comprehensive advice and analysis

Indicators: » A long-term outlook that supports decision making relating to:

- Taxation
- Expenditures
- Debt reduction

» Advice and analysis related to the impact on federal transfers (equalization) as required

Objectives:

1. By March 31, 2009, the Department of Finance will have developed a long-term financial outlook for Government.

Measure: Long-term financial outlook

Indicators: » Multi-year forecast is developed including:

- Revenue forecast
- Expenditure forecast
- Cash requirement forecast

2. By March 31, 2010, the Department of Finance will have updated the long-term forecast of the province to reflect the current economic and financial outlooks.

3. By March 31, 2011, the Department of Finance will have updated the long-term forecast of the province to reflect additional economic and financial outlooks.

ISSUE TWO: FINANCIAL MANAGEMENT

In recent years, there has been an increased focus on transparency and accountability for all levels of government. The general public has come to expect a more open and accountable government and one that protects their interests, including protection and proper management of the public purse. In this province, the *Financial Administration Act* (FAA) confers various financial responsibilities and authority pertaining to the stewardship of public money to the Department of Finance. Those responsibilities form the foundation of the department's mandate. In addition to other things, the FAA focuses priority on the proper disbursement, collection, and investment of public money. As well, the department must ensure that there are appropriate checks and balances in place for the proper receipting, expenditure and recording of public funds and efficiencies are achieved where ever possible.

The Department of Finance is committed to ensuring that the responsibilities and authority conferred to it through the FAA are achieved and will take the necessary steps to review Government's financial management functions, implement approved changes where necessary and enhancing internal audit capacity. The department shall consider the impact that Government's evolving Corporate Shared Services Model will have on the financial management functions throughout Government and will identify both current and desired roles and responsibilities, policies and procedures and governance (organizational) structures as they relate to effective management of public funds.

Goal Two: By March 31, 2011, the Department of Finance will have strengthened the financial management functions for government departments.

Measure: Strengthened financial management functions

Indicators:

- » Review existing financial functions
- » Implementation of priority action items

Objectives:

1. By March 31, 2009, the Department of Finance will have taken preliminary actions necessary to strengthen financial management functions.

Measure: Preliminary actions taken

Indicators:

- » Review Rebuilding Confidence Report (Green Report) and assess areas where financial management functions may be further strengthened
- » Enhanced internal audit capacity
- » Completed financial management review, including identification of current best practices

2. By March 31, 2010, the Department of Finance will have taken further actions towards strengthening financial management functions.
3. By March 31, 2011, the Department of Finance will have strengthened the financial management functions throughout Government.

ISSUE THREE: DEMOGRAPHIC CHANGE

International, national and provincial demographics are projected to change significantly in the coming years. World population growth is slowing and total fertility rates are approximately half of what they were just 40 years ago, with today's rate at only 2.5. As well, populations are continuing to age as baby boomers near retirement. Because of low fertility rates and aging population, natural population change (births minus deaths) will continue to be a constraint on population growth and growth may be largely dependent on migration.

While changing demographics may pose challenges for all levels of government, it also provides an opportunity for governments to revisit or refine the services it provides and how those services are delivered. In order to meet the needs of the population as a whole, good demographic data will be instrumental in assisting government make well informed decisions on public policy.

In this province, the Department of Finance has been the central source of demographic data and analysis for Government and will continue to provide sound analysis and advice in this area to support decision making across all departments and for Cabinet. As well, the Department of Finance will strive to ensure that the taxpayers of this province are provided with accurate and up to date demographic data so that they too can make well-informed business decisions. An enhanced capacity to meet these new demands is required as the province is now experiencing a broadly based demographic change.

Goal Three: By March 31, 2011, the Department of Finance will have provided comprehensive demographic data/information to inform Government, and others who need it, regarding major policy and program decisions.

Measure: Provision of comprehensive demographic data and information

- Indicators:**
- » Demographic data and information about:
 - General impacts of demographics on Government, society and the economy
 - Labour market supply, demand and change
 - Various regions of the province

Objectives:

1. By March 31, 2009, the Department of Finance will have completed a review of its major demographic data and information.

Measure: Review completed

Indicators: » Review completed of demographic data and information sources
» Data gaps identified

2. By March 31, 2010, the Department of Finance will have developed a plan to address demographic information gaps.
3. By March 31, 2011 the Department of Finance will have implemented appropriate priority actions related to enhancing demographic data and information.

Appendices

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Appendix A

Strategic Directions

1. Title: Financial Management

Outcome Statement: Fiscal Stability

Clarifying Statement: This outcome supports the policy direction of Government and requires systematic intervention in the following areas:

| Strategic Direction Components | This direction is addressed in the entity's.... | | |
|---|---|------------------|------------|
| | Strategic Plan | Operational Plan | Work Plans |
| 1. REVENUES <ul style="list-style-type: none"> ● Fairness in federal transfers ● Natural resource revenues ● Efficient tax administration ● Revenue collection process | ✓ ✓ | | ✓ ✓ |
| 2. EXPENDITURES <ul style="list-style-type: none"> ● Fiscal discipline and control ● Unfunded pension liability ● Post retirement benefits/liabilities | ✓ | | ✓ ✓ |
| 3. DEBT <ul style="list-style-type: none"> ● Funded debt ● Interest costs | | ✓ ✓ | |

2. Title: Tax Policies and Incentives

Outcome Statement: Personal and business taxes are competitive with Atlantic Canada.

Clarifying Statement: This outcome supports the policy direction of Government and requires systematic intervention in the following areas:

| Strategic Direction Components | This direction is addressed in the entity's.... | | |
|---|---|------------------|------------|
| | Strategic Plan | Operational Plan | Work Plans |
| 1. SOCIAL <ul style="list-style-type: none"> ● Poverty reduction ● Seniors ● Students and new graduates ● Families | | ✓ ✓ ✓ ✓ | |
| 2. ECONOMICS <ul style="list-style-type: none"> ● Business tax ● Income and consumption taxes | | ✓ ✓ | |

3. Title: Comprehensive Demographic Data

Outcome Statement: Enhanced data collection.

Clarifying Statement: This outcome supports the policy direction of Government and requires systematic intervention in the following areas:

| Strategic Direction Components | This direction is addressed in the entity's.... | | |
|--|---|------------------|------------|
| | Strategic Plan | Operational Plan | Work Plans |
| 1. DATA COLLECTION <ul style="list-style-type: none"> ● General demographic data ● Labour market data | ✓ ✓ | | |

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Appendix B

Entities Reporting to Minister of Finance

List of Entities Reporting to the Minister of Finance

- Atlantic Lottery Corporation
- C.A. Pippy Park Commission
- Newfoundland and Labrador Liquor Corporation
- Newfoundland and Labrador Consolidated Sinking Funds
- Government Money Purchase Pension Plan
- Newfoundland and Labrador Industrial Development Corporation
- Newfoundland and Labrador Municipal Financing Corporation
- Newfoundland Government Fund Limited
- Newvest Realty Corporation
- Newfoundland and Labrador Pooled Pension Fund
- Pension Investment Committee
- Public Service Pension Plan Joint Trusteeship Transition Committee* - See Appendix C
- Labrador Transportation Initiative Fund* - See Appendix D

* There are no activities planned for these entities, however should these entities become active an Activity Plan will be prepared and tabled in accordance with the provisions of the *Transparency and Accountability Act*.

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Appendix C

Public Service Pension Plan Joint Trusteeship Transition Committee

The Agreement on Pensions, which forms part of the current Public Service Collective Agreements mandated the establishment of a Joint Trusteeship Transition Committee (the Committee) to recommend to the parties a joint pension trust structure to govern the activities of the Public Service Pension Plan (PSPP). Under this arrangement, an independent board of trustees would be responsible for the administration of the PSPP, including the setting of benefits and investment of the Fund.

The Committee was struck and included representatives of the five unions participating in the PSPP and representatives of government and the larger employers, including Newfoundland and Labrador Hydro and the Newfoundland and Labrador Health Boards Association.

Originally, this process was targeted to be completed in spring 2003 with a revised target of April, 2008, based on the current collective agreements. During the initial discussions, the union representatives on the Committee indicated that until the issue of the unfunded pension liability was fully resolved, they were not prepared to move forward. As a result, the Committee has not met since 2003.

As there are no activities planned for this Committee during the upcoming year, the entity has not submitted a separate Activity Plan. Should the status of the Committee change, a performance plan will be prepared along with an annual report, as required under the Transparency and Accountability Act.

Appendix D

The Labrador Transportation Initiative Fund

The Labrador Transportation Initiative Fund (the Fund) was established on December 19, 1997 under the authority of the Labrador Transportation Initiative Fund Act (the Act).

The Fund was established for the purposes of:

- operations of the marine freight and passenger services and the maintenance of lands, wharves and related facilities servicing Labrador,
- the construction of the Trans Labrador Highway,
- other Labrador initiatives related to transportation as approved by the Lieutenant-Governor in Council.

The Fund is managed by a Board of Management comprised of the Secretary of Treasury Board, the Deputy Minister of Finance and not more than three additional persons appointed by the Lieutenant-Governor in Council. The day-to-day administration of the Fund is carried out by officials in the Office of the Comptroller General. The Comptroller General acts as Secretary to the Board and the Deputy Minister of Transportation and Works also acts as an advisor.

Decisions respecting the prioritization of services or the construction undertaken in a given year are made by Government through the annual budget process. Funding is provided to the Consolidated Revenue Fund to offset costs incurred by the Department of Transportation and Works that meet the requirements of the Act and that are approved by the Board.

In accordance with the Financial Administration Act, the Department of Transportation and Works is provided with funding from the Consolidated Revenue Fund for its program expenditures through the provision of appropriations as approved by the House of Assembly. The Department of Transportation and Works would also estimate the amount of funding it would receive from the Fund which would appear as revenue offset against its expenditures in the Consolidated Revenue Fund. Once the Department of Transportation and Works appropriations are approved in the House of Assembly through the usual budget process followed by all government departments, Transportation and Works would present its funding requests estimates to the Board of Management of the Fund for approval consideration. All requests must be approved by the Board before payments are made from the Fund. Payments are made based on eligible expenditures incurred.

On April 9, 2007, the Board noted it's intention to dissolve the Fund as monies have now been depleted in accordance with the Act. Representatives from the Department of Finance have been in contact with the Department of Justice with a review to revoking the Act. As no further activities are planned for this entity, the entity will not be submitting a formal Activity Plan to the House of Assembly.

Department of Finance
Strategic Plan 2008-2010

