



**PROVINCE OF NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY**

First Session
Fifty-First General Assembly

**Proceedings of the Standing Committee on
Government Services**

May 22, 2026 - Issue 5

Department of Finance
Public Service Commission
Consolidated Fund Services

Published under the authority of the Speaker of the House of Assembly
Honourable Paul Lane, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Finance, Public Service Commission and Consolidated Fund Services

Chair: Jeff Dwyer, MHA

Members: Riley Balsom, MHA
Jim McKenna, MHA
Mark Butt, MHA
Lucy Stoyles, MHA
Sheilagh O'Leary, MHA
Jamie Korab, MHA

Clerk of the Committee: Bobbi Russell

Appearing:

Public Service Commission

Hon. Craig Pardy, Minister
Krista Quinlan, Chair and Chief Executive Officer
Nicole Abbott, Departmental Controller
Adrienne Luther, Director of Communications
Mike Smyth, Manager of Accountability and Certification
Curtis Knee, Executive Assistant

Department of Finance/Consolidated Fund Services

Hon. Craig Pardy, Minister
David Drover, Deputy Minister
John McGrath, Secretary to Treasury Board
Lisa Curran, Assistant Deputy Minister, Human Resources
Bren Hanlon, Comptroller General
Doug Trask, Assistant Deputy Minister, Economics and Statistics and Tax and Fiscal Policy
Corey Tucker, Assistant Deputy Minister, Treasury Management and Budgeting
Nicole Abbott, Departmental Controller
Jim Doody, Director, HR Service Centre and Corporate Service Delivery
Adrienne Luther, Director of Communications
Tom Nemec, Director of Treasury Management
Curtis Knee, Executive Assistant

Also Present

Michael King, MHA
Sarah Stoodley, MHA
Meghan Parsons, Official Opposition Caucus
Angelica Hill, Official Opposition Caucus
Scott Fleming, Third Party Caucus

Pursuant to Standing Order 68, Sarah Stoodley, MHA for Mount Scio, substitutes for Lucy Stoyles, MHA for Mount Pearl North.

Pursuant to Standing Order 68, Michael King, MHA for Burgeo - La Poile, substitutes for Jamie Korab, MHA for Waterford Valley.

The Committee met at 9 a.m. in the House of Assembly Chamber.

CHAIR (Dwyer): Order, please!

I just want to welcome everybody to this morning's Estimates meeting. I do have some substitutes. Sitting in for the Member for Mount Pearl North is the Member for Mount Scio, and the Member for Waterford Valley is being replaced by the Member for Burgeo - La Poile.

We are starting right on time, so 10:30 – or we'll take a break between –

CLERK (Russell): Yes, because we'll have to do it after this one.

CHAIR: Right, we are doing the Public Service Commission first. So what we'll do is, when we get through that head of expenditure, we'll take our break, because then the last two heads of expenditure can go together and we can finish up the day with those two, okay? Is that good with everybody?

Sounds good, okay.

For the members of the department, I know that you've been here before but just wave in front of your microphone to identify that you're going to be speaking. Wait for the little red tally light to come on before proceeding so that Broadcast can pick up everything that you're saying, and just say your name and position each time you speak for transcription purposes.

Do not make adjustments to the chairs, unless you're sitting in Jamie Korab's chair.

I've said that every Estimates yet, by the way. The water coolers are here. If you need water, you can just get up from your desk and go get it, or the Page can help with that. There are two water coolers down here – and I feel like a flight attendant when I do this – and there are two back here as well by the Speaker's Chair. I'd like to be on a flight now, to be honest, but here we are.

There are no unaffiliated Members.

Now, I ask the Committee Members, substitutions and caucus employees to introduce themselves, starting in the front row, closest to the Chair.

S. STOODLEY: Sarah Stoodley, MHA for Mount Scio.

M. PARSONS: Meghan Parsons, Opposition Staffer.

M. KING: Michael King, MHA for Burgeo - La Poile.

A. HILL: Angelica Hill, Director of Research for the Official Opposition.

S. O'LEARY: Sheilagh O'Leary, MHA, St. John's East - Quidi Vidi.

S. FLEMING: Scott Fleming, Researcher, NDP Caucus Office.

J. MCKENNA: Jim McKenna, MHA, Fogo Island - Cape Freels.

M. BUTT: Mark Butt, MHA for the beautiful District of Lewisporte - Twillingate.

R. BALSOM: Riley Balsom, MHA for the District of Carbonear - Trinity - Bay de Verde.

CHAIR: That's great.

Now, I ask the departmental officials to introduce themselves, starting with the minister.

C. PARDY: Craig Pardy, Minister of Finance and Minister Responsible for the Public Service Commission.

CHAIR: And the MHA for the scenic District of Bonavista.

C. PARDY: The historic, scenic District of Bonavista.

CHAIR: The historic and scenic.

C. PARDY: Right.

CHAIR: Thank you, Sir.

C. PARDY: The greatest number of viewers of the House, I would note – I would think.

CHAIR: Yes, you've drawn them in.

K. QUINLAN: Krista Quinlan, I am Chair and Chief Executive Officer of the Public Service Commission.

M. SMYTH: Mike Smyth, Manager of Accountability and Certification with the Public Service Commission.

N. ABBOTT: Nicole Abbott, Departmental Controller.

C. KNEE: Curtis Knee, Minister's EA.

A. LUTHER: Adrienne Luther, Director of Communications.

CHAIR: That's great. Thanks everybody for being here. We really appreciate it.

Before we start with the Estimates review process, the Committee will now consider the minutes of the previous meeting.

If there are no errors or omissions, I ask for a mover for those minutes.

J. MCKENNA: I so move.

CHAIR: The minutes are moved by the Member for Fogo Island - Cape Freels.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.

On motion, minutes adopted as circulated.

CHAIR: We will now proceed with the Estimates review process. Once I ask the Clerk to call the first subhead grouping for this head of expenditure, I'll proceed to recognize the minister, who will get 15 minutes for opening remarks. Then I will proceed to introduce the first responder and questioner from the Committee, who will get 15 minutes for questions in the first round. After the first round, questions will proceed in rounds of 10 minutes each alternating between Members of the Committee.

I now ask the Clerk to call the first subhead.

CLERK: 1.1.01 to 1.2.05 inclusive, Public Service Commission.

CHAIR: Shall 1.1.01 to 1.2.05 inclusive, Public Service Commission, carry?

I now call on the minister for opening remarks.

C. PARDY: Thank you very much, Chair.

As Minister of Finance and Minister Responsible for the Public Service Commission, it's really my pleasure to be here this morning to conduct the Estimates. I thank the Opposition Members for your engagement because I think the job as the Official Opposition is a very important one. It is often through these Estimates that we glean a lot of information that otherwise you may not be aware of. It's not often that we get this elite squad of public servants that would be here in front of us that we can certainly engage and seek information from.

I also want to mention the Committee Members, Chair, how sharp they look. I know they've attended many Estimates, but just look, it's almost like it's an early Monday morning, and it being a Friday and how sharp they look, it's really amazing. Fantastic.

Again, I think whatever opportunity we get to thank the public servants that we have, they make the province run. We, as elected officials, work with them in a governance role, but it's ultimately the public servants. The quality of the public servants is what's important. When you come into the Estimates, then you often see of the public servants, the calibre and the skill set of which we have. For that, the province, I think, would owe a debt of gratitude for having them in the role of making sure that the matters that affect Newfoundlanders and Labradorians are being addressed.

It's the Public Service Commission, which we're doing now, that is the main vehicle of making sure that the skill set that's at hand, that we have in our public service, is maintained. The goal is to get the brightest and the most skilled to make sure that we have them here working for the residents of Newfoundland and Labrador.

Krista Quinlan is the CEO and chair of the Public Service Commission. She served as the clerk of the Executive Council recently. One of the prized programs that I know that stands out in my mind is the Graduate Recruitment Program of which Krista was a part of. When we look at bringing it in and recruiting, I think Krista would be an example of that program – one of the many programs that the Public Service Commission would hold.

Her position is a statutory position, much the same as the Auditor General would be a statutory position. In the next group that we have coming you'll find that the Comptroller General of Finance, Bren Hanlon, would be another position that would be a statutory position.

For those people who are viewing, wondering what the difference would be, it's that these statutory positions are only accountable to the House of Assembly. I say accountability, really, that it's a House of Assembly position. It's not political; it's a non-partisan position of which these would hold because of the significance of the positions that they hold.

There are three principles of which the Public Service Commission holds dear and they are the guiding lights, much the same as the lighthouse in the District of Bonavista has served as a guiding light for years and years. These three principles would be: merit, fairness and respect.

In my language background, I repeat, refrain for effect, that would be the three principles: merit, fairness and respect.

So what is the Public Service Commission? As stated, it is merit-based appointments and promotions within the general public service and agencies, boards and commissions, otherwise known as the ABCs. They support employees and their families through the Employee Assistance Program, EAP, and support a respectful workplace through the Respectful Workplace Program and the delivery of the Harassment-Free Workplace Program.

The Commission is also responsible for delivering and training of the professional public service through the Centre for Learning and Development, which is one of our first subheadings; supporting employees and provincial government workplaces through occupational health, safety and workplace wellness initiatives, and there are lots of things that we would celebrate there; and the adjudication of management and bargaining unit classification appeals.

Finally, it serves as secretariat for the Independent Appointments Commission. One of your questions that you may have: Have we been fully compliant with the Independent Appointments Commission in

our hiring since forming government in October? Chair, 100 per cent, no exceptions. We have been 100 per cent compliant with the Independent Appointments Commission.

The Public Service Commission delivers the Opening Doors Program, which provides valuable work experience to those living with disabilities. I look forward to that subhead and we can go through some data that we have that would support that the Public Service Commission is doing a good job within that program. The PSC would lead the Conflict of Interest Advisory Committee.

So the Estimates before us today would reflect the operational needs for the programs and the services for the Public Service Commission to do their role, and they are consistent with last year's appropriations.

With that, Chair, I yield my time back to you.

CHAIR: Thank you, Minister, for your eloquent opening. I appreciate it.

I'll now call on the Member for Mount Scio.

S. STOODLEY: Thank you very much, Chair; thank you, Minister; and thank you, team.

I do want to say thank you to the public servants for all your hard work. It must be very bizarre. I always knew, I guess, the life of a public servant and how you serve whatever government is in. I guess the last six to nine months has given me a new appreciation for how bizarre that must be. But I just want to thank public servants for all of their hard work.

Thank you, Minister, you gave a good overview. I do have some kind of questions. I think they're probably related here, but please tell me if I'm in the wrong ballfield. I'm just going to dive right into some specific things.

Does the Public Service Commission process all hirings and terminations within the Government of Newfoundland and Labrador?

CHAIR: The Chair recognizes the minister, and you can pass it off then.

C. PARDY: I'll defer that to the CEO, Krista Quinlan.

K. QUINLAN: The Public Service Commission supports recruitment for government, so we advertise, we screen, we interview, we make recommendations to the deputy ministers. The deputy ministers are the ones that are responsible for the actual hiring, and determinations are done through the departments as well. So the Public Service Commission has nothing to do with that.

S. STOODLEY: Okay, thank you very much.

I know that there is a significant transformation project happening from an IT perspective with Finance and I believe it's with HR as well, the Oracle Project. Is that under the Public Service Commission, as well, or no?

C. PARDY: No, that wouldn't be under the Public Service Commission, but I know that the new Oracle would outreach all core government departments. So we'll be the beneficiaries of it.

S. STOODLEY: Excellent. Thank you very much.

I'm wondering if you can speak to the Independent Appointments Commission process. I guess, as a former minister, I found it very lacking in terms of, I guess, the candidates that come through. Obviously, there are very professional candidates that get through that process and no issue with the process.

I do have an issue with the top of the funnel, before they start into the process of getting more people into the funnel, so that we get a wider pool of candidates coming out of the funnel. Appointing many people to boards and stuff, you always see the same six or seven names that come out of the funnel.

I'm wondering if the IAC is considering looking at other options to increase the reach and bringing in more people to the top of the funnel to get a broader reach of people who are available to be appointed to boards and commissions and roles within the public service.

C. PARDY: I think when we go through the various subheadings, you'll find that our numbers have increased for the candidates that would be looking for employment within the public service.

We used other mechanisms like LinkedIn, word of mouth and outreach. I think we've got to make sure that we inform them – career fairs that we utilize. We need to get the word out of what the public service offers and a career within the public service. I think we've done a good job with that.

As far as the operationalizing of the Independent Appointments Commission, it's no different now than what it was in the previous several years. I know that I stated in the Treasury Board Estimates that every program that we have ought to be constantly on every view to look at increased efficiencies and make sure that we are doing the work as best as we possibly could within the committee.

I stated in my preamble that every position and every hire that we've had since taking government has gone through the Independent Appointments Commission and were 100 per cent compliant with the regulations as they would have it this year. We've had a selection and, as you know, they'll give you the numbers, the people that would have the qualifications and the

candidates would be selected from that field.

Have we gone outside that field? No, thus, 100 per cent compliant.

I'm not sure if the CEO, Krista, has anything to add to that?

K. QUINLAN: I'll just add that the Independent Appointments Commission is aware of the deficiencies in terms of attracting people to apply for those types of roles.

For the last couple of years, they've undertaken a promotional strategy. So the chair of the Independent Appointments Commission will go out and speak to different groups, like chambers of commerce and things like that.

We've also, as the minister noted, used LinkedIn now. We have a licence with that so that we can promote the various opportunities that are coming up through the Independent Appointments process.

Lastly, we are looking at enhanced technology. We understand that there are some deficiencies with the current portal that we use. It is not user friendly. People can't update their applications in there. So we want to make sure that we can use technology to make it more effective for people to apply.

S. STOODLEY: Thank you very much.

I'm wondering if union negotiations are in the Public Service Commission?

C. PARDY: They would be in the Treasury Board Secretariat.

S. STOODLEY: Okay, thank you.

Are the government's group benefits overseen by the Public Service Commission, the Canada Life contract?

C. PARDY: That would be Treasury Board Secretariat.

S. STOODLEY: Okay. Thank you very much.

I realized the line items and I guess in my history of doing Estimates, generally these are increases for a negotiated salary increase, but I notice the budget is exactly the same in terms of the overall staffing budget. Does that mean there is no negotiated union increase this year from the 2025-2026 budget year to the 2026-2027 budget year?

C. PARDY: You're back to the collective bargaining piece?

What we do is we estimate, as far as the line item, the Salaries of which we had, and we'll adjust as far as whatever would be necessary in the fiscal that comes up. We would try to maintain within that department whatever findings that would keep the line figures as accurately as it could, so what's printed, but, no, I would never assume that.

S. STOODLEY: Okay.

C. PARDY: There may be findings within the department that if you had to compensate for some particular line item, i.e. Salaries or Transportation, that it would be found within that particular department, but, no, we did not budget salaries for anticipated or an estimate as to what collective bargaining would bring.

S. STOODLEY: Thank you.

I'm not trying to be tricky or anything, just, I guess, in previously reviewing Estimates, everything goes up a little bit because of whatever the union salary increases were. I know this is not Treasury Board, so thank you for clarifying that.

So that normal, typical increase is not built into this year's budget. That tells me that there's not a previously agreed on increase

that's built in. I was just wondering about that.

C. PARDY: We have all of our bargaining units up, and I know this is not Treasury Board, but the only thing being is that I know that the 2 per cent increase that was in our last collective agreement, that ended at '25-'26. As to what it's going to be in '26-'27, that's to be determined through the process.

S. STOODLEY: That's very helpful. Thank you very much.

C. PARDY: You are very welcome.

S. STOODLEY: You talked about the Graduate Recruitment Program. I was going to ask if you're still doing it but you clarified that you were. I'm just wondering how that looks, how it's going. Do you have any plans to change that? Are the graduates staying in the public service? Do you have anything to tell us about that? I'm very interested.

C. PARDY: I'll pass it over to CEO Krista Quinlan in a moment, but this is one of the programs that I think stands out in my mind when we look at recruiting the best candidates that we would have. I think this program does that and does it well. I know that this particular year, which is the data Krista will share with you in a second, speaks that we have had a lot of uptakes in our Graduate Recruitment this year, which is wonderful. The retention rate, what we have, is noteworthy as well that we do maintain them.

For those that are not aware of the Graduate Recruitment, we often go out to the school fairs. We let them know about a career. There is engagement. We look at recruiting amongst the high-performing individuals that would be looking for a career. We inform them that here's what the public service would have to offer.

We had a young lady from Winter Brook in my district who came here. I'm not sure if she came through the Graduate Recruitment Program but would have been a great candidate for that program.

The success of that is we make sure that we've got succession and we've got people coming in. If you look at our demographics, I think we need to make sure that we've got the demographics covered, that we've got succession going through.

So without further ado, I'll just pass it over to Krista for a little more detail.

K. QUINLAN: So the Graduate Recruitment Program has been delivered every two years since 2022. We had an iteration in 2022, we had an iteration in 2024 and we're currently participating in one in 2026.

In 2022 and 2024, we had 49 total hires. We have a retention rate of around 90 per cent. We've lost six people. One went to Hydro, three were hired at the private sector and two relocated to another province. But, otherwise, we have everybody still in the program within government, so that's an excellent outstanding rate.

There have been lots of supports for the graduate recruits as they come in. Not only do they have a very rigorous selection process to identify the people that should get into the program, they have communities of practice, they have ongoing training, they have mentorship, they have lots of opportunities to learn about the public service so that they'll be competitive when it's time for them to compete for jobs once their term as a graduate recruit is over.

We had an outstanding 868 applications this year for the 2026 iteration of the Graduate Recruitment Program, and we're currently undertaking screening. We're expecting to have approximately 20 individuals brought into departments this year.

CHAIR: The Chair recognizes the Minister Responsible for the Public Service Commission.

C. PARDY: Because another Graduate Recruitment Program would be the Leadership Program, and this is a program that the public service has as well, when we look at our deputy ministers and those in our leadership positions, that we look at those directors who may aspire within the public service that may wish to take a higher leadership role. Again, that may come up a little later, but we're very proud of that one as well.

These directors will work in tandem with mentors that would be usually in leadership roles within the public service and they get a feel for what it's all about. It helps out the succession planning for the public service.

That's another very worthy program. I refer to it as the cousin of the Graduate Recruitment Program.

I'm not sure if you have any information or anything further to add on that, Krista?

K. QUINLAN: Thank you, Minister.

Those programs that you're referring to, the Leadership Development Program, we have a management skills program, they're designed to provide supports to existing public servants so that the Public Service Commission is not just investing in new recruits coming in from post-secondary institutions, we're also making an investment in the training and development of existing employees.

We had significant interest in the leadership development program. We have an advanced leadership development program and we launched the management skills series, which has had hundreds and hundreds of people complete programs since just in March and April. There has been outstanding results from those

programs and I think people appreciate the investment.

S. STOODLEY: Thank you very much.

In my last question in this subheading, you mentioned the Opening Doors program, I'm glad to see that is continuing, I'm just wondering if you can tell us how it's going. I see that there's a million dollars there from the federal government, I assume that's part of the Labour Market Development Agreement.

I'm wondering if you can confirm that million dollars is from that agreement, and I'm happy to hear your feedback on that program.

Thank you.

C. PARDY: It is from the federal government.

I'll have Krista share but I think the numbers speak for themselves – the numbers that Krista can share with you of the people that have availed and the employment that we've have and the success within that department.

I think I'll allow Krista to pass along the numbers which will indicate the success of that program.

K. QUINLAN: Members may recall in previous years that there was always a significant variance and drop balances through the Opening Doors program. This year, we spent all of the money.

There was a targeted effort to bring on additional temporary employment, and we're very pleased to say that we had record numbers of participants in the Opening Doors program this year. We are planning to continue with that effort.

We have 87 funded positions. For this year, in 2025-2026, we have total clients of 2,017. They're not all employees of the provincial

government; they're people that may receive information about the employment opportunities through the Opening Doors program. They may participate in career development sessions so that it can help provide tailored advice to clients with respect to résumé development, interview preparation, referrals to other organizations, career counselling and things like that to help with employment equity.

We had 37 new hires in 2025-2026, we offered 94 career development sessions and we had 337 new clients. So these are the highest numbers that we've experienced with the program in recent memory.

CHAIR: The Chair recognizes the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair, and thank you to the minister and the team there who are diligent.

I certainly echo my colleague's comments about the importance of the public service and the great work in the community.

I'll just dive in now and ask a few questions I have. My first one would be regarding the Independent Appointments Commission and certainly in my own previous role in municipal in my professional career and certainly hearing from constituents, I have to question what guardrails are in place to prevent the politicization of appointments for the Independent Appointments Commission. If you could speak to that, I would be really appreciative.

Thank you.

C. PARDY: Good question. That's a fair question.

The way the Independent Appointments Commission works, as you are familiar with and those that may be listening at home, there's the fact that through the applicants that they would have, they would pass along a number of qualified candidates that they

would deem to be suitable for the positions of which the government had requested. From that list, then you make your selections. Whether you look at freedom of selecting, being able to select what you have, if you refer to that as politicizing, then there is some wiggle room, depending on the number of applicants that you would be receiving.

The way the Independent Appointments Commission works is, if they give you eight names, your selection will come from the eight names which would be provided for to fill those positions that would be there.

What guardrails are there for the politicization of the appointments other than that confined list? That's the way that the Independent Appointments Commission is established. The people that you think that would share the common goals that you would have and from that list, then they're all capable candidates. The selection then would be based on that.

I'm not sure what guardrails, or Krista, anything that would be further added to that. That's the way that the Independent Appointments Commission worked. If you went outside the list that they had screened, then you're not compliant. As I stated twice before, we've been fully compliant.

S. O'LEARY: Okay, thank you.

Under 1.1.01, Executive and Corporate Services, will your government commit to a thorough review of the Job Evaluation System? We've heard plenty of complaints from people with the same qualifications in, for example, NLHS not being paid the same as those in core government. It might also help to deal with the issue of having to make frequent market adjustments outside the collective bargaining process.

C. PARDY: That would be a Treasury Board item.

S. O'LEARY: Okay.

C. PARDY: Now, one thing I would say to you is that the answer I gave at the Executive Council and the Treasury Board session of the Estimates was that we're quite familiar with a lot of the communication that we've had with concerns with the JES.

The JES officials do great work. There has been heavy demand on classifications and what they had to go through. The only role that the Public Service Commission would play is that if there is any appeal that would be on a JES classification ruling, the appeal then would come to the Public Service Commission. The timeliness of us getting appeals, I think, is fairly commendable as well, as a Public Service, which speaks to the efficiency of addressing the appeals.

The time lag is usually getting the classification and reviewing and doing the work. It's a massive piece of work. If you're going to do it correctly, I think if you analyze what the steps are and what the process would be in reviewing the classification and doing your homework and research on that, it is a pretty daunting task within the small numbers that that classification or that group would have at the Treasury Board Secretariat level.

So this section only on appeals, and I think the timelines for getting the appeals has never been a problem or an issue that I'm aware of.

OFFICIAL: Correct.

C. PARDY: I'm not sure if that answers the question or not but that's –

S. O'LEARY: I think that helps –

C. PARDY: And back to the point, I also stated during the previous Estimates with the Treasury Board, that it's contingent on us to make sure we review every program. The ones that we will get feedback on, it will heighten our desire to make sure we revisit a program that we know we're getting

feedback that would be questioning the efficiency or the delivery of a program; so indirectly saying that we need to give attention to those, probably as a priority basis.

S. O'LEARY: Thank you.

Under 1.2.02, Strategic Staffing, is the PSC working according to any strategic staffing plan that tells you what jobs are going to be in higher demand in the future and how many of each will you need in the coming five to 10 years?

C. PARDY: I think that's part of the efficiency. We know what the labour demands would be, and I think that's working in tandem with government with our economy to know what we are going to need. So we've got our finger on the pulse with that.

You mentioned before that we had the market adjustments; you'll find sometimes when we have those that may be in low demand or low supply to service Newfoundlanders and Labradorians that often those are the ones with a market adjustment. We know which professions, I think, that we may have in short supply. Those are the ones that, through our initiatives, we have to make sure that we do increase the numbers that would be available for us in those hard-to-fill positions.

We do have quite a few hard-to-fill positions, but we're no different than what other provinces would be.

S. O'LEARY: Thank you, Minister.

Can you just speak a little bit to that process, because that's where I want to find out a little bit more, the process to find out exactly how to be strategic, if you could just mine down into it a little bit deeper?

C. PARDY: Before I pass it now to Krista to drill down a little deeper, we just subscribed

to LinkedIn for another four years – I think a four-year subscription.

The outreach on the LinkedIn is huge because, if we look at it now, we're no longer within Newfoundland and Labrador; we've got a global outreach. LinkedIn is a resource and an avenue which we can reach out, and we've got people all over the world that may have interest in coming here or inquiring. The return rate and the success rate on the LinkedIn has been comforting.

S. O'LEARY: That's great in terms of attraction, and I understand that when you're looking for it, but the question that I'm asking is about the strategic planning, it's the process about finding out where the holes are. It's about trying to find out the needs for the future and such like that. So that would be more of an internal process. That's what I'm referring to, not about the outreach, how you actually determine what the needs are and how you can be strategic about moving that forward.

Thank you.

C. PARDY: Yes.

I'm going to pass it over to Krista, but one thing I would say to you is that we're all aware of the hard-to-fill positions that we would have.

What you're saying is what do we do or what initiatives does government undertake to make sure that we reduce the hard to fill –?

S. O'LEARY: No, that's not the question.

Sorry, Minister.

C. PARDY: My apologies.

S. O'LEARY: No, no problem. Thank you.

So just to clarify, it's about the strategic process of understanding. I want to understand how we determine where the

needs are for the staffing and making a strategic plan.

LinkedIn, understandably – I'm on it. It's a wonderful tool, but that's for outreach. There are a lot of people in our community who are in need of work and there's no availability whatsoever. What I'm trying to determine is how we find where all these holes are, where all those gaps are, and make a strategic plan around filling them. Then we can go to LinkedIn or wherever.

Understand? So it's inside first.

C. PARDY: I do.

S. O'LEARY: Thank you.

C. PARDY: We're all aware of the positions that we have difficulty with. I'll just give you a couple of examples. You would be, and I think everyone in the House may be.

If we're looking at the 24-hour snow clearing and find that we didn't have enough operators. That was clear, we know that we didn't have enough operators; we didn't have enough heavy-duty mechanics in order to service our fleets. We knew those were stress points.

When we look at the workforce planning that the departments have, they let us know what problems we would have. You know, last year we talked about the shortage of social workers. We were down by 30 per cent in then CSSD – one-third of them. It was apparent in the delivery of our programs that we just never had the staff. It becomes a challenge.

Knowing what we're short on, basically, is a pretty easy indicator; because, if we post a job and a position and you find that you have very few applicants come in, you know that this is an area that would be of concern. That would be obvious in the return and the numbers that we would have in applying for a position. If we notice we had, for retired teachers, to use in the education system,

which your colleague would say. Why? It is because we have got a shortage of teachers in order to fill the positions within the system. Therefore, we had to make sure we made adjustments to allow retired teachers to come into the system.

Not that long ago we were looking at nurses. We had a shortage of nurses that we had to embark upon a program years ago of travel nurses that would serve. Everyone was aware that we've had a shortage in our society of nurses.

It's quite apparent where our shortages are. The most important question would be what would be our workforce plan in order to address the shortages that we would all be aware of? That is the question that we do.

S. O'LEARY: It wasn't my question.

Sorry, Minister.

C. PARDY: Did I answer your question that time?

S. O'LEARY: Yes and no, but thank you.

CHAIR: The Chair recognizes the Member for Burgeo - La Poile.

M. KING: Thank you, Chair.

Thank you, Minister, and your staff for being here this morning.

I'm going to probably try to build on the question from my colleague, MHA O'Leary. In those hard-to-fill positions or those specialized roles, has the Public Service Commission identified any challenges, like specific challenges, in the recruitment of those positions? Why are those positions hard to fill? What are the challenges that are being faced to fill those positions?

I think back to the question, when you identify those challenges, what are you doing to fix those, basically?

C. PARDY: Each department would have an action plan as to how they would address those hard-to-fill positions.

Just back to the previous question, if we have a nursing shortage, then two strategies that the Newfoundland and Labrador Health Services would utilize is that we would probably increase the number of seats that would be at the nursing programs to address a shortfall of nurses. We might look at co-operation with the Nurses' Union to see what we can do to look at a travel unit in hard-to-fill areas. We would also look at remuneration, which was a market adjustment so it was mentioned a little earlier, that we would do.

When we look at what strategies we would have, each department would have to have a work plan strategy in order for the recruitment of those that would be hard to fill.

I'm going to pass it over to Krista now to add to that.

K. QUINLAN: Hard to fill is really characterized by three aspects: we have hard to attract, we have hard to recruit and hard to retain.

Hard to retain is really a Treasury Board question. That's more around the compensation. It's around the working conditions and things like that. However, hard to retain has an impact on Public Service Commission operations, because that means we're going to recruit a lot more and we're having more competitions and things like that.

Specific challenges are that sometimes there is a limited supply for the certain types of occupations. Examples of that would be social workers; it would include computer support specialists, it would include elevating devices inspectors and things of that nature. The tactic that we use to address those is that we go upstream. We're trying to get people through our high

school outreach program, to say these are occupations that you might want to consider training in when you go to post-secondary.

So we're promoting the positions once we have a short-term demand within the public service for these positions. We have targeted recruitment efforts that we undertake. We do consolidated, ongoing competitions so we'll have continuous intake. We're not just running a short-term competition that might have an expiry date on a fixed date. We'll continually accept those applications. We're doing continuous screening on those. We're not just waiting for a certain date to come to do those.

We'll use consistent panels for interviews to make sure that we have some expertise and some experience built up so that they can be more effective in their recruitment for those. We have increased candidate engagement as well so that we're talking to people about where they want to go.

We know that if we look at the Department of Forestry, Agriculture and Lands, they have about 70 per cent of their positions that are located in Labrador that would be considered hard to fill just because of the geography.

So there are certain challenges that are really going to be unique depending on the position and depending on what's required, but we're aware of those and we're working with departments to make sure that we have a good handle on it, then the PSC is adapting its approach to best meet those needs. We've been actually quite successful with it.

M. KING: I would add, I think workplace conditions is definitely a part of that as well, addressing that concern for a recruitment and retention tool.

I just want to go back to the Independent Appointments Commission for a little bit; just some comments that were made earlier.

Is there any process underway for review or anything you're looking at to review that process?

C. PARDY: We constantly review every program. Any program that we would get negative feedback on, as we discussed a little earlier, or some concerning feedback, that obviously would give an immediate look, maybe even be prioritized to know one to revisit. But we revisit all programs.

We don't have a listing of that program as far as revisiting. At least in their plan that they put forth, or the PSC, there was no mention of a review, even though there are always strategies that they would have to make sure that we would have improvements within the delivery of it.

M. KING: Sorry, just to clarify a little bit there. Are you looking to review the Independent Appointments Commission itself?

C. PARDY: We don't have that listed as far as doing a review. The JES is one that we were looking at, that was mentioned earlier, but we don't have the IAC.

M. KING: You have no plan to review that process at this time?

C. PARDY: I wouldn't say that. We're reviewing them all.

M. KING: Okay.

C. PARDY: But as far as to say that that is a priority that we're looking at that one, no. I know we've had conversations about the operationalizing of it within the Public Service Commission, and that's like every department, whether it would be in the Finance or Treasury Board.

M. KING: Perfect. Thanks, Minister.

There was a comment made also that the Public Service Commission visits with chambers of commerce for recruitment, I

guess, to the IAC to make sure people apply. Are those engagements with chambers of commerce only happening in the metro area or does that happen throughout the entire province?

K. QUINLAN: So the Independent Appointments Commission chairperson has been undertaking those initiatives. I don't have a current list of which ones she's attended, but she has asked the Public Service Commission to support her in expanding the outreach. She's happy to travel anywhere in the province to have discussions with anybody at any time to promote the Independent Appointments process.

M. KING: I would just make a comment to add to that, that it would be important, too. Chambers of commerce are important as well, but if you're looking to diversify those positions, you know, rural communities, different conferences, I think of NLOWE, for example, recruiting women to more positions, to diversify those positions I think would be important for the chair to consider.

On the outreach part as well, you mentioned LinkedIn was a big focus. Is there any marketing plan for other social media apps or Facebook or anything on that?

K. QUINLAN: Yes, the IAC has a promotion and marketing plan, but they don't have a budget for it, per se. So there are things that we're doing within the Public Service Commission. We're promoting Facebook, we're promoting different social media avenues so that we can get the message out.

The money that we're spending through the Public Service Commission is really on the LinkedIn licences so that we can do targeted promotion. But they're certainly using other apps to get messages out about it.

M. KING: Thank you very much for that.

Do any public servants receive a bonus as a part of their contract?

C. PARDY: I wouldn't have that information, but I'm not aware of any. My answer is I wouldn't be aware of any.

M. KING: Okay, thank you.

Chair, I'll turn it over to my colleague for now.

CHAIR: Sure.

M. KING: Thank you.

CHAIR: The Chair recognizes the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair.

So just continuing there under 1.2.04 – we're still under that section, correct?

CHAIR: Yeah.

S. O'LEARY: Office of Employment Equity for Persons with Disabilities: How many positions are there in this division and how many vacancies are there currently?

C. PARDY: There are 87 funded positions in this department, of which 60 are permanent, 25 are temporary and 2 contractual.

S. O'LEARY: Thank you, Chair, and thank you, Minister.

No vacancies? I'm just doing the math here. It's 85 –

C. PARDY: Of the permanent positions, the 60, there are 10 vacant positions.

Krista Quinlan can elaborate a little further.

K. QUINLAN: The salaries under this heading are salaries for Employment Equity positions throughout the entire government.

It's not just staff related to the Public Service Commission that are in under this.

S. O'LEARY: Okay.

K. QUINLAN: We use these salaries to fund positions everywhere throughout the public service. This year, we had additional temporary contractual that we put in there to use up the extra salaries when we had people on unpaid leave. So the vacancies are not the same kind of thing as of the normal department.

S. O'LEARY: Because it's what –

K. QUINLAN: Because we're distributing a pot of funding to fund positions throughout government. It's a pool of funding.

S. O'LEARY: Understood. Thank you for that clarification.

Are there any new initiatives in development that would provide further accommodation and outreach to employees with disabilities?

K. QUINLAN: We're continuously using outreach with departments and engagement with persons with disabilities to ensure that our programming meets current needs. We have an idea committee that has been set up through the Public Service Commission that engages with employees across all departments that are looking at accessibility issues, as well, for core public service employees. We are working on a work plan right now and hoping to implement that in the year coming.

S. O'LEARY: As is with most of the departments or most of the Estimates Committees that I have been party to, there is always an intersection with TI.

I will say that, obviously, we know there are inadequacies with this particular facility itself, in the House and otherwise, so would that be a consideration to have consult with TI about making sure to embolden those efforts, because, as it stands right now,

much of the facility in this particular building itself is still inaccessible.

Thank you.

C. PARDY: I think that was an initiative of the previous government. It is of ours as well and I think the House Management Commission is doing work on that with the TI Department to make changes within, to make it more accessible within the Chamber.

So that's in progress.

S. O'LEARY: Wonderful.

I would just strongly recommend that this Committee itself also provide commentary because in terms of attraction and retention of people with disabilities, that is a huge thing. The more, the merrier, in terms of a conversation to ensure that that moves forward in a very progressive way.

C. PARDY: We have unanimity there, I think, with all individuals and all Members of the House.

S. O'LEARY: Wonderful. Thank you, Minister. I appreciate that.

I believe that was my last question there, but I do have one question under the Employee Assistance and Respectful Workplace Program. Understanding, Minister, as you have talked about, the premise being merit, fairness and respect – and I couldn't agree more in a professional scenario in the public service, these pillars, to me, are imperative to having a harassment-free workplace program.

We've had some unfortunate situations happen within the House of Assembly itself. We are the leaders. There's an excellent opportunity to provide that leadership, as elected Members, but that also reflects upon the public service. Everything that we do in the House of Assembly impacts each other, but it also reflects upon the public

service that we are trying to attract and retain as well.

I'm just wondering if there's any heightened initiatives that you could speak about, other than some of the traditional ones, that will be addressing that kind of harassment-free workplace programming.

Thank you.

K. QUINLAN: We have really two different groups that are looking at these types of issues within the Public Service Commission. We have the Harassment-Free Workplace Program staff who are the ones that, basically, administer Treasury Board's Harassment-Free Workplace Policy. They receive complaints and they make a determination on whether it would merit an investigation and they can pursue a formal or an informal resolution.

So that's one aspect of it. Under the EARWP Division, the Employee Assistance and Respectful Workplace Program, those staff are primarily trained clinicians. They provide employee assistance to employees and their families, around, I think it was, 13,500 employees plus their immediate family members.

Plus, we also provide the services to our retired employees for one year post-employment. They can avail of counselling or supports that an employee might need to deal with difficult circumstances in their life. It might be counselling or those sorts of things, but they also operate the Respectful Workplace Program. That's not clinical. That's where staff will go in and they'll work with a workplace. They might do an assessment in the workplace to determine if there's conflict, if there are issues within that workplace and then they work collaboratively to resolve those issues.

The two programs could really work hand in hand. We're looking at building some more bridges between the two right now within the Public Service Commission so that we

have more of an alternative dispute resolution approach, rather than always getting into the formal investigation and report approach of things.

We're looking at the overall well-being of the workplace and what happens after the fact. Do we have reparation in the workplace, do we have people that are willing to continue working together, those sorts of things. So it's about developing those continued relationships but also the skills within the management and the employees to adapt to different circumstances.

S. O'LEARY: Thank you.

Just a comment on that. That's wonderful. Obviously, I understand the EAP, from my former role in municipal, and the necessity of it, and how important that is, to ensure that we're supporting people who are going through conflicts and things like that; however, I'm looking more at the preventative side. As I've spoke about restorative justice, how important that kind of capacity is, about building a really safe and healthy workplace situation, it's that good teaching.

We start early. We make sure to get ahead of it before it becomes a problem, before we have to put in place counselling and the efforts to support people once they're in duress.

Thank you.

C. PARDY: I know before we became MHAs, you had to do a workplace harassment safety course.

S. O'LEARY: Precisely.

C. PARDY: That's through the House of Assembly that we did that. So we all, as far as the education piece, completed the course. I'm sure, like everything, it's constantly under revision and to revisit whether more time was needed in future or not.

Anyway, that's under revision, but, yes, education – preventative is very important. I know that in our outreach of the programs that we would offer, online and in person, addresses that as well. We're not waiting to be reactive in these sessions.

If you had the learning and development that we have and the amount of sessions that we've launched, they exceed more this year. Workplace health and safety has a large number that we have utilized through eLearning and people doing self-directed courses online in order to become more educated in matters such as you address.

Krista had mentioned about the EAP; we have eight people in that particular division. In 2025-26, there were 1,822 cases that were open for the eight individuals, which is a utilization rate of about 13.5 per cent, which is standard. That's neither high nor low; that's generally standard for past years. They do great work.

The other one with the CLD, they are on the preventative side with the course offerings. So we pretty well got it covered and I know that's key, the preventative aspect of it.

S. O'LEARY: Thank you.

C. PARDY: Krista will add further to that.

K. QUINLAN: It's just to build on what the minister was saying.

The CLD Harassment-Free Workplace people and the Respectful Workplace people have been working together to put together a program that will identify eLearning and different training sessions that can be deployed throughout the entire core public service, that people will be able to access.

One example would be, on PSEAccess right now, we have program called Civility in the Workplace, which, really, everybody should take. It's an important foundational principle for anybody coming into a workplace.

S. O'LEARY: Yes, thank you so much. I appreciate it.

Thank you, Chair.

CHAIR: That's good.

Our instructor, actually, for safe workplace is here at the Table today. It's always nice to have those programs developed.

Seeing no further questions, I now as the Clerk to recall the subhead.

CLERK: 1.1.01 to 1.2.05 inclusive, Public Service Commission.

CHAIR: Shall 1.1.01 to 1.2.05 inclusive, Public Service Commission, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.

On motion, subheads 1.1.01 through 1.2.05 carried.

CLERK: The total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.

On motion, Public Service Commission, total heads, carried.

CHAIR: Shall I report the Estimates of the Public Service Commission carried?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, Estimates of the Public Service Commission carried without amendment.

CHAIR: So where there's a switchover now of staff, we are going to take our break right now.

Is it okay to do 15 instead of 10?

Okay, so we'll do a 15-minute break. How does that sound, seeing how it's Friday and it's a beautiful day outside?

Anyway, we'll see you back in 15 minutes to go into the next head of expenditure.

Thank you everyone for being here this morning.

Recess

CHAIR (Dwyer): Order, please!

Thank you, everybody, for being here this morning.

The substitutes for this section are, for Mount Pearl North, the Member for Mount Scio and the Member for Burgeo - La Poile is replacing the Member for Waterford Valley.

We are going into a new hour and we just had our break, so there will be no more breaks. We will do a switchover to another head of expenditure partway through.

Just a reminder for the Members and the departmental officials, each time you speak, just wave your hand to identify that you're going to be speaking. Wait for the little red tally light to come on before proceeding, because that's for transcription purposes, and just state your name and your position each time that you speak. Do not make

adjustments to the chairs. Water coolers are located two down here and two up here by the Speaker's Chair. If you need water you can get up and move about any time or you can ask our Page for a refresh.

There are no unaffiliated Members.

I now ask the Committee Members, substitutions and caucus employees to introduce themselves, starting at the front row closest to the Chair.

S. STOODLEY: Sarah Stoodley, MHA for Mount Scio.

M. PARSONS: Meghan Parsons, Opposition Staffer.

M. KING: Michael King, MHA for Burgeo - La Poile.

A. HILL: Angelica Hill, Director of Research for the Official Opposition.

S. O'LEARY: Sheilagh O'Leary, MHA, St. John's East - Quidi Vidi.

S. FLEMING: Scott Fleming, Researcher, NDP Caucus Office.

J. MCKENNA: Jim McKenna, MHA, Fogo Island - Cape Freels.

M. BUTT: Mark Butt for the beautiful District of Lewisporte - Twillingate.

R. BALSOM: Riley Balsom, MHA for Carbonear - Trinity - Bay de Verde.

CHAIR: Thank you very much.

I now ask the departmental officials to introduce themselves, starting with the minister.

C. PARDY: Thank you, Chair.

Craig Pardy, Minister of Finance and MHA for the District of Bonavista.

D. DROVER: David Drover, Deputy Minister of Finance.

C. TUCKER: Corey Tucker, ADM of Budgeting and Treasury Management.

D. TRASK: Doug Trask, ADM, Economics, Fiscal and Statistics.

J. MCGRATH: John McGrath, Secretary to the Treasury Board.

L. CURRAN: Lisa Curran, Assistant Deputy Minister, Treasury Board Secretariat.

J. DOODY: Jim Doody, Director of Benefits Administration.

B. HANLON: Brendan Hanlon, Comptroller General.

N. ABBOTT: Nicole Abbott, Departmental Controller.

A. LUTHER: Adrienne Luther, Director of Communications.

T. NEMEC: Tom Nemec, Director of Treasury Management.

C. KNEE: Curtis Knee, Minister's EA.

CHAIR: Thank you, everybody, for being here. I appreciate it.

Before we start the Estimates review process, the Committee will now –

CLERK: (Inaudible.)

CHAIR: We don't need to do that part, apparently. That's why we have this very efficient Clerk here; she's well on top of it. She knows it all.

C. PARDY: Where's she from?

CHAIR: I think it might be the historical District of Bonavista. She's quite a hockey player too. I hear there are good hockey players from there.

C. PARDY: (Inaudible.)

CHAIR: Yes. Only thing is they're all Canadian fans.

We will now proceed with the Estimates review process. Once I ask the Clerk to call the first subhead grouping for this head of expenditure, I will recognize the minister, who will get 15 minutes to have opening remarks. Then I will proceed to introduce the first responder and questioner from the Committee, who will also get 15 minutes for questions in the first round. After the first round, questions will proceed in rounds of 10 minutes each, alternating between Members of the Committee.

I now ask the Clerk to call the first subhead.

CLERK: 1.1.01 to 1.4.01 inclusive, Servicing of the Public Debt.

CHAIR: Shall 1.1.01 to 1.4.01 inclusive, Servicing of the Public Debt, carry?

I now recognize the minister for opening remarks.

C. PARDY: Thank you, Chair.

We just finished the subheading with the Public Service Commission and we said that it's merit-based, skill-based selection; that we want to make sure that we put the sharpest and most knowledgeable individuals running the affairs of the province. I'm pleased to say that this team around me here exemplifies that to its nth degree.

When we look at the financial affairs of the Province of Newfoundland and Labrador, there will not be a question that could not be answered by the team that would be around me. Times I've sat in on the financial Estimates. I often did that, I didn't miss too many financial Estimates, because I knew that I just wanted to sit in and listen to the discussion and the information that would have come from the team. Now that I'm

sitting amongst them, and since October, I know that I was correct. Now it occurs daily that they mentor and do it so well.

As Minister of Finance, the Consolidated Fund Services would be jointly managed by the Department of Finance and by Treasury Board Secretariat. The Consolidated Funds, which is the subheading that we're doing – the next one would be Finance – looks at the interest costs and the management expenses related to servicing of the public debt of the province and the funding of the pension plans for the government and government agencies. This is the subhead.

So, anyway, without further ado, I yield it back to you, Mr. Chair, and maybe we can commence.

CHAIR: I now recognize the hon. Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I do want to ask, would we have a hard cut-off today? I'm just trying to budget our time to make sure we have enough time for Finance.

CLERK: We have three hours for this one and three hours for Finance.

S. STOODLEY: Oh okay, so we're not –

CLERK: They are separate heads of expenditure.

S. STOODLEY: Oh, okay.

So we don't have to finish all of Finance by 12 or 12:15?

CHAIR: No, no, you have three hours now and three hours after that.

S. STOODLEY: Okay. I don't think we'll need that long.

CHAIR: Let's hope not.

S. STOODLEY: Thank you very much.

CHAIR: He said they've got answers.

S. STOODLEY: Yes, I just wanted to make sure we didn't run out of time for Finance.

Thank you very much.

CHAIR: Good question, actually.

S. STOODLEY: I'm not going to be six hours.

Thank you for giving an overview. I'm just trying to figure out where best I should place some of my questions. In terms of revenues, fiscal forecast, I guess that is not in this section, that would be Finance. The minister nodded yes. Thank you very much.

In terms of the Future Fund that would be Finance. I see him nodding yes. Okay, thank you.

Total Servicing of the Public Debt is estimated at \$1.062 billion for 2026-2027. Can the minister outline key assumptions that inform this Estimate, the interest rates, refinancing requirements and the planned borrowing activity, please?

C. PARDY: Our borrowing for '26-'27 is forecasted at \$3.9 billion. A breakdown of that would be pre-borrowing of half a billion. The pre-borrowing would relate to before we pass a budget, then we make sure that we've got ample money to be able to operate and operationalize programs for residents of Newfoundland and Labrador.

We have \$1.1 billion for the infrastructure. We have borrowing for Newfoundland and Labrador Hydro, and that may be a question that may come up. We get a better rate than what Newfoundland and Labrador Hydro would be. Basically, we would borrow money on their part – money in, money out. We do that for Crown corporations, at least for the Newfoundland and Labrador Hydro.

Our promissory notes for our pension is a little over \$300 million. The line of credit is close to \$800 million. That would be paying off NLHS line of credit. A little over \$750 million that we will bring back to zero for operational interest purposes. Our sinking funds, which the minister thinks so highly of, \$200 million will be the borrowing. Of course, the deficit, which is anticipated and projected, \$700 million. That will bring you very close to \$3.9 billion.

S. STOODLEY: Thank you very much, Minister.

I'm going to ask one, kind of, Future Fund question because, Minister, I've heard you describe the revenue that would have gone in the Future Fund for the past year, as you're now not borrowing that extra money. If I've understood that correctly, I'm wondering if you or someone could outline for the House exactly how much that is now.

I'm just also trying to get a handle on where that sits right now, because the Future Fund bill has not yet received Royal Assent. I'm assuming that change has not been implemented yet. Where does that money sit now? Because I guess we are two months over and the next year started and how the flow of money works in that regard.

C. PARDY: I say to the hon. Member that that may be best suited for Finance in our next subheading.

S. STOODLEY: Sorry?

C. PARDY: I think that would be best suited for our next subheading in Finance.

S. STOODLEY: Okay, thank you very much.

Minister, you mentioned the Hydro borrowing. I'm wondering if you could elaborate on the Hydro borrowing and how that fits within this Servicing of the Public Debt subheading, please.

C. PARDY: So in the previous government, for the previous fiscal, there was \$300 million that we borrowed for Newfoundland and Labrador Hydro. Any and all costs associated with borrowing that \$300 million for Newfoundland and Labrador Hydro was paid back by Newfoundland and Labrador Hydro.

While it shows up on our fiscal and our balance sheet and our line items, you know that they fully pay it back to the dollar. The \$300 million was last year and this fiscal is \$200 million. I'm not exactly sure how long we've been doing that, but it has been a pretty constant thing that we borrowed again. As I stated, we do get a cheaper rate, a better borrowing rate, and that has been occurring since 2016. That has been the case.

So, basically, it's just a line item – money out, money in.

S. STOODLEY: Thank you very much, Minister.

I'm wondering if the team can explain or walk us through Muskrat Falls liabilities and how that flows through Servicing of the Public Debt, the borrowing costs and the credit assessments, please.

C. PARDY: That wouldn't show up here. Anything to do with the Muskrat Falls debt would be Newfoundland and Labrador Hydro.

S. STOODLEY: Okay, thank you very much.

So the Hydro debt is included in the government's Estimates? No.

C. PARDY: I'm going to pass it over to my –

D. DROVER: Hydro's debt is reflected in the investment in government and business enterprises on the province's balance sheet, not in the Estimates for Consolidated Fund Services.

S. STOODLEY: Thank you.

So is there anywhere in the Estimates process in the House of Assembly where we could ask questions – I appreciate that may have already passed but where we could learn more about that.

C. PARDY: I may suggest to the hon. Member if we can probably wait for Finance for that as well. It certainly wouldn't apply here in this section, but maybe that's one you can make note of for Finance.

S. STOODLEY: Thank you very much.

Under 1.1.03, there is provincial revenue of \$45.75 million. I'm wondering what the source for that revenue is, please.

C. PARDY: 1.1.03, the revenue?

S. STOODLEY: Correct.

C. PARDY: That is the costs associated with the Newfoundland and Labrador Hydro loan. So the interest accrued, any kind of charges that would be associated with us doing it is fully paid for by Newfoundland and Labrador Hydro. Money in, money out.

S. STOODLEY: Hydro benefits from the Government of Newfoundland and Labrador's borrowing rates and so this is interest on Hydro's loans that they've repaid us back? I see a nod. It's yes.

C. PARDY: Yes, interest payments.

S. STOODLEY: Thank you very much.

We see in 1.1.04, there's no allocation for Debt Expenses for the Canada Pension Plan. I'm wondering why that might be?

C. PARDY: This plan, the money owing to the plan was fully paid off in June of 2025. This line item will be history and non-existent in '26-'27. It took quite a number of years to pay it off; I think the debt was rolled over, and eventually now it's history.

S. STOODLEY: Thank you very much.

This may or may not fit in this section, but, Minister, I'm aware of what our previous government had done in terms of sinking funds. There were sinking funds a long time ago. There were no sinking funds for a while and then there were sinking funds brought back. Minister, I've heard you refer to the fact that you're using them more often now, which I fully support.

I'm wondering if this is the right heading. Could you describe in greater detail how you're – what I've interpreted you saying is that you're now using them more than we did, which is fair. I was just wondering if I've understood that correctly and if you could elaborate on that, please.

C. PARDY: Sinking funds have been on the go for quite some time. As I stated in the House of Assembly, seven of the eight years where they weren't being utilized was by the previous government. They didn't utilize the sinking funds. We've changed the regulation.

For those viewers at home, the sinking fund for any debt that's been accrued that we're rolling out, we would have a sinking fund attached to it. That sinking fund will grow as well and offset, if not in totality, which it won't be in one run, but it certainly would help out in paying off that debt when it came due again after, 10, 20 or 30 years.

The percentage at which the sinking fund was 1.5 per cent, as you would start off with and we know compound growth over a 30-year period that would give a fair amount. That amount will then be applied to that debt when it comes due.

We've created a policy. We've changed now and what I stated in the House of Assembly, instead of 1.5 per cent, we will now start off with any debt that becomes due with 2.5 per cent. Chair, 2.5 per cent might not seem like a lot, but we think that if we had debt that might be pushed out at 30 years, it will have

that debt paid off in over 20 years, that anything over and above then can be attached to debt that we've got coming due in future years that don't have a sinking fund attached to it.

I'm not sure if I clarified that but, basically, it's a savings account that's going to be creating money to pay off that debt when it comes due and it's anchored to debt that we would have.

Really, we've added the policy of adding 1 per cent more to the sinking fund allocation.

S. STOODLEY: Thank you very much.

Under 1.1.05, Temporary Investments, I'm wondering if the minister or team could walk us through – I'm assuming that's kind of just interest that is gained while it's sitting somewhere waiting to go somewhere else but maybe not. I'm wondering if someone could give us more information on where that revenue comes from and how it's anticipated, please.

C. PARDY: I think you're correct. It's the interest earnings on the province's bank balances and investments, that's in short-term money markets, instruments, so that's where it is. The fluctuation you will see, to my colleague, would be it fluctuates with the interest rate, interest rate adjustments, then you're going to see fluctuations in that amount but you'll see, generally, the same amount that would exist and that's fluid.

S. STOODLEY: Sure, thank you very much.

I'm wondering if someone could give us just a spread or what kind of interest rates are we talking about for the short term. I understand it's not strategic, it's just in a holding place, but what kind of interest rates would our money get when we're putting it somewhere waiting to go somewhere else?

C. PARDY: I'll pass it over to my deputy minister.

D. DROVER: The short answer to that is it does vary. It's all a prime-base rate less a certain number of percentage points. It depends on the balance that is held at any one point in time in our bank account as to corresponding interest that comes with that. It does vary. There are a lot of different tiers depending on what that balance looks like, but it's all, as I said, a prime-based rate from the bank, less a number of percentage points.

S. STOODLEY: Just for my interest, do you have like an example, like a high or a low, if you don't mind.

D. DROVER: Just as an example, for amounts under a billion dollars, it's prime minus 1.52 per cent, currently, which the current rate would be about 2.93 per cent but that also varies, as I say, as you go to the higher tiers of depending on what's being held at any one point in time.

S. STOODLEY: Okay.

CHAIR: The Chair recognizes the hon. Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair, and thank you, Minister and to all the staff that are here today to provide the information.

I'm not sure if a couple of my questions may be for Finance, as well, I'm not sure so you can indicate as I go through.

I'll begin with, does this government plan to continue to borrow on European markets?

C. PARDY: Yes.

S. O'LEARY: Yes, can you enlarge, you know, provide a little bit of detail in terms of – Europe is a broad blanket, I realize.

C. PARDY: I'll pass it over to my deputy minister.

CHAIR: The Chair recognizes David Drover.

D. DROVER: Yes, in terms of the European market, that certainly would be the province's intention to still continue. The primary objective of doing so is to expand our investor base, given the amount that the province has to borrow, expanding beyond Canada. So to ensure we have that broadened base into the Europe perspective, that's why we would continue to be borrowing in that market.

S. O'LEARY: Okay. Thank you.

Is there any strategy in the works by the new administration to address the volatility in our revenue sources, most of which are completely beyond the powers of the provincial government control? Are we looking to move towards more stable sources of revenue?

C. PARDY: Just to add another – we talked in the House of Assembly about diversity so I know the European market and the staff have talked about making sure we've got diversity in our investments, in our borrowings. Stability in our revenues is probably through taxation that we've got, but the bottom line that we've got control over would be on our expenditures.

So when we look at projections of revenue and if we look at year after year that we know that our expenditures are higher than our revenue, one thing that we know we've got control over would be the expenditure side to make sure that they don't exceed the revenue. I think that's got to be a plan going forward, to do that to their utmost ability to look at that.

As far as what would be revenue sources that would remain in a resource-based sector, which is what we've got, then I will say to you that there is volatility in the resource-based sector as we all know.

How to manage that vulnerability, I can't begin to tell you. I just know that you need to make sure on your predictions that you don't over predict or over analyze as to what

the yield would be and to make sure that you accommodate for the ebbs and flows. One of the classic examples of the ebbs and flows we would have is in our oil revenue and being able to predict what the oil revenue would be.

I stated in the House of Assembly that, once we predict that, it's better to be on the conservative side of predicting to make sure that we're on the lower part of what the estimate would be and to make sure we further protect ourselves from our estimates in our budget.

S. O'LEARY: Thank you, Minister.

Just to follow up on that, yes, we are having all of these discussions, obviously, in the House of Assembly and in regard to moving towards more stable sources of revenue – exactly – in a volatile market where oil and gas is up and down, like a dog's stomach.

So moving towards more sustainable industries that we know are renewable on an ongoing basis is obviously a huge focus for our caucus, and certainly should be, as we see the rest of the world moving towards that internationally. That is stability in my understanding.

C. PARDY: Yes.

If I can probably add on, I know where you're coming from. When we look at our revenue side and industrial side, and we know that we've got North Atlantic, which is about to enter into wind and hydrogen development, from your point of view, which is correct, that will offer more stability in relation to that environmentally more friendly.

EVREC is another company that seems to have their suppliers that they've let us know that are available to them. I think they're going through their environmental assessment now. These seem to be two proponents in our, we'll say, vantage point which seem to be off and running. These

would be two proponents that would be adding revenue to our province with the degree of stability that I think your question is asking. On the environmental side, I think that's welcome growth for our province.

S. O'LEARY: Absolutely. Thank you, Minister.

Chair, I just want to follow-up on that because, again, we know – I'm going to throw out solar energy as well –

C. PARDY: Yes.

S. O'LEARY: – because that doesn't seem to ever really get discussed in the mix in our conversations to date. Even though we live in a climate where people might find it unbelievable, there are many successful businesses. We're talking about scale too.

So we, unfortunately, have a long history of waiting for the big win, the big megaproject, the big revenue source, rather than looking at smaller sources of revenue that can really create a more sustainable economy in the province, in my opinion and certainly the opinion of our caucus.

When you spoke earlier about taxation expenditures and understanding that there's a focus on reducing the expenditures, we also know that there's a lot of social programming that is absolutely in need of support, those wraparound supports that provide sustenance to people so that they can thrive and survive and continue to be productive in society.

I veer away from the concerning kind of thing about taxation is bad, cut expenditures, that kind of thing, because it's a much larger pie, as you and I oftentimes talk about in terms of the balancing act. I think that I'll just put this opinion out there, of course, that we need to not discount those smaller sources of revenue that are a benefit to the entire province, as well.

I realize that was a comment. Thank you.

Chair, this will be my final question. I think it's appropriate for this but, if not, we can move to Finance. In the Statements and Schedules book, Statement I on page 13, there is over \$3 billion in cash and temporary investments. Is this money kind of just sitting around or is it all or a portion of it earmarked for expenses in this budget? If not, how much is surplus?

That's page 13, in the cash and temporary investments.

D. DROVER: So the balance that you're seeing in there of the \$3 billion, essentially, is the amount that the province has on a consolidated basis available to pay for the expenditures coming due in the year.

The elevated balance, if you will, that you might see there is just a reminder of the fact that there is debt maturity coming due in June. That would be a billion dollars of that amount; hence, we would want to ensure that we have sufficient funding to pay the debt maturities as they come due; but, in general, the funding is available for expenditures of the consolidated entity throughout the year.

S. O'LEARY: Okay.

That's it for me.

Thank you, Chair.

CHAIR: Thank you.

The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you very much.

I know we're going to talk about the Future Fund later in Finance, I was just wondering, in 1.1.05, Temporary Investments, today, would the Future Fund balance be sitting in that account waiting to go somewhere else, or no?

D. DROVER: No. The Future Fund is its own thing, if you will.

S. STOODLEY: Right. Okay. Thank you very much.

In terms of 1.2.01 and then 1.2.02 and 1.2.03, I'm wondering if you could walk us through the loan guarantees? What types of programs? I know it's a very small amount; I'm just curious what programs would the government be guaranteeing loans for, please?

C. PARDY: I'll pass this to my DM as well.

CHAIR: David Drover.

D. DROVER: In terms of the reasoning for the small amounts, the small amounts are really all placeholders in the event that we have to incur expenses on any guaranteed debt. That would be anything from if a guarantee was called, whereby if there was a loan guarantee by the province that the province would have to act on that guarantee, then they'd obviously have to pay the associated bank the amount that was outstanding.

Then, secondly to that, if there were any expenses that the province would incur in terms of trying to collect back from the debtor, whether that be legal costs, placing liens and so on, on whatever the province could recover, depending on the terms of the loan agreement, to be able to help recoup some of those losses. The placeholder amounts just reflect the fact in the event we have to. There are no known guarantees that are to be called upon and, as you can see from the prior year as well, there were no amounts incurred in relation to such.

In terms of your secondary question as to what types of programs the province guarantees loans on, there are several. Some of which are the Harvester Enterprise Loan Program, the small business and the small business loan guarantee program.

S. STOODLEY: Thank you very much. That's very helpful.

Under 1.2.01, the Revenue - Provincial is \$7.1 million. I'm wondering if you could walk us through what that revenue is? Is that revenue from loans that – no, sorry. I won't try and guess. I'm wondering if you could explain what that is, please?

C. PARDY: Again, that's related to the Newfoundland and Labrador Hydro on lend.

S. STOODLEY: Could you elaborate?

C. PARDY: Just look at the changes of the term. Again, that's going to be changing over the course of the term in relation to the interest rate.

S. STOODLEY: Thank you.

So this is money Hydro is paying back the provincial government?

D. DROVER: Those are guaranteed fees for any debt that the province has guaranteed debt issued by Hydro.

S. STOODLEY: Thank you.

For 1.2.01, Revenue, that is 100 per cent money that Hydro is paying the provincial government back?

T. NEMEC: That revenue there, the bulk is from Newfoundland and Labrador Hydro. So they pay the province a guarantee fee whenever we borrow and guarantee debt on their behalf.

The only other guarantee there is a very small one to the Fogo Island Co-op, which we guarantee a line of credit for them to their bank and they pay an annual fee to the province for doing so. That's very small compared to the Hydro piece.

S. STOODLEY: Okay, thank you very much.

Moving on to 1.3.01. I'm wondering if you could elaborate for any lay people who may be listening or non-experts, what are you talking about here in 1.3.01 and 1.3.02, please?

C. PARDY: These would be the fees that the bank charges when we issue new bonds. I'm not sure if Mr. Nemec wants to elaborate on that a little further.

T. NEMEC: Certainly, Minister.

There are two amounts here that you're dealing with. The first one, the \$18.16 million, are commissions. So those are the fees charged by the investment dealers when we issue our debt in the bond market. Those are standardized fees across the country that we pay the same fees as other provinces of similar size and borrowing requirements.

Those were a bit lower than budgeted. Due to the term of the debt that we issued, those fees depend on the term of the debt, and the mix that we ended up going with for the year resulted in some lower fees than we expected.

The next line there, Debt Expenses, which was \$16.1 million and is only \$1,000 estimated, that's because we don't know how much, if any, those expenses will be. So those relate to whether we issue bonds at discounts or premiums, depending on where interest rates are at the time. We have no way to estimate that; we just put in a placeholder.

During the year, those discounts amounted to \$16.1 million and what that is, is just if a bond is priced at par, say, \$100, and the interest rates today are 5 per cent, if interest rates were to go up to 5.2 per cent, that bond that pays 5 per cent is not worth \$100 anymore because interest rates have gone up.

So it would trade at a discount. It may trade at \$97 or \$98 per \$100, and we will issue

that bond again. We will issue that \$97 or \$98 depending on where interest rates are that day. That difference between \$97 or \$98 and \$100 is what we call a bond discount.

S. STOODLEY: Okay, thank you.

That's a very thorough explanation. Thank you very much.

In terms of 1.4.01, Loans and Advances to Government Entities, and it talks about Hydro, I'm wondering if someone can walk us through why it went from \$300 million to \$200 million and the flow of money and borrowing there, please.

C. PARDY: Not Muskrat Falls debt, this is just strictly the Newfoundland and Labrador Hydro amounts that we borrowed for them.

As I stated in the preamble, last year it was \$300 million, which is shown there, and this year their borrowing requirement is \$200 million. That's what's listed there in the appropriations, full amounts requested that we loan on their behalf.

S. STOODLEY: Thank you.

You mentioned not Muskrat Falls debt, so is this just kind of a flow through of money or is Hydro spending \$200 million more than they have this year and that will be future debt that we have to pay off?

C. PARDY: No.

S. STOODLEY: And I'm not saying anything about your government. I guess I'm just trying to understand the flow.

C. PARDY: Yes, understandable.

They indicate to us what they wish us to borrow for them. Last year, it was \$300 million, their request that we borrow on their behalf; this year, in '26-'27, they have decided that they would like us to borrow \$200 million for them.

Again, all costs associated to the dollar are covered by Newfoundland and Labrador Hydro.

S. STOODLEY: Thank you.

They pay us back 100 per cent of this money?

C. PARDY: Yes.

We talked about the commissions and the discounts, whatever would be associated with the lending of that money is paid fully by Newfoundland and Labrador Hydro.

S. STOODLEY: Okay, thank you very much.

Just for my knowledge, what interest rate, generally, would the government be able to borrow for this that would be better than what Hydro could borrow it at?

C. PARDY: I'll pass that to the deputy minister.

D. DROVER: In terms of the interest rate that we've assumed for '26-'27, that's on government borrowings in general, not specific to just the Hydro piece, it wouldn't be any different from that perspective. It is 4.5 per cent.

S. STOODLEY: Thank you very much.

CHAIR: The Chair now recognizes the hon. Member for St. John's East - Quidi Vidi, I can come back to you.

S. O'LEARY: Thank you, Chair.

Under section 2.1.01, Contributions to Pensions - Statutory, how many people are currently drawing pensions?

CHAIR: We'll change heads once the questions are exhausted. We can go back and forth for questions.

S. O'LEARY: Oh, is that not in this category?

CHAIR: No –

C. PARDY: Yes.

CHAIR: Is that not in this category?

C. PARDY: It is.

S. O'LEARY: I thought it was.

Thank you.

C. PARDY: I'm going to pass over to Mr. Doody for that answer.

J. DOODY: You want all the different pension plans?

S. O'LEARY: Yes.

J. DOODY: The retirees under all the pension plans?

S. O'LEARY: Yes

J. DOODY: The USPP, we currently have 967; the MHAs: 72; the Provincial Court judges: 10; the TPP: 10,003; the PSPP: 24,321; for a total of 35,373.

CHAIR: Just a reminder to the Member, that is in the next subhead and when we change subheads, we can go to those questions, as well.

S. O'LEARY: Okay, not a problem.

CHAIR: Right now, we're on 1.1.01 to 1.4.01. Do you have questions in that section?

S. O'LEARY: No, thank you.

CHAIR: Okay.

Do you have questions in that section?

S. STOODLEY: I'm done, thank you very much.

CHAIR: Mr. King, do you have any questions in this section?

M. KING: No.

CHAIR: Seeing no further questions in this subhead, I'll ask the Clerk to recall the subhead.

CLERK: 1.1.01 to 1.4.01 inclusive, Servicing of the Public Debt.

CHAIR: Shall 1.1.01 to 1.4.01 inclusive, Servicing of the Public Debt, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion is carried.

On motion, subheads 1.1.01 through 1.4.01 carried.

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: 2.1.01 to 2.3.01 inclusive, Employee Benefits and Other Payments.

CHAIR: Shall 2.1.01 to 2.3.01 inclusive, Employee Benefits and Other Payments, carry?

I call upon the Member for Mount Scio.

S. STOODLEY: Thank you.

I'm happy for the other Member to go first. They had questions.

CHAIR: Okay, that's very collegial. Thank you very much.

S. O'LEARY: Thank you.

CHAIR: I call on the hon. Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you very much and thanks to my colleague.

Thank you, Chair.

Going back into 2.1.01, I'm just wondering if you could actually restate those figures again. We didn't get all of the information there near the end because it came kind of fast. How many people are currently drawing pensions?

I will ask, as well, are we able to receive a binder after the fact? I neglected to ask that at the beginning.

Thank you.

J. DOODY: The total number of retirees would be 35,373, as of December 31, 2025. Do you want the other numbers as well?

S. O'LEARY: Yes, I do, thank you.

J. DOODY: The USPP, would be 1,721; the MHAs would be 72 – oh sorry, the pensioners for the USPP should be 967, I apologize; the MHAs would be 72; the judges would be 10; the Teachers' Pension Plan would be 10,003; and the PSPP would be 24,321.

We can certainly provide you a summary of that.

S. O'LEARY: Wonderful, thank you.

Of the seven plans that you administer, how well are they currently funded?

CHAIR: The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: Before I pass that over, I know that two funds would be the Teachers' Pension Plan and the Public Service Pension Plan which are fully funded. I think

Mr. Doody will give the exact figures, but we're looking between 115 per cent to 125 per cent in that range of being fully funded.

I'll pass that over for further details to Mr. Doody.

J. DOODY: The numbers we have here are the ones that were used in last year's Public Accounts, which is 2025. The ones are not available for 2026, but they will be available in the next couple of months or so.

When you look at the net funding position of each of the plans, as of March 31, 2025, there was 105 per cent in the PSPP, that's improved since then, I just don't have the final numbers; the TPP was 122 per cent; the USPP was 23 per cent; the MHAs were 142 per cent; and the judges were 156 per cent. That's the registered plans.

S. O'LEARY: Okay. Thank you.

Under the Pre-1949 Special Acts - Statutory, 2.1.02, how many people are currently collecting money from pensions under this category?

J. DOODY: The – oh, sorry, Minister. Go ahead.

C. PARDY: No, you can go ahead.

J. DOODY: Okay.

Under the Pre-1949, we have 6 people currently still receiving something under Newfoundland Railway; and the Government of Canada, 2 people.

S. O'LEARY: Interesting. Thank you.

That's it for me under Pensions.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

Under 2.1.01, Contributions to Pensions, in terms of the 2026-2027 Estimate number, \$155 million, I'm wondering what goes in to determining how much you're going to have to put into the pension plans for the upcoming year? If someone could elaborate on that, please.

J. DOODY: Sorry, could you repeat the question? I'm having a little bit of trouble hearing.

S. STOODLEY: Yes, of course. Thank you.

In terms of estimating how much you have to put into the pensions, \$155 million, I'm wondering what goes in to coming up with that number? I'm sure it's very analytical. I'm just wondering if you could speak to how you determine the number that you have to put into the pensions for the upcoming year?

J. DOODY: On a high-level basis, what we do is we look at the contributions year over year and, actually, every month. We track the contributions that are made to the plan. If there are any large variances from month to month, we'll certainly have a look at those variances. But, for the most part, when we're estimating how much would go into a pension plan, we can just look at the fact of what did we pay last year and, if there's a 2 per cent salary increase, what impact would that have on that pension contribution.

As you will see in the notes of this particular Estimate, we had some additional folks added to the K-to-12 system. We had to factor those into those calculations.

S. STOODLEY: Okay. Thank you very much.

So moving to 2.2.01, Ex-Gratia and Other Payments - Non-Statutory, for anyone listening, I'm wondering if someone can walk us through what this is, please?

Thank you very much.

C. PARDY: Before I pass it over, the Ex-Gratia would be for the internal, it would be salary and operational money. The external, which is a little later, would be the contingency.

S. STOODLEY: Thank you very much.

So am I understanding correctly that this is, I guess, an account that pays all the employees of the Government of Newfoundland and Labrador? No.

D. DROVER: So in terms of the salary funding that's there, that's for any salary-related pressures or operation-related pressures that departments or entities would have. They would come through the Treasury Board to a request of transfer of funds from the ex-gratia funding out into the respective departments.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: As an example, if we had RCMP salary increases, then Justice and Public Safety, we would transfer that money out. Part of that figure that you're looking at and you're focused on there would be that would be close to \$5 million that we would have transferred out in that.

We noticed that also in Justice and Public Safety it would have been about a quarter of a million related to the Conception Bay North Response and Recovery. Then there were pressures with the Newfoundland and Labrador Health Services, as well, that would be included here.

S. STOODLEY: Thank you very much.

So this is essentially a contingency for staff dollars. Is that correct?

C. PARDY: For the operational money, and I think when we add the Future Fund, we talked about the importance of extraordinary

circumstances. I think, for the most part, that can be said to be occurring here.

S. STOODLEY: Thank you very much.

Just for my own knowledge, I'm curious, my understanding is that you don't have to borrow contingency because it's kind of just there if you need it, but I'm just wondering, for this, do you only spend it when you use it or are you kind of accounting for it upfront?

Thank you.

C. PARDY: That would be in 3.1.01, Contingency. You're correct. That's just waiting so that if we need it, the \$175 million, if we need to access it, then it becomes part of our deficit once we pull it out. If it is not used, it is not part of our deficit.

S. STOODLEY: Right. Thank you.

Does 2.2.01 work the same way or is this —?

C. PARDY: That's in the deficit.

S. STOODLEY: Okay. Thank you very much.

C. PARDY: Contingency outside.

S. STOODLEY: I'm just trying to expand my own knowledge of government finance.

C. PARDY: No, that's good.

S. STOODLEY: Thank you very much.

In terms of 2.3.01, Deferred Pension Contributions, I'm just wondering if you could give us more information on this? What governs the schedule of the payments and if there's a date where these will conclude, or is it not expected to conclude, please?

Thank you.

C. PARDY: There is a date. It's not in the next fiscal. We wish it was but it's not in the next fiscal.

This has been continuing on for some time. Basically, I guess, the history of it — and someone will pick it up and clarify, add more to what I would say — for some time ago, we had our pension funds that were in difficulty. The government stepped in with a promissory note and, at the time, the promissory note was that the government would contribute \$323 million annually to the funds to contribute. The funds that we contribute to it now, my colleague had mentioned, are doing quite well, funded quite well, in part because of the \$323 million that we've committed to paying into that fund.

When it's due to end, someone else can let you know that. Again, now, it's not in the very, very near future; it will be 2044-45 as to when this would expire. I think the interest rate, maybe, we're looking at is 6 per cent, probably, on this money. That's pretty hefty.

Some would say, well, why don't you borrow that at a lower rate today, pay it all off and be completed with it? We need to make sure we have everybody on board with that, but that would really hit our borrowings to a whole new level, if we had to borrow the money; even though, when we look at investing in the future, remember, we talked about the Future Fund and future generations, it would be a wise move to say that we can probably eliminate that debt, but it will come at a cost. I'm not sure if the lenders would look at it, how they would look at it, to know that we have a large, large amount of borrowing requirements in a particular calendar year.

I'm not sure if anybody wants to share anything further? The deputy minister of Treasury Board.

J. MCGRATH: The appropriation that you're looking at there, that's the basic payment of

principal and interest that's owing on those promissory notes that the minister was speaking to.

There was one that was issued for the Public Service Pension Plan and there was one that was issued, obviously, for the Teachers' Pension Plan as well. I think the minister talked about the interest rate as well, and the expiry dates. I thought he did a pretty good job.

S. STOODLEY: Thank you very much.

So this is the total amount, the principal and the interest?

J. MCGRATH: For this year.

S. STOODLEY: If, for example, the government chose to just pay off the \$323 million, then they could do that? I'm just trying to understand. There's no other extra amount of money? This is the total amount?

C. PARDY: Yearly.

S. STOODLEY: Is there a big balance?

C. PARDY: The total figure outstanding, we've got that, but, remember now, it's not due. We're paying this amount until '44-'45 –

S. STOODLEY: Of course.

C. PARDY: – but the total amount would be –

L. CURRAN: For the Public Service Pension Plan, the inception date was January of 2015 and it will come due in 30 years. The principal that was borrowed was \$2.685 billion.

For the Teachers' Pension Plan, it was inceptioned in September of 2015. So we're just over 10 years in there now as well, with a 30-year term. So we borrowed \$1.862 billion, and the amounts we referred to earlier are annualized amounts for payment.

S. STOODLEY: Thank you very much.

Those are all my questions for this subheading.

CHAIR: The Chair recognizes the hon. Member for St. John's East - Quidi Vidi.

The Chair recognizes the hon. Minister of Finance and President of Treasury Board.

C. PARDY: No, that's a good question.

My understanding is that's enshrined in legislation, but it had to be brought to the House in order for that to be contemplated, paying it off and borrowing that large amount.

CHAIR: The Chair recognizes the Member for Burgeo - La Poile.

M. KING: Thank you, Chair.

Just a couple of quick questions; I think it was mentioned in this subhead that the \$25 million for the Conception Bay North fires – is that in this subhead? Did I hear that correctly, earlier?

C. PARDY: The payments that were made in '25-'26 prior to our arrival, that's the money that would have been put in the last fiscal. The money for this fiscal would be in the contingency fund.

D. DROVER: (Inaudible.)

C. PARDY: No?

Okay, I'm going to pass to my deputy minister.

D. DROVER: In terms of the funding that you're referring to for this year –

M. KING: The \$25 million announced in the budget.

D. DROVER: Right. It's across, I guess, several of the subheads. It depends on the nature of the funding in itself.

For example, if the funding to be provided is going to be covered by the federal government to some portion thereof, under, say, the Disaster Financial Assistance, that would be over in Finance under federal programs. If you're talking about the operational elements to it in itself, in terms of any staffing or administrative efforts, that's within the Ex-Gratia element that you're referring to there. Of all else, kind of the element to it, it could potentially be contingency or financial assistance if those amounts prove to be insufficient in any which way.

M. KING: The \$25 million itself, that is coming from the provincial government, but anything outside of that the federal government would provide? It would be separate from that, correct? Could be on top of that amount or is that —?

D. DROVER: I can't speak to what the federal government necessarily would do from that program.

M. KING: Okay.

D. DROVER: I just mean, in terms of if the federal government were to reimburse the province, like it does on any disaster financial assistance piece, that revenue would come back to the province. If the federal government was doing some other coverage over and above, that would be outside the purview of these funds, say.

M. KING: Minister, in regard to the fund, would you have any knowledge, I guess, of the intention on how those funds are going to be distributed?

C. PARDY: I know that we budgeted and looked at what figure, what amount, we would need to address that. We know that this is what we budgeted, for it to happen.

The deputy minister is correct, that could come from a variety of departments and, of course, the federal government, but \$25 million was the figure that we came up with to make sure that we budgeted to work within that \$25 million.

M. KING: So, for example, there was an announcement to rebuild Cabot Academy, that could come from this \$25 million?

C. PARDY: Yes.

M. KING: Okay.

Could we get a breakdown of that? Is it possible? Where it is and the amount in each subhead?

C. PARDY: For the Conception Bay North?

M. KING: Yeah, for the \$25 million.

C. PARDY: I would think that that may come a little later, because I know that we're looking at the housing and some other projects that, still at the committee level, we're coming up with.

We just know that that's the envelope that we budgeted. It would be working within that set amount in order for us to plan with the recovery. It's ongoing but I know the biggest part of it would be the housing going forward. That would be the largest part, and you mentioned the school as well.

What that looks like and what the amount is, is still in the planning stage. Budgeting, this is the amount that we budgeted to work within.

M. KING: Okay. Thanks.

Back to the federal portion. You wouldn't really know, fully, the amount the feds would provide or pay back to the province yet, depending on how things roll out.

C. PARDY: No, we would not.

M. KING: So you wouldn't have that breakdown, like I said, the feds will give you \$25 million and you spend \$25 million.

C. PARDY: No, it doesn't work that way. There are many things that are not under the federal program. The ones that are under the federal program, we certainly have application made for.

M. KING: I'm a little familiar with it from Hurricane Fiona, of course, but just trying to get an understanding of where that money is.

Thank you, Minister.

That's all, Chair.

CHAIR: Seeing no further questions, I now ask the Clerk to recall the subhead.

CLERK: 2.1.01 to 2.3.01 inclusive, Employee Benefits and Other Payments.

CHAIR: Shall 2.1.01 to 2.3.01 inclusive, Employee Benefits and Other Payments, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 2.1.01 through 2.3.01 carried.

CHAIR: I now ask the Clerk to call the next subhead.

CLERK: 3.1.01, Contingency.

CHAIR: Shall 3.1.01, Contingency, carry?

I now call on the Member for Mount Scio.

S. STOODLEY: Thank you very much, Chair.

There was \$200 million in Contingency last year and \$175 million this year. I'm assuming that once it's spent, it's moved out of the Contingency line item, which is why there is nothing there for the revised 2025-2026. I wonder if you could correct that.

I am wondering if someone could provide a breakdown of the amounts of contingency from 2025-2026 and where they went, please.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: The Member is correct. The contingency transfer for '25-'26: the 2025 wildfire response was \$26 million; \$20 million, Child and Youth Services; the Shingles vaccine, \$20 million; the legal settlements, \$49 million; and we look at what we would class or put as the operational pressures within the Newfoundland and Labrador Health Services, \$50 million. Of that \$200 million, what we just noted there, that's \$165 million; available from that contingency would be \$34.8 million remaining.

S. STOODLEY: Thank you.

So there was \$34 million in Contingency that was not used?

C. PARDY: Correct.

S. STOODLEY: Thank you very much.

I did have some questions on the legal settlement. I'm going to ask that now, but if that should be in Finance, that's fine as well. That is the Roman Catholic agreement and payment. I'm wondering if there was a breakdown of how much went to the individuals versus the lawyers. Do we have that breakdown?

C. PARDY: That would be Justice and Public Safety.

S. STOODLEY: Okay.

C. PARDY: And we don't have that breakdown.

S. STOODLEY: Okay, thank you.

So the \$49 million was transferred from this fund into Justice and Public Safety?

C. PARDY: Correct.

S. STOODLEY: Okay. Thank you very much.

The \$50 million operational for NLHS, I assume was transferred directly to NLHS or through Health and Community Services?

C. PARDY: Health and Community Services, correct.

S. STOODLEY: Thank you very much.

Then I assume the \$20 million for Shingles was transferred to the Department of Health and Community Services.

C. PARDY: Yes.

S. STOODLEY: Okay. Thank you very much.

Apologies, Hansard, for all of the back and forth.

The \$20 million for Child and Youth, that would have been transferred to the department of families – I can't remember the name of the department.

C. PARDY: That would be Social Supports and Well-Being.

S. STOODLEY: Thank you, Minister.

The \$26 million for wildfires, where would that have been transferred?

C. PARDY: That would have been a combination of JPS and the then Fisheries, Forestry and Agriculture.

S. STOODLEY: Thank you very much.

Minister, do you have any plans right now for the \$175 million for the upcoming year or if any of that has already been spent?

Thank you.

C. PARDY: No plans and nothing spent.

S. STOODLEY: Okay, thank you.

That concludes my questions for Contingency.

Thank you.

CHAIR: Thank you.

The Chair recognizes the Member for Burgeo - La Poile.

M. KING: Thank you, Chair.

Just a quick question from me for the minister and his team. Minister, the other evening in Executive Council we were talking about a pot of money for strategic planning and then talking about this money for contingency. I'm just wondering if you could talk a little bit about the difference, because I'm just looking, you mentioned Shingles was out of Contingency. The tobacco legal fees came out of strategic planning. I would think Shingles would probably be a part of strategic planning. That's just an example. I'll give you the question, the logic on how those two pots work.

C. PARDY: The thing would be is that the previous government, with the Shingles vaccine, it was budgeted in. There was an excess that was needed. The uptake on the Shingles vaccine was higher than what was budgeted for. Therefore, it becomes Contingency. Now strategic planning, it was

strategic that it was put in the budget in the first place but the uptake on it would end up in Contingency.

When we look at a strategic planning, when we had the discussion with the Future Fund, that was part of it that we wanted to remove to make sure that it wasn't politicized. What was addressed in Executive Council was the strategic part that here's the vision, what you plan, and here's the amount of money allocation that will come from that strategic.

This one here is responsive to something that we're not sure but we've got one year to know that if something comes up, whether it be Children in Care, Health and Community Services, we budgeted for an increase in the vaccine, even again more, but if it exceeds that then this is what the fund would be for.

M. KING: Thank you.

That's it, Chair.

CHAIR: Seeing no further questions, I ask the Clerk to recall the subhead.

CLERK: 3.1.01, Contingency.

CHAIR: Shall 3.1.01, Contingency, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.

On motion, subhead 3.1.01 carried.

CLERK: Total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.

On motion, the Estimates of the Consolidated Fund Services, total heads, carried.

CHAIR: Shall I report the Estimates for the Consolidated Fund Services carried without amendment?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.

On motion, Estimates of Consolidated Fund Services carried without amendment.

CHAIR: We are going to call the next subhead in a minute, but your trusty Chair needs to see the little boys' room for a minute. Too much information, I'm sure.

We're going to call a five-minute recess.

Recess

CHAIR (Dwyer): Order, please!

We will now continue with the Estimates for the Department of Finance. Because we have the same group sitting, we don't have to announce the substitutions. There is not going to be a break, and just reminders to the members of the department, you already know about waving your hand and acknowledging just for transcription purposes. You know where the water is. You know that you can adjust the chairs if you want. It's Friday, we're allowed to adjust the chairs on Fridays. I'm just joking.

There are no unaffiliated Members. I don't have to announce the substitutes, we've already done that and we don't have to introduce ourselves for the simple fact that

we've already done that and that has already been transcribed. We don't have to do the minutes because we just passed them.

We will now proceed with the Estimates review process. The same thing, again, once the Clerk calls the first subhead, I'll proceed then to recognize the minister, who will get 15 minutes for opening remarks. Then I will proceed to introduce the first responder or questioner from the Committee, who get 15 minutes for questions in the first round. After the first round, questions will proceed in rounds of 10 minutes each, alternating between Members of the Committee.

I now ask the Clerk to call the first subhead.

CLERK: 1.1.01 to 1.3.01 inclusive, Executive and Support Services.

CHAIR: Shall 1.1.01 to 1.3.01 inclusive, Executive and Support Services, carry?

I now recognize the minister for opening remarks.

C. PARDY: Thank you, Chair.

Stage three of our morning and we'll highlight the Department of Finance here, which is responsible for setting the government's fiscal and economic policy. We do this by providing timely analysis and advice to the departments and agencies, Cabinet and Cabinet Committees. While we are separate from Treasury Board, we do work closely with them as we work to transform government. We also provide centralized technical services to other departments, such as economic project-specific analysis, Treasury advice or statistical services and, of course, each year we are responsible for the provincial budget.

Budget '26, my first, was also the first for our new government and, as we themed it, it was "for all of us" and it aligned the three pillars that we've said umpteen times within

the House. I repeat again for effect and review: better healthcare, lower taxes and safer communities.

In addition to the \$5.4 billion in health care spending, \$1.1 billion in infrastructure investments and a significant public safety budget focused on increasing police and court resources. *Budget 2026* also has a strong focus on making life more affordable for Newfoundlanders and Labradorians, including: no new taxes and fees for the residents; increasing the basic personal amount exempt from income tax to \$15,000, allowing people to keep more of what they earned; increasing the Seniors' Benefit by 20 per cent, benefiting more than 50,000 seniors; providing the Newfoundland and Labrador Child Benefit to 3,000 additional children and increasing support to the 3,000 children already receiving benefit, last time revised was in 2012; saving consumers \$12 million by extending the Home Heating Supplement Program for those with an adjusted family income of \$150,000 or less that use furnace or stove oil to heat their homes; doubling the Volunteer Firefighter and Search and Rescue Tax Credits to \$6,000; saving consumers \$67 million annually by permanently reducing the gas tax; saving the residents of Newfoundland and Labrador \$25 million by extending the reduction in registration fees for passenger vehicles, lightweight trucks and taxis by 50 per cent in 2026.

In terms of our economic outlook, indicators are looking very positive. One thing I know is that in the bond-rating agencies that come up, I think of particular interest will be our economic outlook that we would have. As was stated, our gross domestic product, our GDP, will be 5.5 per cent as estimated. The value of that is only realized when you know that the second place will be Prince Edward Island with 2 per cent GDP. That sort of gives it a whole meaning to know where we sit.

The total employment is forecast to increase by 0.2 per cent in 2026; population

projected to remain steady in 2026; retail sales are expected to increase by 3.1 per cent this year, reflecting income growth and lower taxes; capital investment is forecast to decline by 2.6 per cent in 2026 as construction on several major projects winds down; consumer inflation is forecast to average 2.7 per cent in 2026 as the conflict in the Middle East puts upward pressure on energy prices; and household disposable income is projected to increase by 2.6 per cent this year, mainly due to increases in wages, income-tested benefits and lower taxes.

Of course, as we debated the past week, the report from the Independent Review Committee on Churchill Falls was received. This is a big step forward, we would think – we would hope – and both the Quebec government and the federal government have indicated that they are optimistic that a deal could be reached to benefit all. All 40 Members of the House would know that a new deal on Churchill Falls would be a game changer for the province and our people.

In it's totality, when we look at the economic outlook of our province, I would think there's positivity on the horizon. So I thank the Committee for your patience and look forward to engaging you now on the final subheading of this beautiful day.

Thank you.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you very much, and thank you to the minister and the team.

I thank the minister for his remarks, and I just do want to say that I do wish the government success in improving the economy and in bringing in more revenue and genuinely in improving the disposable income of Newfoundlanders and Labradorians, because that obviously benefits everybody. I certainly do

legitimately and genuinely wish the government success in that regard.

I have a few things to chat about today. I'd like to start with the Future Fund, please. I'm just trying to get my head around the flow of money. I know that there has been a bill that has passed – it has not yet received Royal Assent – that will take the funds that would have gone in the Future Fund for the past year and they won't go into the Future Fund.

I'm wondering if the team can walk us through where that money is right now and what will happen after it receives Royal Assent, or maybe after the budget, assuming it receives Royal Assent, and how much money that will be, please.

C. PARDY: I'll start.

There is no forecast to put any money into the Future Fund this fiscal. I think we all realize that. That's not our intention. I think, after this sitting is over, there won't be any money. We said we would return and put money into the Future Fund when we enter cash surplus or on the sale of a capital asset, and I think I stated in the House on the Future Fund that we don't envision the sale of any capital asset.

The money that is in the Future Fund will continue to grow, albeit we all know that it's not going to grow as fast because we're not putting money into that. I stated in the last subheading that we have increased the contribution to the sinking fund, which will help pay off debt that we've got. Without the sinking fund attached to it and going forward, a greater percentage, and would hopefully not leave anything, once the debt is rolled back over, especially on those that are pushed out a large number of years from now that we think, with that extra per cent being added to the sinking fund, we'll be able to pay off that debt – you're not going to do it in 10 years but if you had a 30-year debt that was pushed out, then it certainly would.

I'm not sure if there's anything else to my hon. Member that I may not have addressed in the question. The Future Fund, I know that states where we are and what the amount would be. I think we're all clear on that, what it is. No money going into that, and I'm not sure if there's anything that I didn't respond to.

S. STOODLEY: Thank you very much.

For the past year, the money from the oil revenues that would have gone towards the Future Fund, I'm wondering where that sits today and the flow of money for that. If someone could outline that, that'd be helpful.

Thank you.

C. PARDY: So as was stated in the House, it was not outlined. We talk about the oil revenues that we had but, remember, we had a deficit each year. The deficit was growing. The reality being is that we had to borrow money to put into the Future Fund. We had to borrow money.

While you're saying the oil revenue came in, the oil revenue didn't cover the operational needs that the province had, the social programs that the hon. colleague had mentioned a little earlier. Operationally, we weren't taking in enough revenue in order to address our expenses. We had to borrow it to put money into the Future Fund.

You might say, well, we could have had a portion of that oil revenue that would go into the Future Fund. Yes, but we would have had to borrow for whatever we put in there even to compensate for the operations of our social network and what expenses that we would have as a government.

S. STOODLEY: Thank you.

I do understand the spirit in which you describe that. I guess my experience with the Department of Finance and Treasury Board, everything is very methodical and it

has to go from one account to the next and there's a lot of rigour around that.

The fact, though, the Future Fund bill has not yet received Royal Assent and there was money – I understand the spirit of what you're describing and maybe I've misunderstood something. The funds that would have gone in the Future Fund, had you not made a change to the Future Fund, and it has not yet received Royal Assent, I'm assuming that money is still sitting somewhere and has not yet gone on the debt. I'm wondering if someone can walk us through the flow of that money, please.

C. PARDY: I'm going to pass it over to my assistant deputy minister.

S. STOODLEY: Thank you.

C. TUCKER: The Future Fund contribution is calculated based on the audit of the financial statements of the province. We wouldn't actually have the calculation of what would be contributed until Public Accounts comes out later this year, and that would be the actual number that we were doing in the past to contribute.

As of this budget, with the legislation going through, we didn't forecast to have any money put into the Future Fund. It's not built into the budget, so there is no actual money that needs to move around. It's just not there right now.

S. STOODLEY: Thank you.

I understand that. Let's say, up until September, there would have been money kept aside, or all of that is done at the end of the year? I'm just trying to wrap my head around that.

Thank you.

C. PARDY: Chair, may I just add?

You're looking at the previous government under when the Future Fund was active.

Yes, there would have been an allocation and an amount budgeted under that for the Future Fund, but what would have happened was, what money you were going to put into the Future Fund, the \$200-plus-million, would have had to come on your borrowings. By the money not going into the Future Fund, the \$200-million-plus is not showing up on our borrowings. That is the difference.

It would have been under the old policy, you're right. There would have been earmarked, in the borrowings, that that \$200 million would have gone into the Future Fund, but it's not, in '26-'27, because we're not borrowing money to put into the Future Fund. So that would show up that we're a couple of hundred million dollars less on our borrowing requirements for this year than what we would have been otherwise.

S. STOODLEY: Thank you.

So for the financial year '25-'26, the oil revenues from the Future Fund legislation, as was in place for the '25-'26 fiscal year, come in and go to general revenues, I'm assuming. So then all that money, I guess, was taken up otherwise and because the Public Accounts for 2025-2026 have not yet come out, that money is gone? It's not sitting anywhere?

C. PARDY: Again, to operationalize the province last year, the past government would have had to borrow a little over \$900 million, is what we know in the fall fiscal update. Included in that would have been the \$200-plus-million for the Future Fund. By this not happening, that would drop back to, obviously, that amount less. It wasn't earmarked, it was just that we didn't need to borrow for that.

S. STOODLEY: Okay.

CHAIR: Are you okay?

S. STOODLEY: Yes, sorry, I was just getting a copy of the Future Fund bill, but I

will get that after. That's fine, thank you. Okay, I will get it and I will revisit that. I understand the spirit of what you're saying. I'll try and reword my question in a little bit.

C. PARDY: May I pass over to my deputy minister and see if he can add further clarity?

D. DROVER: I'll take it more from a generic concept kind of element to it. The Future Fund contributions would be sitting where it is in terms of revenue in, as in the case of the offshore royalties, which would have been the basis of the previous Future Fund legislation, all such revenues go into what's called the Consolidated Revenue Fund. Think of it as government's big bank account kind of element to it. Any spending of money out of that is a completely separate process, which then requires either a vote or a piece of legislation that dictates that amount to be paid.

It's not like money came in and was held somewhere; it comes right on into CRF kind of element to it and any decisions to make money are based on a decision of the Legislature to spend money out.

S. STOODLEY: Thank you.

I'll reword my questions and come back to that in my next time. Thank you very much.

I'd like to go to the oil price used in the budget, which I'm sure the minister has heard me refer before. I'm wondering if you can walk me through the process of the government in getting the experts' analysis of what the appropriate price per dollar per barrel was and then the governments decision to go with a different price, please.

C. PARDY: Thank you for your question. I was anticipating that one, because I think you gave me a heads up yesterday or the day before what it would be.

This is my first time on my first budget, in going through, but I knew that in the

department, the staff had stated that we had until April 6 in order to get our figures in. Just think now: April 6 in order for the budget document to go to print and to be finalized. So there was a three-week period that we would have had. Everything had to be done April 6.

On April 6, if we checked back on what the forecasters would have stated then, remember, that was quite different than April 29. Nobody knew; we know the volatility and we talked about it in the House of Assembly, but we weren't sure where the price of oil was going to be. We didn't know, but we knew that it only continued to increase and that's what happened.

We had to lock in our forecaster budget on April 6 in order to get it produced in the documents and rolled out for budget day on April 29.

If you look at that three-week lag, we weren't going to predict as to where it was going to be – no prediction. The forecasters stated that on April 6 it would \$79 per barrel. If you went back on that particular day, \$79 per barrel on April 6, that was our lock in we had for our budget.

I stated in the House, I know that the concept and the principle that we would much sooner go lower and be in a lower position on the prediction than what we would to be over.

If the war had ended and it dropped down \$6, then we were \$6 over what the price of oil would be, that wouldn't have been good. I know I spoke about that in the House, that we're better to be under in our prediction to make sure that we've got the oil revenue as we forecast and there might be, obviously, a little under, a risk adjustment.

I'm not sure if the Member – April 6 lock in for the April 29 budget release.

S. STOODLEY: Thank you very much.

I know, Minister, I guess, because you said to the Board of Trade that the government did not go with the experts' forecast, that you went \$6 USD per barrel lower.

C. PARDY: No.

S. STOODLEY: So now are you saying that was the experts' opinion on April – I understand that you have to lock in the budget and I understand that things change after that. I'm just wondering if you could clarify that, please?

C. PARDY: Yes, to clarify, April 6 is what the budget would be at \$79 for oil. I spoke at the Rotary with the intention to know that if it was less, that we were comfortable and if we had to make a prediction, I would much sooner it be less than what the barrel amount would be than the other way around.

So, no, we didn't make a concerted effort to say we're going to be under, even though, I think, if I had an opinion, we would come under.

We've talked in past years about the prediction of oil. There were commentators saying that, well, people were playing with the price of oil in order to influence as far as the budget predictions and what was going to be coming out on the lines.

I would much sooner be under, but, no, it is correct that, April 6, that was the price that the forecasters had. We know that by April 9 it was different.

CHAIR: The Member's time has expired.

The Chair now recognizes the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Chair.

I'm going to ask some general questions, and I'll just start in. How many people are currently employed in the department and how many positions are currently vacant?

C. PARDY: I'll pass it to my deputy minister.

D. DROVER: We have 174 positions in the Department of Finance, as of April 17; 35 of those positions were vacant at that time; 16 of those 35 are under active recruitment as we speak here, with the remaining 19 of them to be under recruitment throughout the year.

S. O'LEARY: Thank you.

Is your government considering balanced budget legislation at some point in your term?

C. PARDY: Yes.

S. O'LEARY: Thank you.

How much in dividends did we get last year from Newfoundland and Labrador Hydro for our offshore equity?

C. PARDY: Zero.

S. O'LEARY: Okay. Thank you.

Has there been any impact from tariffs on our financial obligations from P3s?

C. PARDY: No.

S. O'LEARY: No?

C. PARDY: If there were, they weren't negligible. They were very moderate, very low. But nothing that came across in our department to put any figure to it.

S. O'LEARY: Okay, thank you.

How much is the provincial government currently paying in rate mitigation for Muskrat Falls, and what is this administration's plan to keep the rates low once the current rate mitigation deal ends in 2030?

C. PARDY: The rate mitigation amount is, on average, \$500 million per year. Our

expectation into the future would be that we would maintain that.

S. O'LEARY: Maintain that?

C. PARDY: Expectation, yeah.

S. O'LEARY: Thank you.

The budget documents mention an extension of the Newfoundland and Labrador Child Benefit to 3,000 more families, as well as an increase to the 3,000 children already receiving the benefit. Could you tell us what the new income cut-off is for that program?

C. PARDY: It's \$38,000. If you want to know what difference that would make now, to my hon. colleague, then maybe I can pass it to the deputy minister to give some –

S. O'LEARY: That would be great.

C. PARDY: Yeah.

S. O'LEARY: Thank you.

D. TRASK: The Child Benefit, I guess, is for income that's less than \$38,192 who have children under 18 years of age. Is that specifically your question?

S. O'LEARY: Yeah, about the income cut-off. It was about the amount, right, where the cut-off would be for the program.

D. TRASK: That would be the cut-off.

S. O'LEARY: Okay, thank you.

CHAIR: The Chair recognizes David Drover.

D. DROVER: I was going to say it would vary depending on the income level, to your question, as to what that benefit would necessarily be. But I just have an example noted here that a family making \$30,000 with one child would receive an additional \$849 a year.

It varies as the income ranges as you go across and the number of children you have.

S. O'LEARY: Thank you for clarifying. I appreciate that.

On a different topic, back in December, the deal between Newfoundland and Labrador Hydro and Corner Brook Pulp and Paper was justified as providing the provincial government with an opportunity to review and consider Kruger's proposed approach to diversification.

Are you able to comment on any progress in these reviews and what might come out of them?

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: We've certainly embarked upon a review on their proposal. It's still ongoing; thus, the one year in order for us, hopefully, to have completed our analysis and what our going forward would be.

Again, we couldn't do it prior in the time frame we had, thus the one year to continue the analysis on our part.

S. O'LEARY: Thank you.

Do you have any kind of potential forecast of where this could happen? I know it's ongoing but we like to earmark where we'd like to be.

C. PARDY: No, there's nothing that I can disclose there.

The only thing I know is that, to do a more fulsome analysis of the industry, and for Corner Brook and what their proposal would be on the power agreement, we needed some more time in order to do that.

I think we have done yeoman work from what we've got in the analysis to date, but

we weren't ready to make a decision because we had some other variables that we needed to get more information and analysis on. We weren't the only ones. Newfoundland and Labrador Hydro were a party to that, that they had to do an analysis of that, and it takes time to do that. We just needed a little larger window in order to get that analysis completed.

S. O'LEARY: Thank you.

Just two more questions now, so I should be able to wrap this up. Under 1.2.02, Departmental Operations, is the department currently examining any new ways of providing the municipalities with funding? Are there any initiatives on the horizon to allow municipalities to raise new sources of funding on their own?

C. PARDY: I would think that would be Minister Tibbs or Minister Petten in their departments. That wouldn't come through our department. That would be those two departments.

S. O'LEARY: Any kind of fund at all would go through municipalities solely, not through yours?

C. PARDY: That's correct.

S. O'LEARY: Okay, thank you.

The final question for this category for me would be 1.3.01, Government Rebate Programs. How many people received the Home Heating Supplement last year?

C. PARDY: In '25-'26?

S. O'LEARY: Yes.

C. PARDY: There was 17,200, for a total payout of \$8.3 million. The first year of the program, '22-'23, was 26,300.

S. O'LEARY: Could you repeat that again? I'm sorry.

C. PARDY: Yeah.

The first year of the program, '22-'23 fiscal, the number of payments, 26,300. For '25-'26, 17,200.

S. O'LEARY: Okay, thank you.

That's it for me, Chair. Thank you, Minister, and team.

CHAIR: Thank you.

The Chair now recognizes the Member for Burgeo - La Poile.

M. KING: Thank you, Chair.

I just want to build on a little bit of what my colleague, MHA Stoodley, was building on with the Future Fund. Just for the record, that legislation that we've been debating in the House with the changes has not received Royal Assent, correct?

C. PARDY: Correct.

M. KING: Which means that it is not fully enacted yet, correct?

C. PARDY: Correct.

M. KING: So with the previous legislation that was in place, was there not requirements in that legislation for money to be put into the Future Fund?

C. PARDY: Yes.

M. KING: So the legislative requirements, the new bill that you've introduced in the House has not been passed yet and was not passed when the budget process was planned. So are you saying you have not met your legislative requirements to put money in that fund this year?

C. PARDY: No, I'm not saying that. I'm just saying when the budget passes in the House of Assembly and it gets Royal Assent, then what we discussed in the

House of Assembly and what we've debated is what will materialize, only after the budget was completed.

M. KING: Right.

But just to further clarify here, there is currently a legislative requirement for the government to put money into the Future Fund.

C. PARDY: Yes.

M. KING: The legislation has not officially changed. So how are you meeting your legislative requirements to put money in that fund if the things have not officially changed yet?

C. PARDY: I'll allow my deputy minister to expand upon what I stated.

D. DROVER: Just to reflect on a point that the ADM mentioned earlier. The contribution is required upon the completion of the Public Accounts for the previous year. That's typically a September or October time frame. It's only upon the completion of that, that a payment would be triggered under the legislation. There is no additional payment yet due under the existing legislation for the Future Fund.

M. KING: Thank you.

Okay, yes, what I'm understanding is, say if everything remained the same, those funds wouldn't have been transferred until September and October when that was concluded. You didn't include it in the budget this year because of what you were imposing with those changes, but there were no guarantees that change would happen unless that legislation was – so you were crossing your fingers and hoping the legislation would pass.

Okay. Thank you for that.

D. DROVER: I would add just another point to that.

If, for whatever reason, the legislation didn't, the payment is statutory in nature, which means budget or no budget, that payment would have to be made.

M. KING: Right.

Is there any other legislation that's in place now with those requirements, we'll say, of transfers of funds into different accounts or wherever that you're looking to change? Like, in that regard, with that piece of legislation, is there anything else?

C. PARDY: No, nothing other.

M. KING: Perfect.

Minister, you had said that, based on a previous question, maintaining rate mitigation is your hope. We know that the deal that was signed with the feds is set to expire in 2030, I do believe, the \$5.2-billion deal. With your expectation to maintain that \$500 million a year rate mitigation, is it your intention to have a new deal negotiated with the feds before 2030, before it expires? What are your intentions for rate mitigation, seeing that you had indicated the expectation to maintain?

C. PARDY: It would be, that would be the expectation. Yes, it would be.

Any time a deal is signed, there is always an expiration date that would be on any deal. I just think it's probably standard in law that there would be an expiry date. That's the date. So our expectation and our desire would be that we would renew.

M. KING: Are there any ongoing discussions right now in regard to rate mitigation and a new extension to that deal?

C. PARDY: No, there are not.

M. KING: Do you have any idea when you plan to renegotiate in the near future? I know with those expirations of 2030, you wouldn't wait until 2030.

C. PARDY: We've had discussions on that, and I know that my inclination was always sooner than later. But it's usually, I'm told, within a two-year window of the sunset clause; usually within the two-year window is when they wish to engage in that.

M. KING: Thank you, Minister.

We know, and I know you have used the phrase a lot in the House of – correct me if I'm wrong – spending efficiently and spending smarter. Is that correct?

C. PARDY: You're a very good listener, yes.

M. KING: Okay, thank you. I listen very well to you, too, remember.

C. PARDY: Can you name the three pillars?

M. KING: Oh I can name those in my sleep, I think, at this point.

But on that note, in our previous estimates of the Executive Council, you had noted that there was a savings in the Premier's office of about \$355,000 because of less staff that were in the office.

C. PARDY: Correct.

M. KING: Right.

So do you believe that it is spending smarter and more efficiently to pay for a political staffer out of MCP funds, instead of using the \$355,000 that you've indicated as a saving?

C. PARDY: Let me say this, I don't think that's got relevance here. Any time that we can save money on any expenditure within the public service, we've ought to be doing it. That's regardless of whether it's in the House of Assembly or whether it's the Auditor General's office or whether it's the Premier's office. Anytime that we can save taxpayers money and reduce what we had forecast, it's always a good thing.

So would I agree with making sure that we reduce our expenditures to the best of our ability without sacrificing the service to Newfoundlanders and Labradorians? Absolutely. I would hope that that amount would maintain itself throughout the year, that that would be a savings on that particular line item when we come to do the budget again. It hasn't been over the past number of years; all of that money has been used up, but I would hope that we'd maintain that.

M. KING: I certainly appreciate that answer and I just want to ask important questions that matter to people who've asked us to ask these questions as well.

But in that regard, you had indicated as well that there was a staffer paid through Professional Services for a consulting firm. So I'm trying to understand how that saving is really being actualized if the staff in the office are being paid through different pots of money. Doesn't it balance out? Is that really a true saving?

C. PARDY: Is it true savings? I know in Professional Services what is permitted under Professional Services and hires, I can't speak to the Premier's office. I know that I was in that position the other day and I know the deputy clerk was the one who responded to the questions that were asked in relation to the Premier's office.

All I know, as I can tell you, is that whatever division that would be in government, then planning efficiently and spending smarter ought to be the rule of the day. That's something that we've espoused, doing that in whatever category or whatever department we would have. Remember, we don't have control of the Auditor General's office, no more do we have any influence on the House of Assembly that would occur.

So there are many aspects that we don't, but we know that we finance through the public Treasury. We would hope that, and

we know, those people in those areas are following those two principles.

M. KING: Okay. Thank you, Minister. I appreciate that.

A quick last question here before my time expires. Have there been any no-fault terminations from the department since you formed government?

C. PARDY: There is one in our department that would be, but I know that would be under Human Resources. So one that I'm aware of.

M. KING: Okay. That's all for me now, Chair.

Thank you.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you very much, Chair.

In reviewing the *Future Fund Act* again, I can certainly understand now what the team and the minister were saying. I would like to note, though, for the record in this regard, that, essentially, up until six months after the fact, because the Public Accounts were not in place, the government are not doing what the legislation said, because it says that it transfers in when the Public Accounts are done, which is their prerogative to do, assuming the bill receives Royal Assent.

I do want to say that, if I am fortunate enough to be in your chair, I will not feel remorseful at all about changing the future legislation six months in advance, in terms of changing decisions that your government had made in terms of finance. So I warn you now that I will investigate how we can do that, but I understand how that works.

Thank you very much.

I also want to circle back to the barrel of oil conversation we were having. I thank the minister for the explanation. I just want to be super clear. What I understood, please correct me or clarify, is that when the budget was finalized, the price of a barrel of oil that was used in the budget for revenues was the actual number, the average of the government's expert oil forecasters. Can the minister confirm that, please?

C. PARDY: Confirmed.

S. STOODLEY: Okay, thank you very much. That's very helpful.

I'd like to move on to a few other things please. There is a new Oracle project with OCIO and with the Department of Finance is my understanding. I'm wondering how that project is going, if you have a timeline in terms of when that will be accomplished.

C. PARDY: I think that question would be OCIO and probably Treasury Board. But I just know, and I think you would probably agree, that it's long overdue, for the implementation of the new system. We're optimistic that it's going to make a difference. I think it will.

S. STOODLEY: Thank you very much.

I'm wondering if within the Department of Finance, you use any tools with artificial intelligence functionality as part of any of the Department of Finance work.

C. PARDY: Absolutely none that we're aware of.

S. STOODLEY: Okay, because I guess you would be aware because you'd have to fill out the AI use of policy with the department. The deputy minister would be responsible for that. So thank you very much for that answer.

Does the Newfoundland and Labrador Statistics Agency fall within the Department of Finance still?

C. PARDY: Yes.

S. STOODLEY: Yes, okay.

I'm wondering if you could tell us a bit about the Newfoundland and Labrador Statistics Agency. I know a former minister of Finance was very passionate about that. Just give us some indication what subheading that might be under, how many staff they have, what types of projects they're working on, please.

Thank you.

C. PARDY: Just for the official record, this Finance Minister is very passionate about that too.

S. STOODLEY: Excellent.

C. PARDY: We have a lot in common – very passionate.

But I'm going to pass that to my colleague now, ADM Trask.

D. TRASK: I don't have a breakdown of the exact number. It's around 45 or 46 positions within the Newfoundland and Labrador Statistics Agency. We act as a service provider to several different departments and supporting statistical requirements, projections that they require. It's quite a diverse group, but mainly made up of statisticians.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: The minister would like to be on the record as well that they are an elite squad of statisticians.

S. STOODLEY: Thank you very much.

Going into, now, some of the specific headings, 1.2.02, Departmental Operations. I'm just trying to get all my questions. Sorry, they're a bit all over the place.

The tobacco settlement, we talked about that; is that here anywhere? I think I saw a head shaking no, so thank you very much. I'll have to come back to that.

If we look at Professional Services within 1.2.02, I'm wondering if the team can tell us, please, what types of professional services they engage.

C. PARDY: Those would be consulting services.

S. STOODLEY: Thank you.

I'm wondering what types of consulting services.

C. PARDY: I'll pass it over to my deputy minister.

D. DROVER: It would just be for any general provision for the nature of the responsibilities for the department if at any time we need additional advice or analysis necessary completed.

CHAIR: The Chair recognizes the Minister of Finance and President of Treasury Board.

C. PARDY: I.e., we just talked about the Corner Brook Pulp and Paper analysis. There may be some expert analysis that we would solicit and this would be coming under the Professional Services, as an example.

S. STOODLEY: Thank you.

I'm wondering if you can give us a list of the consultants you anticipate using, if you're aware of any, or ones that you're currently using.

C. PARDY: We could do that, yes.

S. STOODLEY: Thank you very much.

Sorry, I thank you very much for your patience. I'm just having a look at what questions I'm going to ask.

Purchased Services on this line item varies significantly. It was \$4.4 million, \$3.4 million was spent and then it's budgeted at \$1.9 million. I'm wondering if someone can walk us through what that would be, please.

Thank you.

C. PARDY: I may have spoken in the House of Assembly sometimes when you look at any changes where we share services with the CRA. A new program that's implemented is going to be on your first-year cost higher than what the subsequent because, again, the demand on the setup of the program.

So when we look at the decrease that would be there, then we've moved beyond the first year of implementation costs of the Newfoundland and Labrador disability program. We're into the subsequent year. The first year was the big cost associated with the setup of that, again, with our partnership with CRA.

On the provincial tax side, I remember my hon. colleague from St. John's East - Quidi Vidi had mentioned one time about Manitoba, and I attempted to explain in the House of Assembly that Manitoba monitors their own. There is no association with CRA in their taxation system. They're contained and on their own. They control any changes and what they do. We work with the CRA under the federal government, as most provinces do.

S. STOODLEY: Thank you very much.

In terms of if this is a tax policy area, so I'm wondering if the minister can speak to the decision of the government not to move forward with some of the tax policies that are in the mandate of the government, the Rotational Workers Tax Credit and

expanding the Physical Activity Tax Credit, please.

C. PARDY: I know that we made it clear. We've often heard in the budget that this current government, I think both official parties stated in the media that they were very disappointed that we didn't achieve most of what we had in our campaign booklet.

Well, the reality and the fact is that we've achieved 80 per cent of what's there. Nobody ever had the thought that 100 per cent would be going into year one. If we ever made that promise to the residents of Newfoundland and Labrador, I'm not aware of it. Everyone has the understanding that everything can't be implemented in year one. I think the Premier has made it clear that anything that would be outstanding in that platform is certainly alive and well and on the books.

One of the more tangly ones, and I think my team can attest to that in the briefings we had, the most tangly tax-wise was this one that you mentioned, about the Rotational Workers Tax Credit. That was very tangly. There was no precedent, I don't think, to follow in the country. That was a piece of work, thus we didn't have that in year one, but alive and well.

S. STOODLEY: Thank you very much.

Our math is a bit different; we had a look to see about the 80 per cent.

I'm wondering if the minister can provide that overview of how they're meeting 80 per cent of their mandate commitments, please?

C. PARDY: We, as a collective entity, the department, looked at what the requests were within our platform and that is the percentage that we came up with. I can say to you, no less than 77 per cent, no more than 80 per cent. Let's look at that as an

area that we would look at, 77 per cent to 80 per cent achieved.

It wasn't the minister doing that, that was collectively from the department's perspective to know that what we had promised and what we had in our campaign platform and what materialized was analyzed by the A-team.

S. STOODLEY: Thank you, Minister.

I'll share my notes with you in terms of when we look at it, but I thank you very much for clarifying that, Minister.

Is this subheading over 1.2, Chair?

CHAIR: Yes, we're still on 1.2.

The Chair recognizes the Member for Burgeo - La Poile.

M. KING: Thank you, Chair.

I just have a couple of more questions in this section here.

Under 1.3.01, the department underspent this subhead by \$6 million last year. Which specific rebate programs did not see the expected uptake?

C. PARDY: To a previous question, to my hon. colleague, I think the uptake on the Home Heating Supplement was down from what was forecast, and each year it has been decreasing for obvious reasons. It's been going down. That would have been one of the programs that would have attributed to a lesser amount. Again, we only project based on what the previous year was, and the prior year it was over \$9 million.

I'm not sure if there's anything further to add to that. That's the major one, the programs, and that is, for the programs, the reason it's trending down. We know it's got to trend down. That was the intention when it started, was for it to trend down.

M. KING: So are there any plans to expand that program then to cover more people that probably aren't under that eligibility right now?

C. PARDY: I know we had the discussion to maintain the program. We had that for this coming budget. But what is in the future, I can't tell you.

M. KING: I know the current Minister of Labrador Affairs, and Indigenous Relations and Reconciliation, has been critical of the Coastal Labrador supplement in the past. I know that she stated she feels it's not sufficient to meet the needs and says costs generally need to be lower. So have you had any conversations with the minister regarding this subsidy and any plans for that subsidy?

C. PARDY: We've had lots of discussions on it. I know the budget, as with the outstanding 30 per cent that would have been in our blue platform, anything that wasn't addressed in this budget is certainly alive and well for the future budgets.

If I may add, just on the cost of the program for the Home Heating Supplement. The program administration budget was \$1 million and to administer that program, 21 program staffed during the year to administer.

M. KING: Thank you, Minister.

I don't believe that the Coastal Labrador supplement is in your blue book though, just an FYI.

C. PARDY: No, no, but I say we've discussed lots of things.

M. KING: Okay.

C. PARDY: Remember you heard the word 'levers' used in the House?

M. KING: Many times.

C. PARDY: So I would say, listen, we're open to whatever levers that work. So I just use that as a comparison, like the ones that were in our blue book. Everything is alive and well.

M. KING: Thank you, Minister.

I should ask, but I guess I know that you will be providing a copy of the briefing book, yes?

C. PARDY: Yes.

M. KING: So would the list of all the rebate programs be in the book, instead of me asking you to list them out?

D. DROVER: Sorry, could you just repeat the question?

M. KING: The list of all the rebate programs that are available, would that be in the briefing binder that you provide?

D. DROVER: Yes.

M. KING: Okay. I won't ask you to list them all out now; save a bit of time.

Is the Seniors' Benefit included in this subhead?

D. DROVER: No.

M. KING: Okay, so where would that be included, or did we miss it?

D. DROVER: That's administered through the tax system in itself. So if you have Schedule A of the Statements and Schedules document, it will list out all the tax credit related programs, the programs that are administered through the tax system, and that's where you'll see the Seniors' Benefit to.

M. KING: Thank you for that.

Minister, we know the budget process has to conclude, of course, before a lot of this

comes into effect. In regard to the increase for self-managed home care workers, I'm getting a lot of questions and I'm sure you probably have been getting inquiries as well. If this budget process is to conclude on time, when should they expect their pay raise to be in effect?

C. PARDY: I hear you're not doing the Estimates on Monday morning. That's a good question for Monday.

The only thing being is July 1.

M. KING: Okay.

C. PARDY: That is our target date, July 1.

M. KING: Thank you.

I don't have any more questions, Chair.

CHAIR: The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you very much, Chair.

I just want to chat about the fiscal forecast for a bit. I know the current government has been critical of the previous government in terms of allegedly putting revenue for Churchill Falls in the fiscal forecast – I, personally, was not aware of that – but the minister has said that they do have Bay du Nord in the fiscal forecast.

I was wondering if someone could walk us through what those look like for both Bay du Nord and Churchill Falls in the fiscal forecast and how that has changed, please?

C. PARDY: For clarification, I think – or I pretty well know – that I stated it was in the fiscal forecast. I think we projected it in the fiscal forecast, first oil. We have nothing to budget for now that would be currently here in this budget, so first oil in the out-years.

S. STOODLEY: Thank you.

So the minister is confirming that there is money in the future for first oil in the fiscal forecast for Bay du Nord?

C. PARDY: It would be on first oil, yes.

S. STOODLEY: Okay, thank you.

The government has been critical of the former government in terms of revenue in the fiscal forecast for Churchill Falls, and I understand that has been removed. I was wondering if additional information could be provided around what that looks like, please?

C. PARDY: In 2031, when we have it forecast, first oil? How much would we have forecasted?

I mean, when we look at a forecast, we've got mining industries, if we electrify Labrador West, that we have in our vision as well. What that looks like, basically, is just forecasted that it's going to occur, there's going to be revenue associated with it and it's in.

We're talking about 2031; this is '26-'27. I can't tell you what in 2031, other than we can tell you that it's in our fiscal forecast, like the mining operations that would be in Lab West that we would hope to materialize.

S. STOODLEY: Thank you.

In terms of Churchill Falls, I've heard the minister and their colleagues say that there was money in the fiscal forecast for the Churchill Falls MOU. I was wondering if the team can give us more information on that, please.

C. PARDY: You may have heard me in the House when the Leader of the Official Opposition stood and said that if we had the \$1 billion signed and the deal was signed, we would be in a surplus position this year, next year, next year and the year that follows.

My commentary in the House of Assembly was that that would be incorrect. With the amount that was registered in the forecast by the previous budget exercise, we wouldn't be out of a deficit position this year, let alone for the next three. It wasn't \$1 billion.

S. STOODLEY: Thank you and I thank the minister for the comments.

Specifically in terms of the fiscal forecast that was in place up until the end of September 2025, was there money built in for the Churchill Falls MOU?

C. PARDY: In the budget forecast?

S. STOODLEY: Correct.

C. PARDY: For budget '25, yes.

S. STOODLEY: Okay, thank you very much.

I'd like to go to the tobacco settlement decision in terms of the treatment of the tobacco revenue. That was very contentious. I've done some analysis across the country. Every province has handled their tobacco settlement funds differently. I've just put my hands on a copy of the public sector accounting guidelines, which I will be reviewing in detail shortly. I have not yet had a chance to do that. The current government was very critical about the previous treatment of the tobacco settlement funding to the province.

I'm wondering if the team can talk about the decision of how that revenue was put into the government's fiscal envelope, and what criteria they used in making those decisions, please.

C. PARDY: I'll speak to that first, if anybody wanted to join in after that.

I guess there is a degree of certainty or probability or high degree, depends on your probability rating, that you would put

anything in as far as your forecast, what you would have to put in there. Yes, you're right that when we were in Opposition, we disagreed with that going into the budget as revenue. Coincidentally, I know you mentioned about accounting standards, the Auditor General agreed with us, that her standards and what she stated was that it ought not to be included. She would have disagreed with that as well.

As I stated in the first subheading that we had, that was a statutory office that is independent of any political partisanship that she would weigh in. She disagreed with the tobacco settlement being included as well.

I'm not sure if there's anything –

S. STOODLEY: Thank you.

I mean, I understand the minister's comments. Every province has treated the money differently. There is a standard, and I will be reviewing that further. The fact that every province in Canada has handled it differently tells me there is not a clear right or wrong answer, just to add that to the record, and –

C. PARDY: Maybe the Member should, at least you can, correspond with the Auditor General's office to see as to what those standards are and why they weighed in on that decision, like we did.

S. STOODLEY: I absolutely will be doing that. Thank you.

That concludes my questions for this subheading.

CHAIR: The Chair recognizes the Member for Burgeo - La Poile.

M. KING: I'm good, Chair.

CHAIR: You're good?

Seeing no further questions, I now ask the Clerk to recall the subhead.

CLERK: 1.1.01 to 1.3.01 inclusive, Executive and Support Services.

CHAIR: Shall 1.1.01 to 1.3.01 inclusive, Executive and Support Services, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

The motion is carried.

On motion, subheads 1.1.01 through 1.3.01 carried.

CHAIR: I now ask the Clerk to read the final subhead.

CLERK: 2.1.01, Financial Administration.

CHAIR: Shall 2.1.01, Financial Administration, carry?

The Chair recognizes the Member for Mount Scio.

S. STOODLEY: Thank you, Chair.

I'm wondering if the team can tell us about which federal programs go into this line item and how that's determined, please.

C. PARDY: These are the programs from the federal government that we can tap into their partnership to help fund. I can probably share with you the transfers for '25-'26 – three. We've had a transfer of funds to address the wildfire and disaster assistance. That was just a little tad over \$2 million.

Then we had the Newfoundland and Labrador AgriRecovery Forage Assistance Initiative. That was the drought that was on the West Coast. I think a lot of those in the agriculture on the West Coast that couldn't provide forage for the animals, the federal

government came in with that. That was just a tad under \$1 million.

Then the Fisheries, Food and Agriculture, \$5 million was the refund to the Agriculture and Agri-Food Canada for funding provided under the Canadian Agricultural Strategic Priorities Program contribution agreement. That totalled \$30 million. Transferred of that \$30 million was \$8 million, as you add the math up. \$21 million in available funds.

S. STOODLEY: Okay, thank you very much.

CHAIR: Seeing no further questions, I ask the Clerk to recall the subhead.

CLERK: 2.1.01, Financial Administration.

CHAIR: Shall 2.1.01, Financial Administration, carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

On motion, subhead 2.1.01 carried.

CLERK: Total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Department of Finance, total heads, carried.

CHAIR: Shall I report the Estimates of the Department of Finance?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion is carried.

On motion, Estimates of the Department of Finance carried without amendment.

CHAIR: I just want to thank the minister and the department officials and the Committee for your attendance. It's a very important part of our governance with the Department of Finance, and I appreciate your fulsome answers today.

The next meeting is at the call of the Chair because this concludes the Government Services Committee. So I'll ask for a mover for adjournment.

R. BALSOM: So moved.

CHAIR: Moved by the Member for Carbonear - Trinity - Bay de Verde. I didn't even have to look it up.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Motion carried.

Thank you everybody.

On motion, the Committee adjourned sine die.