

# NEWS RELEASE

## Finance

May 31, 2021

## Budget 2021 Takes Control of Provincial Finances; Signals Start of Government Transformations

Today, the Honourable Siobhan Coady, Deputy Premier, Minister of Finance and President of Treasury Board, released Budget 2021: CHANGE starts here; with the target of a surplus position by 2026-27 to transform government and the province.

### Expected Deficit Projections

|         |               |
|---------|---------------|
| 2021-22 | \$826 million |
| 2022-23 | \$587 million |
| 2023-24 | \$377 million |
| 2024-25 | \$314 million |
| 2025-26 | \$88 million  |

### Fiscal Overview

- ▶ The projected deficit for 2021-22 is \$826 million, an improvement of \$1 billion from Budget 2020.
- ▶ Revenues projected for 2021-22 are \$8.5 billion.
- ▶ Expenses projected are \$9.3 billion.
- ▶ The projected borrowing requirement for 2021-22 is \$1.7 billion.
- ▶ The net debt is now anticipated to reach \$17.2 billion in 2021-22.
- ▶ Current oil price projections have improved to \$US64 per barrel, while the Canada-United States exchange rate is forecast at 79.6 cents.

### Transformations

Budget 2021 sets direction to modernize and transform government, to improve service delivery, and to address financial concerns. Transformations include:

- ▶ Comprehensive analysis and reorganization of Nalcor to streamline, remove duplication and save money.
- ▶ Merging Crown corporations into core government beginning with Newfoundland and Labrador Centre for Health Information and NL911.

Budget2021  
**CHANGE**  
starts here

  
**Newfoundland**  
**Labrador**

- ▶ Taking steps to integrate the Newfoundland and Labrador English School District into the Department of Education to make better use of investments in education and ensure that investments target the classroom, not administration.
- ▶ Integrating corporate services of the four regional health authorities to streamline the delivery of functions such as payroll, finance, accounting, human resources, information management and technology and procurement.
- ▶ Process to maintain and improve service delivery through joint solutions, in partnership with business, social enterprises or other organizations to more effectively deliver facilities management, provincial registries and ferries.

## **Investments**

Budget 2021 includes investments to grow the economy and create jobs for a sustainable path forward, including:

- ▶ \$30 million for a Tourism and Hospitality Support Program to alleviate pressures experienced by COVID-19.
- ▶ \$20 million for small business and community organization assistance to help with increased costs and losses as a result of the pandemic.
- ▶ Close to \$600 million for infrastructure projects to help improve access to services and create more jobs for people in this province.
- ▶ \$27 million to support economic development initiatives including research and development, commercialization, regional development and business growth activities such as investment in the technology sector.
- ▶ \$25 million over the next three years to improve connectivity through cellular and broadband.
- ▶ \$10 million for the Film and Television Equity Investment Program.
- ▶ An additional \$2.5 million for mineral geoscience data collection and interpretation.
- ▶ \$5 million for Arts NL.

Transformations and investments are highlighted online at [www.gov.nl.ca/budget2021](http://www.gov.nl.ca/budget2021).

## **Quote**

“This budget sets the course to achieve fiscal stability by ensuring we spend within our means. It reins in and tightens control of the public purse; it ensures a return to fiscal balance within five years; it makes strategic economic investments; it supports those that need a hand up.”

Honourable Siobhan Coady

Deputy Premier, Minister of Finance and President of Treasury Board

- 30 -

## **Learn more**

Budget 2021 – [www.gov.nl.ca/budget2021](http://www.gov.nl.ca/budget2021)

Follow us on Twitter [@GovNL](https://twitter.com/GovNL) and [@FIN\\_GovNL](https://twitter.com/FIN_GovNL)

Like us on [Facebook](https://www.facebook.com/GovNL)

## **Media contact**

Diana Quinton

Finance

709-729-2477, 697-1566

[dianaquinton@gov.nl.ca](mailto:dianaquinton@gov.nl.ca)