



NEWS RELEASE

Budget
2022

Finance

April 7, 2022

Budget 2022 Helps with the Cost of Living; Addresses Government's Financial Challenges

Today, the Honourable Siobhan Coady, Deputy Premier, Minister of Finance and President of Treasury Board, released **Budget 2022: Change is in the air**; with the target of a surplus position by 2026-27.

Expected Deficit Projection

2022-23	\$351 million
2023-24	\$309 million
2024-25	\$270 million
2025-26	\$74 million
2026-27	\$82 million surplus

Fiscal Overview

- ▶ The projected deficit for 2022-23 is \$351 million.
- ▶ Revenues projected for 2022-23 are \$9.1 billion.
- ▶ Expenses projected are \$9.4 billion, of which \$774 million is 100 per cent federally-funded initiatives.
- ▶ The projected borrowing requirement for 2022-23 is \$2.7 billion.
- ▶ The net debt is now anticipated to reach \$17.1 billion in 2022-23.
- ▶ Current oil price projections have improved to \$US86 per barrel, while the Canada-United States exchange rate is forecast at 79.3 cents.

Actions to Help with the Cost of Living

Budget 2022 helps families in our province save money at a time when the cost of living is increasing globally. In addition to the five-point plan announced on March 15, actions include:

- ▶ Elimination of the 15 per cent retail sales tax on home insurance. Effective budget day for one year;
- ▶ 50 per cent reduction in registration fees for passenger vehicles, light duty trucks and taxis for one year;
- ▶ No provincial tax or fee increases;

- ▶ Lower cost child care. We have lowered child care costs from an average of \$35 per day just 18 months ago to \$10 a day starting in January 2023;
- ▶ Metrobus or GoBus passes currently available to income support clients in St. John's, Mount Pearl, and Paradise are being expanded to include seniors receiving the Guaranteed Income Supplement, as well as youth-in-care and those receiving youth services programming; and
- ▶ The Pre-Natal Infant Nutrition Supplement, formerly the Mother Baby Nutrition Supplement, will be boosted to \$150 per month for low income pregnant mothers and for families with children under age one – up from \$100 per month. The one-time payment provided during the month of the baby's birth will also increase from \$100 to \$150.

Supporting Industry and Business

Budget 2022 includes investments to encourage growth, development and diversification of our economy:

- ▶ \$567 million for infrastructure projects, which will help create 3,200 jobs and \$390 million in economic activity.
- ▶ Approximately \$35 million to support economic development initiatives including research and development, commercialization, investment attraction, regional development and business growth activities.
- ▶ A new 20 per cent green technology tax credit for companies that invest in equipment for energy conservation and clean energy generation, use fuels from waste, or make efficient use of fossil fuels. The maximum credit is \$1 million annually, of which 40 per cent is refundable.
- ▶ A new 10 per cent manufacturing and processing investment tax credit to support the manufacturing, fishery, farming and forestry sectors to invest in capital equipment.
- ▶ A new All Spend Film and Video Production Tax Credit. The 30 per cent tax credit will apply to total qualified production costs with a maximum credit of \$10 million annually per project.
- ▶ \$20 million in new investments to support the hospitality, tourism, arts and cultural industries.

Responsible Financial Management

Budget 2022 addresses government's financial challenges and ensures the cost of servicing our debt is lower and more manageable. The plan is built on:

- ▶ Fixing Muskrat Falls financially which we have now done through the rate mitigation plan and the \$5.2 billion partnership with the federal government;
- ▶ Strong financial management through modernization and transformation of government, determined control of spending, and providing additional financial supports, balanced budget legislation, and strengthening the Office of the Auditor General; and,
- ▶ Responsible debt management which includes changes to the Financial Administration Act, a new focus on debt repayment and restructuring, more effective debt financing, and the advancement of a future fund.

More information on Budget 2022 is available online at www.gov.nl.ca/budget2022.

Quote

“Budget 2022 - Change is in the air - is our plan for this fiscal year and is built on helping families with the cost of living; ensuring a healthy, educated, growing population; building stronger communities and investing in infrastructure and roads which contributes to our pride of place; addressing climate change and encouraging economic growth and job creation. Budget 2022 is about us. About all we want to achieve - a strong, smart, self-sufficient, sustainable Newfoundland and Labrador. Change is in the air.”

Honourable Siobhan Coady

Deputy Premier, Minister of Finance and President of Treasury Board

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Learn more

Budget 2022 - www.gov.nl.ca/budget2022

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Media contact

Diana Quinton

Finance

709-729-2477, 697-1566

dianaquinton@gov.nl.ca