

Your Health. Our Priority.

Our Largest Ever
Investment in Health Care

BUDGET 2023



Newfoundland
&
Labrador

Overview

BUDGET 2023



- Introduction
- Financial Overview
- Investment Highlights



- **Budget 2023 – Your Health. Our Priority:**
 - Largest-ever investment in health care at \$3.9 billion
 - \$1.4 billion investment over five years in provincial roads and highways
 - No provincial tax or fee increases
 - Supports to help with the rising cost of living
 - Positive economic outlook
 - Return to surplus position in 2024-25

Financial Overview

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Financial Summary

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- Continued strong, responsible financial and debt management
- The projected surplus for 2022-23 is \$784 million – an improvement of \$1.1 billion (\$351 million projected in Budget 2022)
- Borrowing in 2022-23 was \$1.7 billion (\$2.7 billion projected in Budget 2022)
- The projected deficit for 2023-24 is \$160 million
- The projected borrowing for 2023-24 is \$1.5 billion
- The multi-year forecast puts the province on track to be in a surplus position in 2024-25

Economic Forecast

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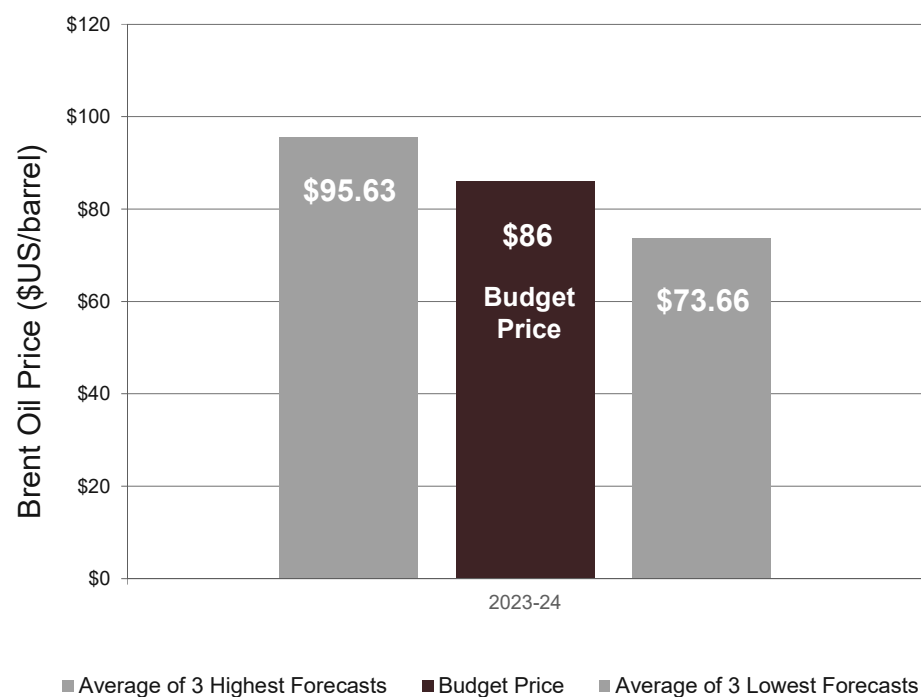
Economic Forecast - NL	2022 Levels	% Change					
		2022	2023	2024	2025	2026	2027
Nominal GDP (\$M)	42,049*	10.9	-3.4	2.9	3.4	0.6	4.1
Real GDP (Chained 2012 \$M)	33,110*	0.3	2.8	3.0	3.1	0.8	2.3
Household Income (\$M)	30,184*	8.2	4.3	2.7	3.3	2.8	3.0
Retail Sales (\$M)	10,947	7.5	3.4	1.8	2.4	2.4	2.5
Consumer Price Index (2002=100)	153.9	6.4	3.2	2.6	2.3	2.2	2.1
Housing Starts (units)	1,379	35.1	2.4	14.6	7.7	-2.0	-6.0
Capital Investment (\$M)	8,040*	11.3	8.1	-0.6	3.8	5.6	2.0
Population (thousands)	526.0	1.1	1.0	0.2	0.3	0.1	0.1
Employment (thousands of PYs)	232.5	4.4	2.2	-0.4	1.4	-0.3	0.0
Unemployment Rate (%)	11.3	11.3	10.1	10.5	9.8	10.0	10.1
Oil Production (millions of bbls)	84.3	84.3	83.8	87.7	87.6	84.4	90.1

* indicates Department of Finance estimates for 2022

Shaded values represent the unemployment rate and oil production levels, not growth rates

Oil Royalties Forecast and Assumptions

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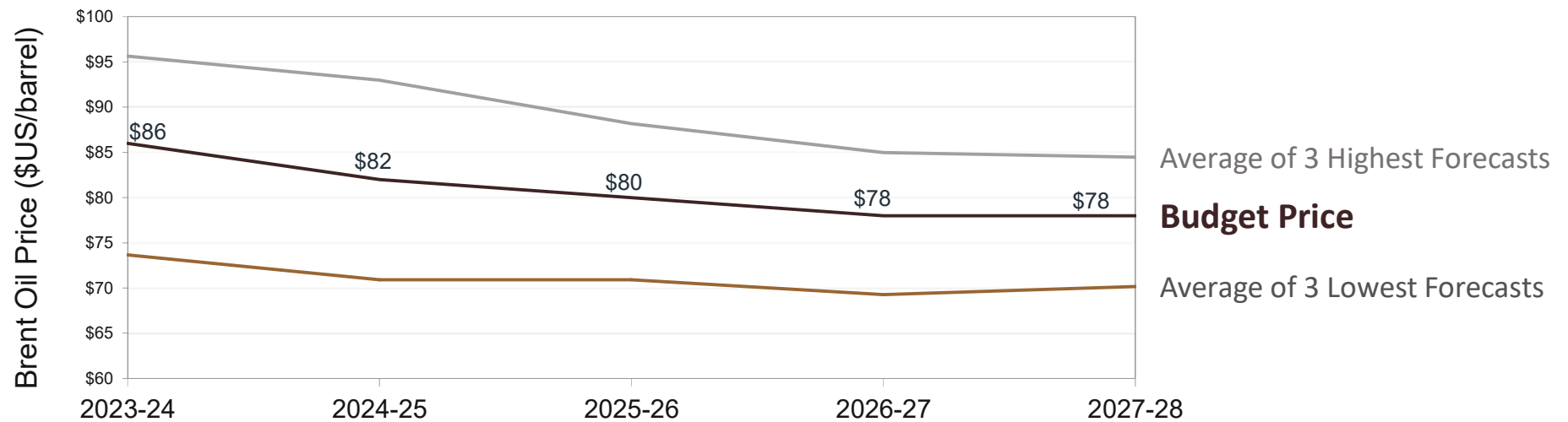


Budget 2023	2023-24
Oil Royalties	\$1.1 billion
Oil Price (\$US/barrel)	\$86
Exchange Rate (CAD to USD)	0.757

Sensitivities	Change in Royalties (\$M)
Oil Price (\$US/barrel)	
- 1 \$US/barrel	-16.0
+ 1 \$US/barrel	+16.0
Exchange Rate (CAD to USD)	
- 1 US cent	+18.0
+ 1 US cent	-18.0

Oil Price and Exchange Rate Forecasts

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Exchange Rate	2023-24	2024-25	2025-26	2026-27	2027-28
CAD to USD Exchange Rate	0.757	0.778	0.784	0.787	0.787

Statement of Operations 2022-23 (\$M)

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	Original Budget 2022-23	Revised 2022-23	Variance
Revenue	9,070	10,525	1,455
Expenses	9,421	9,741	320
Surplus (Deficit) \$M	(351)	784	1,135

Multi-Year Forecast

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	2023-24	2024-25	2025-26	2026-27	2027-28
Revenue	9,689	9,974	10,055	9,905	9,802
Less: Oil Risk Adjustment	-	20	40	50	60
Expenses					
Base Expenses	9,378	9,296	9,358	9,413	9,346
100% Funded	471	361	371	371	371
Surplus (Deficit) \$M	(160)	297	286	71	25

Borrowing Requirements

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	Revised 2022-23	Budget 2023-24
Gross Borrowing	\$1.7	\$1.5*
Net New Borrowing	-	\$0.9
Net Debt	\$15.7	\$16.2

*2023-24 gross borrowing includes \$0.6 billion in debt maturities

Investment Highlights

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Health Transformation

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- Approximately \$3.9 billion in health care (almost 40% of the budget)
- More than \$21 million for 10 new Family Care Teams
- Consolidate ambulances into a single, integrated service (\$9M)
- New investments in health systems and technologies will enhance continuity of care
- \$23 million investment for recruitment and retention of health care professionals
- Addition of 12 new drugs to the provincial drug program
- Approximately \$32 million in support of seniors' care that supports individuals to age in place

Cost of Living

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- Elimination of the retail sales tax on personal property insurance
- Maintaining the 8.05 cent per litre (including HST) reduction in the price of gasoline and diesel for 2023-24
- Doubling the Physical Activity Tax Credit rate
- Maintaining the home heating supplement for furnace or stove oil
- Five per cent increase for the Income Supplement and Seniors' Benefit
- Preserving the 50 per cent reduction in the cost of registering passenger vehicles, light trucks and taxis for 2023-24

Other Investment Highlights

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- Industry and Business:
 - Increasing exemption threshold of the Health and Post-Secondary Education Tax from \$1.3 million to \$2 million
 - Increasing commission discounts for craft producers of wine, spirits and cider
 - \$1.1 billion for infrastructure projects in 2023-24 generating \$479 million in economic activity
 - Increasing the All Spend Film and Video Production Tax Credit to 40%

Other Investment Highlights continued

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- Supporting Education:
 - \$64 million to increase wages for early child educators
 - \$12 million increase for teaching services budget
- Communities:
 - \$6 million increase in base funding under Municipal Operating Grants over the next two years
 - \$1 million for the Royal Newfoundland Constabulary to hire 10 new officers
 - Doubling the budget to \$3.8 million for fire protection vehicles and firefighting equipment
 - \$1.5 million to develop and expand air access to and from the province

Thank You

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