

**Your Health.  
Our Priority.**

**BUDGET 2023**



## News Release

### Finance

March 23, 2023

## Budget 2023 Prioritizes the Health of Newfoundland and Labrador

Today, the Honourable Siobhan Coady, Deputy Premier and Minister of Finance, released Budget 2023: Your Health. Our Priority.

With a focus on improving the province's health and financial well-being, Budget 2023 delivers:

- ▶ The largest health care investment in the province's history of \$3.9 billion.
- ▶ No new tax or fee increases.
- ▶ An historic incremental investment in provincial highways of close to \$1.4 billion over the next five years.
- ▶ A focus on residents' cost of living by:
  - ▶ Continuing with the 8.05 cent per litre (includes HST) reduction on the price of gasoline and diesel – the second lowest rate among provinces;
  - ▶ Eliminating the retail sales tax on home insurance;
  - ▶ Maintaining the home heating supplement that provides up to \$500 to residents who currently rely on furnace and stove oil to heat their homes;
  - ▶ Doubling of the Physical Activity Tax Credit;
  - ▶ Continuing the 50 per cent reduction off the cost of registering passenger vehicles, trucks and taxis for another year; and,
  - ▶ Increasing payments for the Income Supplement and Seniors' Benefit.
- ▶ The construction of more than 850 new affordable housing and rental units.
- ▶ Investments to create more affordable child care spaces to better meet the demand, including \$64 million to increase wages for early childhood educators, and \$3.5 million to expand the Pre-Kindergarten Pilot.

### Fiscal overview

The projected deficit for 2023-24 is \$160 million, with a balanced budget expected in 2024-25, two years ahead of schedule. Other highlights include:

- ▶ Projected revenues for 2023-24 are \$9.7 billion.
- ▶ Projected expenses for 2023-24 are \$9.8 billion.
- ▶ Increases in provincial spending total \$108 million. This is lower than the rate of inflation.

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**Our Largest Ever Investment in Health Care**

**Newfoundland  
&  
Labrador**

- ▶ Of the \$9.8 billion in expenses, \$471 million is 100 per cent federally funded.
- ▶ Net debt is expected to be \$16.2 billion in the 2023-24 fiscal year – a decrease of \$0.9 billion from the Budget 2022-23 forecast of \$17.1 billion.
- ▶ The projected borrowing requirement for 2023-24 is \$1.5 billion.
- ▶ Current oil price projections are \$US86 per barrel, while the Canada-United States exchange rate is forecast at 75.7 cents.
- ▶ The Debt to Gross Domestic Product Ratio is approximately 37 per cent. In 2020, it was over 50 per cent.

### **Managing the province's finances responsibly**

The Provincial Government's strategic plan to return to balanced budgets, lower the cost of borrowing, and decrease debt includes:

- ▶ Fixing the financing of the Muskrat Falls Project through the \$5.2 billion rate mitigation agreement with the Federal Government;
- ▶ Prudent fiscal governance, including transformation and modernization of government, strengthening the role of the Auditor General and Balanced Budget Legislation; and,
- ▶ Responsible debt management, including effective treasury management, optimizing investment performance and establishing a Future Fund. This year, we are projecting to contribute another \$127 million to the Future Fund, which will help ensure greater prosperity for future generations.

Examples of Budget 2023 investments are outlined in the backgrounder below. More details, including a series of fact sheets, is available online at [gov.nl.ca/Budget2023](http://gov.nl.ca/Budget2023).

### **Quote**

"In Budget 2023, we are focused on improving our health – physical, mental, financial and economic. This budget sets record investments for high-quality delivery and availability of health care. It is focused on our financial well-being with no new fees or taxes and with supports to help with the cost of living. All while ensuring strong fiscal management of the province. It supports economic growth and prosperity. All towards a stronger, smarter, self-sufficient, sustainable Newfoundland and Labrador."

Honourable Siobhan Coady  
Deputy Premier and Minister of Finance

-30-

### **Learn more**

[gov.nl.ca/Budget2023](http://gov.nl.ca/Budget2023)

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