

BUDGET 2024

Transforming

Our Health. Our Economy. Our Province.

Budget 2024

March 20, 2024

Overview

BUDGET 2024

- Introduction
- Economic Forecast
- Financial Overview

Introduction

BUDGET 2024

- No new taxes, tax increases or fee increases
- Supports to help with affordability
- Largest-ever investment in health care, seniors, housing and poverty reduction
- Investments to support industry and business, including reducing small business tax from 3 per cent to 2.5 per cent
- Positive economic outlook
- Continued strong, responsible financial and debt management
- Multi-year forecast on track to be in a surplus position in 2025-26

Economic Forecast – Budget 2024

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Economic Forecast - NL	2023 Levels	% Change					
		2023	2024	2025	2026	2027	2028
Nominal GDP (\$M)	38,192*	-6.2	5.8	3.7	6.2	5.9	4.5
Real GDP (\$2017 millions)	31,619*	-2.1	5.1	6.9	7.3	4.9	4.2
Household Income (\$M)	30,441*	4.4	4.9	3.3	4.6	3.9	3.0
Retail Sales (\$M)	11,423	1.8	2.8	2.7	3.4	3.4	2.8
Consumer Price Index (2002=100)	159.0	3.3	2.6	2.3	2.3	2.4	2.3
Housing Starts (units)	978	-29.1	33.0	19.5	3.9	-5.5	-5.2
Capital Investment (\$M)	9,283*	-1.5	3.0	46.0	62.6	7.6	-2.0
Population (thousands)	538.6	1.3	0.8	0.5	0.4	0.4	0.3
Employment (thousands of PYs)	236.7	1.8	0.9	1.5	2.1	1.0	-0.3
Unemployment Rate (%)	10.0	10.0	10.0	9.4	8.7	8.3	8.6
Oil Production (Millions of bbls)	73.1	73.1	82.2	91.8	97.7	104.3	97.0

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Multi-Year Forecast (\$M)

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	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	10,296	10,311	10,365	10,366	10,349
Less: Oil Risk Adjustment	-	20	45	60	70
Expenses					
Base Expenses	9,938	9,854	9,893	9,867	9,851
100% Funded	510	379	375	371	368
Surplus (Deficit)	(152)	58	52	68	60

Borrowing Requirements (\$B)

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	Revised 2023-24	Budget 2024-25
Gross Borrowing	\$2.2*	\$2.8**
New Net Borrowing	\$1.6	\$1.6
Net Debt	\$17.2	\$17.8

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

**2024-25 gross borrowing includes \$1.2 billion in debt maturities

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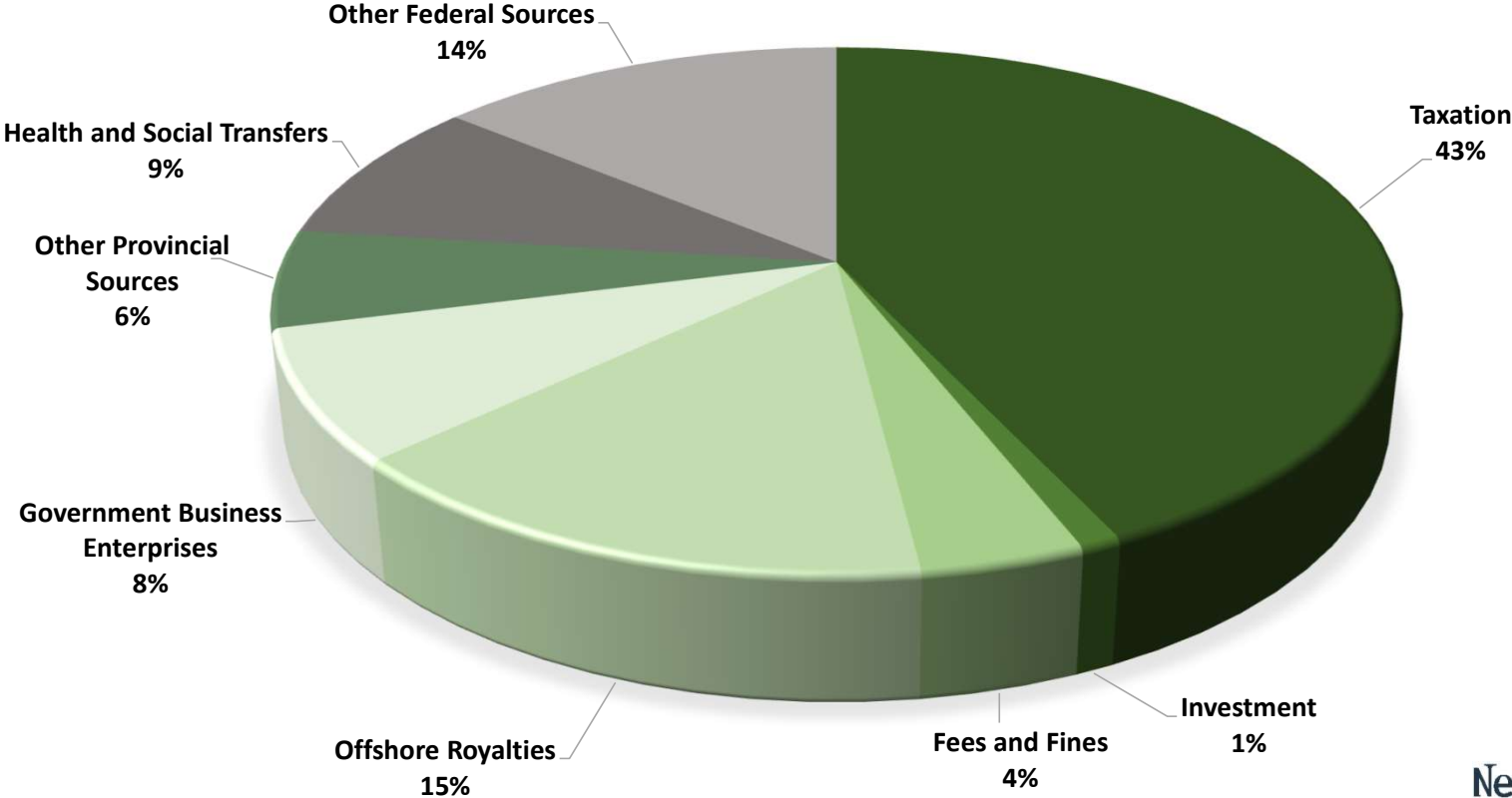
Statement of Operations 2023-24 (\$M)

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	Original Budget	Revised	Variance
Revenue	9,689	9,554	(135)
Expenses	9,849	9,987	138
Deficit	(160)	(433)	(273)

Revenue by Source

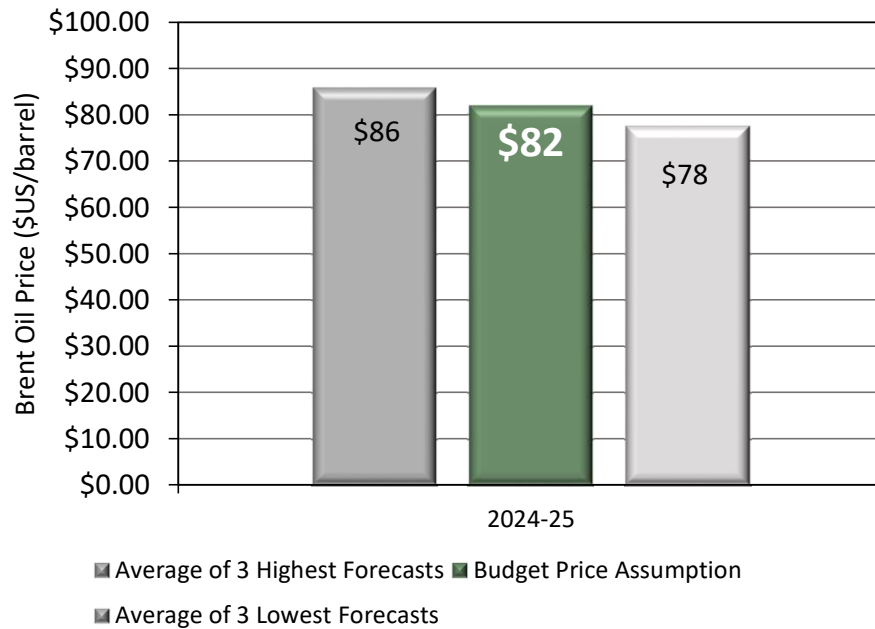
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Oil Royalties Forecast and Assumptions

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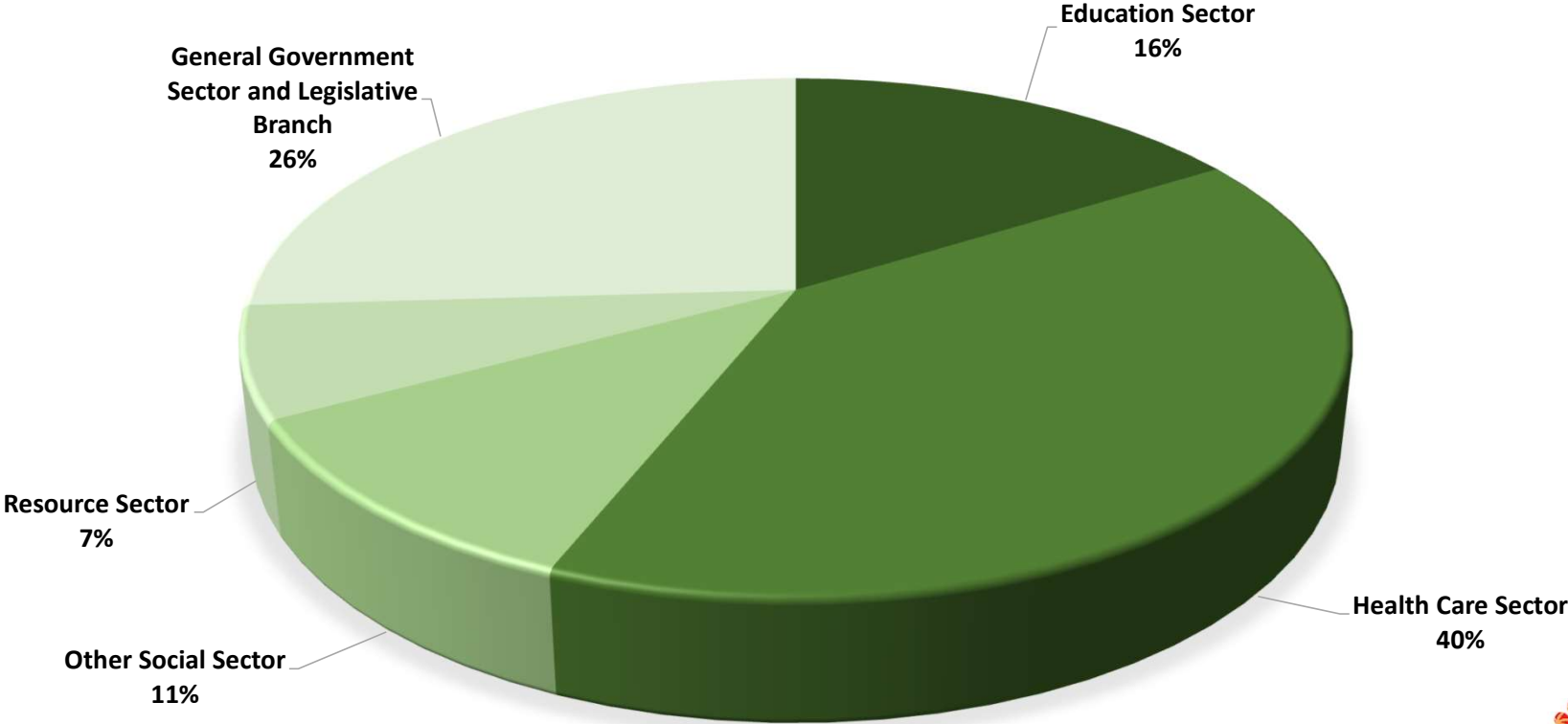
Budget 2024	2024-25
Oil Royalties	\$1,551.3 million
Oil Price (\$US/barrel)	\$82
Exchange Rate (CAD to USD)	0.747

Sensitivities	Change in Royalties (\$M)
Oil Price (\$US/barrel)	
- 1 \$US/barrel	-24.0
+ 1 \$US/barrel	+24.0
Exchange Rate (CAD to USD)	
- 1 US cent	+26.0
+ 1 US cent	-26.0

Forecast	24-25	25-26	26-27	27-28	28-29
Oil Price (\$US/barrel)	\$82	\$81	\$80	\$78	\$77
Exchange Rate (CAD to USD)	0.747	0.768	0.759	0.762	0.757

Expenses by Sector

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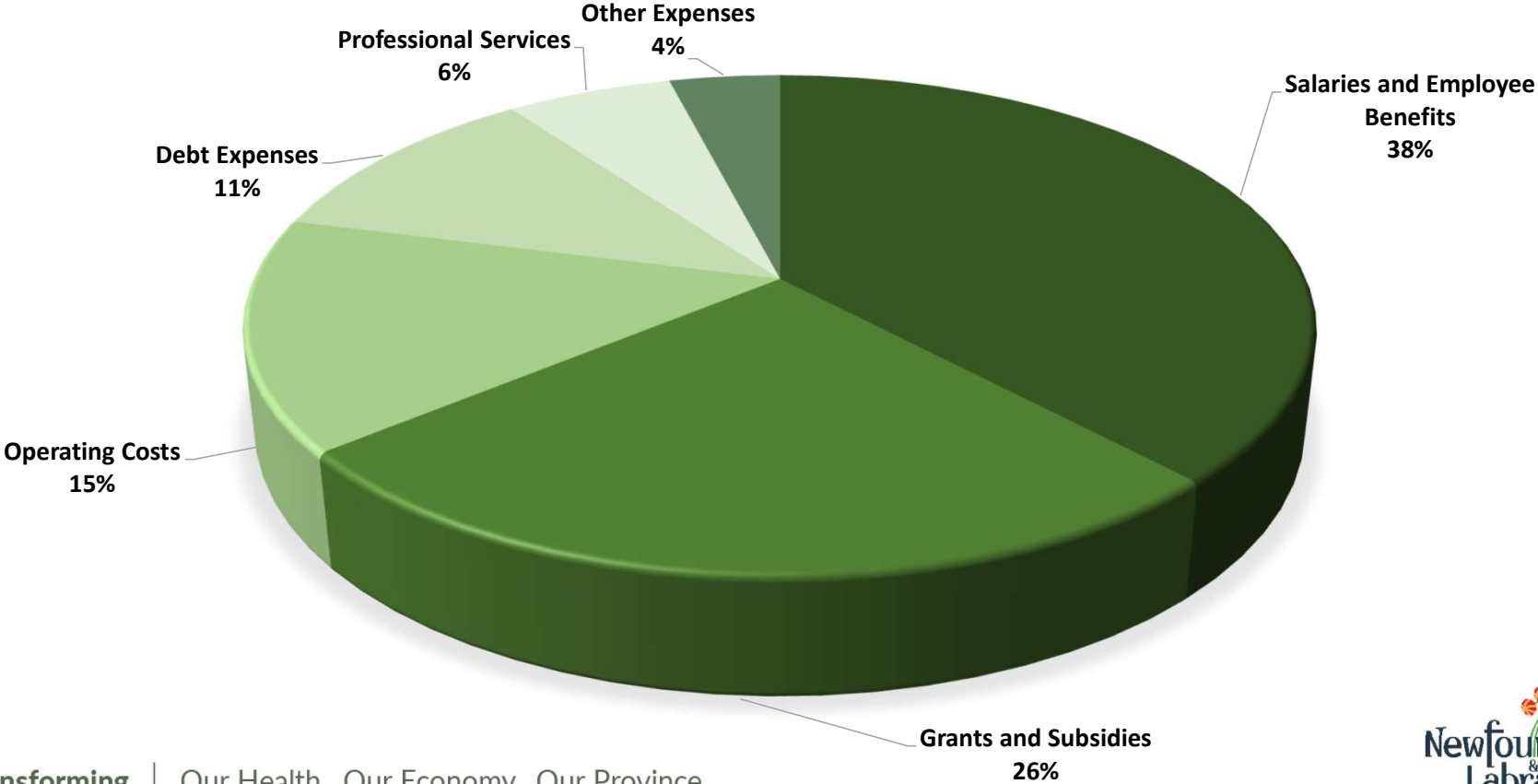


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Expenses Overview

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Transforming the Province's Finances

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GOAL: STRONGER, SMARTER, SELF-SUFFICIENT & SUSTAINABLE NEWFOUNDLAND AND LABRADOR

1

Fixing Muskrat Falls

- Rate mitigation
- \$5.2 billion agreement with Government of Canada

2

Prudent Fiscal Governance

- Balanced budget legislation
- Expenditure control
- Transformation and modernization
- Strengthening the role of the auditor general
- Strategic review of assets

3

Responsible Debt Management

- Effective treasury management
- Enhancing the province's liquidity position
- Re-establishing and optimizing sinking fund performance
- Establishing the Future Fund
- Diversifying our investors

Economic Growth

Population Growth

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Thank You

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