

BUDGET 2026

Opportunity for All of Us


Newfoundland
&
Labrador

- **Introduction**
- **Investment Highlights**
- **Economic Forecast**
- **Financial Overview**

- Budget 2026 makes significant investments to making life more affordable by lowering taxes, providing access to better health care and supporting safer communities
- Provides \$1.1 billion in infrastructure to drive growth and create employment
- Like all other provinces, NL is forecasting a deficit for 2026-27
- Province's economy has performed well in 2025 and is projected to lead Canada in GDP growth for 2026

- Lower Taxes and Affordability Measures
 - Increasing the basic personal amount to \$15,000
 - Increasing the Seniors' Benefit by 20%
 - Expanding the NL Child Benefit to support 3,000 more children
 - Reducing the Small Business Tax Rate by 0.5% each year for the next 3 years
 - Tuition freeze at Memorial University and the College of the North Atlantic
- Providing Better Healthcare
 - \$5.4 billion investment in health care
 - Implementation of a provincial nursing travel team
 - 100 per cent coverage of eligible medical travel costs

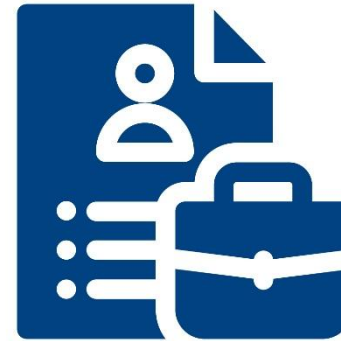
- Supporting Safer Communities
 - Enhanced policing by hiring 46 additional officers over next two years
 - Additional equipment, supplies and staffing in support of emergency preparedness
 - Court audio-visual modernization and additional Crown Attorney resources
- Other Investment Highlights
 - Increased funding to support additional childcare spaces
 - An increase in foster care and kinship rates
 - Enhancements to the homeowner support programs



Real GDP

2025 Estimate: 4.8%

2026 Forecast: 5.5%



Employment

2025 Actual: -0.1%

2026 Forecast: 0.2%



Disposable Income

2025 Estimate: 2.5%

2026 Forecast: 2.6%



Retail Sales

2025 Actual: 3.6%

2026 Forecast: 3.1%

Selected Economic Indicators

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CPI

2025 Actual: 1.4%

2026 Forecast: 2.7%



Housing Starts

2025 Actual: -6.2%

2026 Forecast: 3.9%



Population

2025 Actual: 0.6%

2026 Forecast: 0.0%



Oil Production

2025 Actual: 87.6 MMbbls

2026 Forecast: 97.8 MMbbls

Provincial Economic Forecast (2025-2030)

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Economic Forecast - NL	2025 Levels	% Change					
		2025e	2026f	2027f	2028f	2029f	2030f
Nominal GDP (\$M)	43,593	3.3	10.0	1.7	4.6	2.6	0.9
Real GDP (\$2017 millions)	33,894	4.8	5.5	3.9	2.1	0.7	-1.2
Household Income (\$M)	34,205	2.5	2.3	3.2	4.2	3.9	1.2
Household Disposable Income (\$M)	23,193	2.5	2.6	3.4	4.4	4.0	1.5
Retail Sales (\$M)	12,653	3.6	3.1	2.5	3.8	3.7	2.1
Consumer Price Index (2002=100)	164.2	1.4	2.7	1.9	2.2	2.2	2.3
Housing Starts (units)	1,568	-6.2	3.9	5.3	3.3	1.4	-2.8
Capital Investment (\$M)	7,507	-14.2	-2.6	7.8	29.7	27.2	-12.4
Population (thousands)	549.9	0.6	0.0	0.4	0.9	1.4	0.4
Employment (thousands of PYs)	244.8	-0.1	0.2	1.6	2.7	2.3	-2.0
Unemployment Rate (%)	10.1	10.1	9.9	9.4	7.8	7.2	9.3
Oil Production (Millions of bbls)	87.6	87.6	97.8	103.3	103.5	100.4	92.6

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

Source: Department of Finance (Budget 2026); e: estimate; f: forecast; \$M: millions; PYs: person years; bbls: barrels

Operating Statement 2025-26 (\$M)

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	Original Budget	Revised	Variance
Revenue	10,670	10,677	7
Expenses	11,042	11,406	364
Deficit	(372)*	(729)	357

Note: This included \$518M related to the Tobacco Settlement revenue and \$130M for associated legal expenses.

Multi-Year Forecast (\$M)

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	2026-27	2027-28	2028-29	2029-30	2030-31
Revenue	10,838	10,459	10,578	10,863	11,233
Expenses	11,526	11,554	11,680	11,975	12,068
Deficit	(688)	(1,095)	(1,102)	(1,112)	(835)

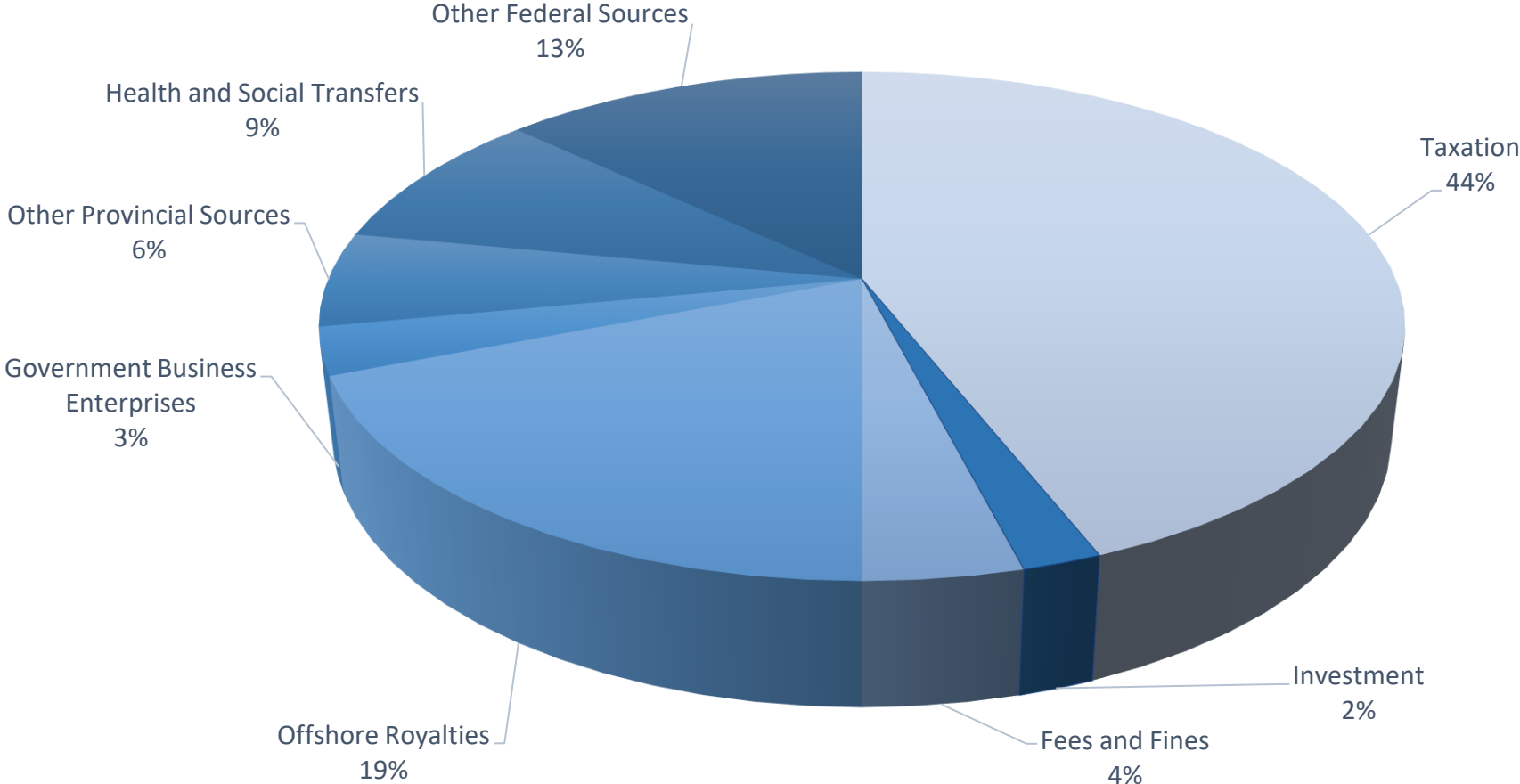
Borrowing Requirements (\$M)

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	Revised 2025-26	Budget 2026-27
Gross Borrowing	\$4.1B	\$3.9B
New Net Borrowing	\$2.6B	\$2.9B
Net Debt	\$19.5B	\$20.8B

Revenue by Source

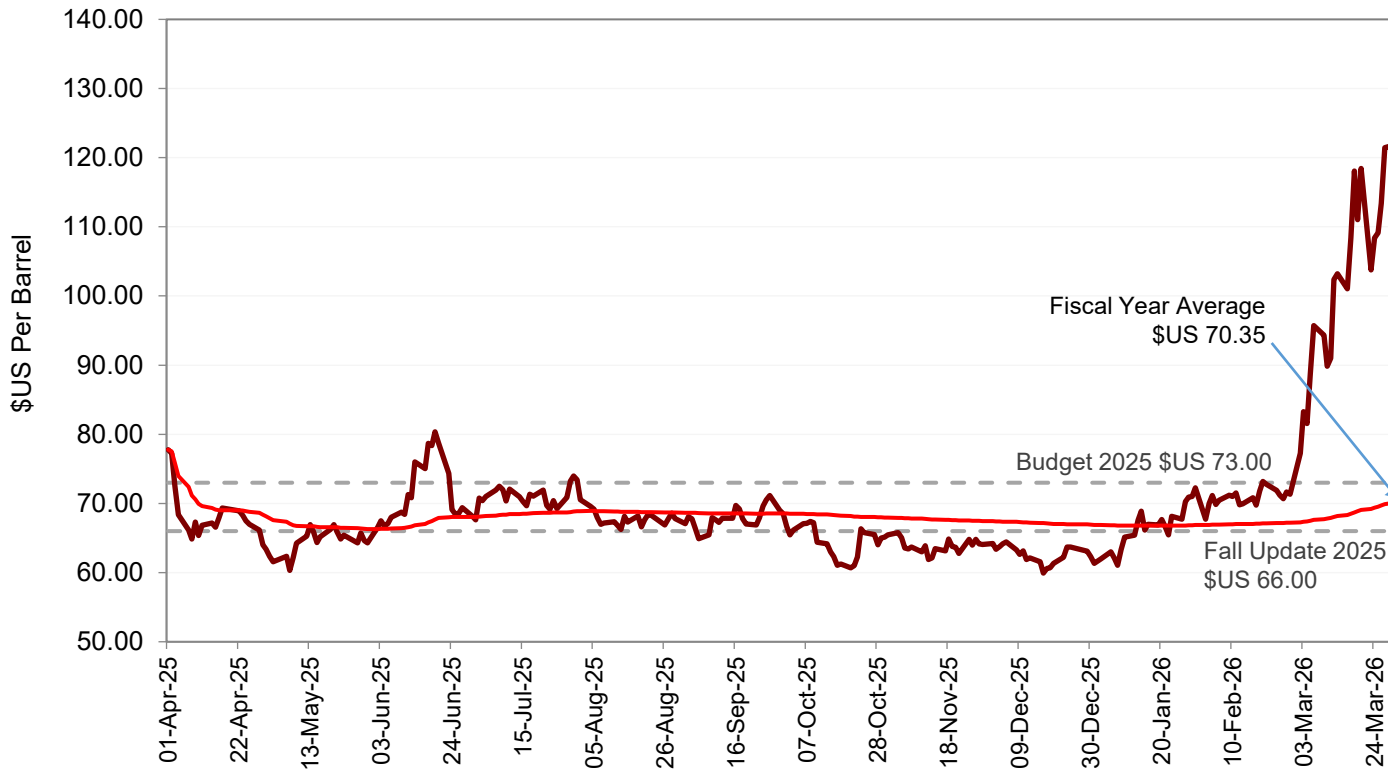
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Oil Royalties Forecast and Assumptions

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**Brent Oil Prices
(Fiscal Year 2025-26)**

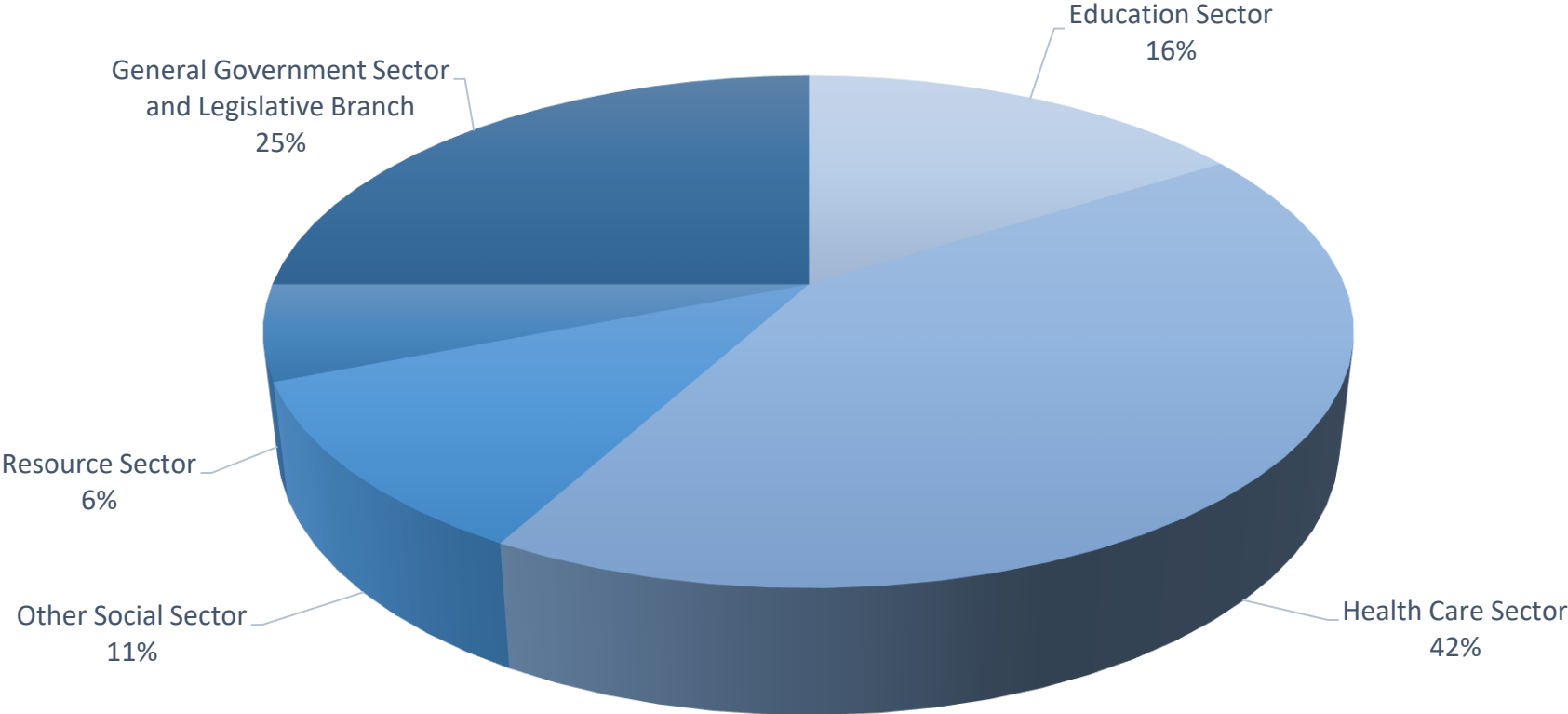


	Budget 2026	Revised 2025
Oil Price (\$US/barrel)	\$79.00	\$70.35
Exchange Rate (CAD to USD)	0.741	0.724
Oil Production (million barrels)	96.7	93.1
Budget Impact (\$ millions)	\$2,030.4	\$1,687.6

	27-28	28-29	29-30	30-31
Oil Price (\$US/barrel)	\$71	\$73	\$74	\$76
Exchange Rate (CAD to USD)	0.747	0.734	0.739	0.739

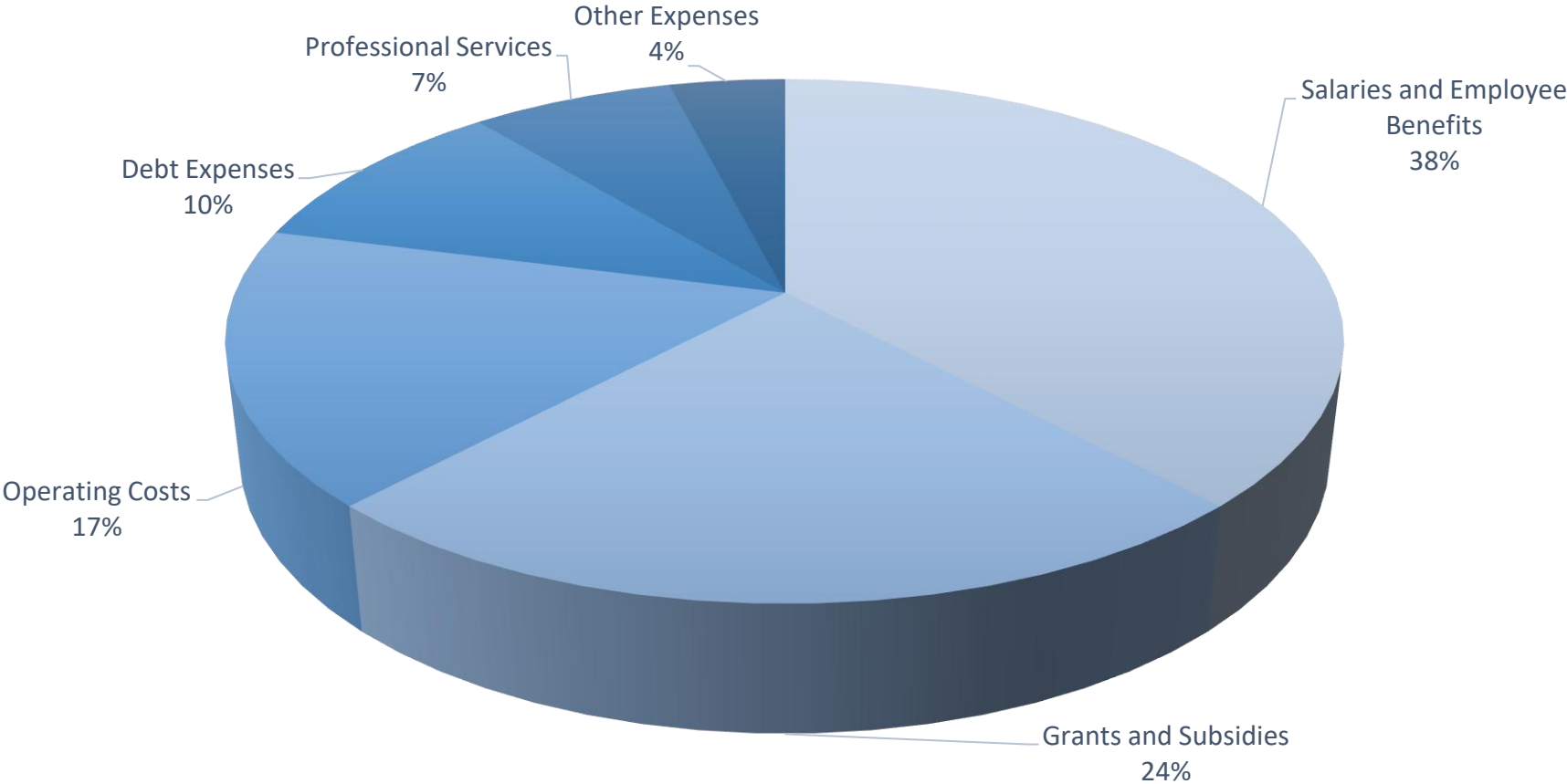
Expense by Sector

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Expense Overview

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- Government is committed to fiscal responsibility and spending smarter
- Budget 2026 covers the province's finances for the next year, but Government's work does not end there
- Future results are dependent on economic conditions and revenue growth

Thank You