

Our Financial Plan

Budget 2019 – Working Towards a Brighter Future, shows that government's balanced approach is working. While we remain committed to the long-term financial sustainability of our province, we are also supporting job and industry development and improving access to government services.

Our Targets

Since 2016 our government has maintained a commitment to achieving our fiscal targets and staying the course to return to surplus. Our work to date and in Budget 2019 has helped us stay on course again this year.

- ▶ Government remains on track to return to an ongoing surplus in 2022-23.
- ▶ The revised deficit for 2018-19 is \$522 million, which is an improvement from the original Budget 2018 forecast and the mid-year update.
- ▶ In 2019-20, the projected surplus is \$1.92 billion. This is a significant improvement from the Budget 2018 forecast deficit of \$507 million, largely as a result of the guaranteed revenue stream secured from the Atlantic Accord agreement.

- ▶ Budget 2019 revenues are \$10.4 billion, a net increase of \$2.6 billion.
- ▶ The price of oil is forecast at US\$65 per barrel, and the Canada to American dollar exchange rate is forecast at 76.5 cents. These are based on the forecasts of multiple industry analysts.
- ▶ Budget 2019 expenses are \$8.43 billion. When the 100 per cent federal or other cost-recoverable programs are reflected, the total net expenses are \$8.3 billion.
- ▶ Gross borrowing for Budget 2019 will be \$1.2 billion, lower than the original Budget 2018 forecast of \$1.35 billion.

Smarter Government

The Way Forward plan is a smarter approach to governing. By taking steps to improve and modernize operations and to do more with less, government has made significant progress since 2016, including:

- ▶ Identifying opportunities for improved efficiency through a government-wide review of shared services opportunities in the delivery of human resources, information technology, financial services and supply chain functions.

- ▶ **On track to return to surplus by 2022-23**
- ▶ **Elimination of tax on automobile insurance**
- ▶ **\$594.3 million for infrastructure and economic stimulus**

- ▶ Investing in a five-year Digital Government plan to improve the overall experience that residents and businesses have when interacting with government and to create greater efficiencies in how we do business.
- ▶ Reduced positions in government departments by just under 900 since 2016.
- ▶ Reduced government leased space by over 103,000 square feet since 2016, saving millions of dollars annually.
- ▶ Reduced the number of government vehicles by 10 per cent, resulting in savings on fuel, insurance and maintenance totaling hundreds of thousands of dollars annually.
- ▶ Reduced severance liability, with \$253.5 million paid out to date. This includes \$78.5 million contributed to RRSPs and \$175 million paid in cash.

Consumer Relief

In Budget 2019, government is taking steps to provide consumer relief, including:

- ▶ No tax or fee increases.
- ▶ Eliminating the retail sales tax on automobile insurance.
- ▶ The temporary deficit reduction levy is scheduled to be removed by December 31, 2019.
- ▶ Introducing a Heat Pump Rebate Program valued at \$1 million, in partnership with NL Hydro. Homeowners can receive a grant of \$1,000 toward the purchase and installation of an eligible heat pump.
- ▶ Continuing to deliver the Newfoundland and Labrador Income Supplement and the Newfoundland and Labrador Seniors' Benefit, which puts approximately \$123 million in the hands of low-income seniors, individuals, families, and persons with disabilities.

- ▶ Reducing vehicle licensing fees by \$5 for seniors and an additional 10 per cent for military veterans.

Strategic Investments

Our government is supporting Newfoundlanders and Labradorians through investments in infrastructure and by maximizing resources through cost-shared initiatives. Budget 2019 includes:

- ▶ \$594.3 million for new and existing schools, healthcare facilities, post-secondary institutions, roads and bridges, justice facilities, affordable housing and municipal infrastructure.
- ▶ Improving access to affordable child care through an investment of approximately \$60 million.
- ▶ Continuing to implement the Education Action Plan, with \$13 million toward added classroom resources.
- ▶ Lifting the age cap for those currently enrolled in the Insulin Pump Program to ensure continued coverage for individuals who rely on the program.
- ▶ Introducing Eye See Eye Learn Program with Newfoundland and Labrador Association of Optometrists to provide children starting in kindergarten with free comprehensive eye exams.
- ▶ Investing \$3 million this year to create a Digital Ocean Innovation Centre of Excellence to enhance the province's digital capabilities in emerging technology sectors while supporting the goals of Advance 2030.
- ▶ Accelerating growth in the ocean technology industry with an investment of \$2.5 million in a new 36,000 square foot facility at the Marine Institute's Holyrood Marine Base.