

Fiscal Update 2018-19 – Building for Our Future



In Budget 2018: Building for Our Future, government outlined a balanced approach to managing the province's financial situation with the need to invest in infrastructure and services, as well as job creation and industry development. It is a solid plan – one that resulted in all credit rating agencies maintaining government's credit ratings.

Since Budget 2018, the Provincial Government has made significant progress to benefit Newfoundlanders and Labradorians today and well into the future.

Our Targets

- The revised 2018-19 deficit at mid-year is \$547 million, an improvement of \$136 million.
- Revenue projections have increased to \$7.8 billion, an increase of \$130 million.
- The price of oil has been higher than the Budget 2018 projection of US \$63 per barrel, and has been revised to \$74 per barrel.
- The US to Canada exchange fell to US\$0.77 from the US\$0.79 at Budget.
- Expense projections have remained steady at \$8.35 billion, with a small projected savings of approximately \$6 million.
- More than 4,100 departmental employees have received severance claims, totaling approximately \$47 million.

Job Creation/Industry Development

- Marked the province's first step into a new frontier for its oil and gas industry – deepwater production with the Bay du Nord project. The partnership with Equinor and Husky will help create approximately 11,000 person years of employment.
- Construction of Voisey's Bay underground mine began and will create 16,000 person years of employment during the construction period.
- Supported S&P Data in establishing a 500 person in-bound contact centre.

- Advanced the aquaculture industry through support of the Grieg project, which leverages \$220 million in investment from other sources and supports more than 800 direct and indirect jobs.
- Advocated for the elimination of American tariffs on Corner Brook Pulp and Paper which supported the 5,000 people who work in the forestry industry.
- Helped 56 new farmers enter the agriculture industry through investments totaling over \$1.8 million.

Education and Skills Development

K-12

- Launched the five-year Education Action Plan in July, which has led to the addition of:
 - More than 50 teaching and learning assistants;
 - 20.5 school-based reading specialists;
 - 13.5 additional teacher-librarians;
 - Five reading specialists and six mathematics specialists at the district level to support classroom teachers;
 - A mathematics bursary for K-6 teachers to upgrade their knowledge and teaching skills.
- Advanced construction and planning for schools in Paradise, Coley's Point and Bay d'Espoir and continued construction to the extension of Mobile Central High.

► **\$547 million deficit – \$136 million improvement**

► **On target to return to surplus in 2022-23**

► **Reduced tax on automobile insurance on January 1, 2019**

Post-secondary Education and Skills Development

- Successfully negotiated six-year Labour Market Transfer Agreements, totaling \$949 million. This will support an estimated 13,000 workers in Newfoundland and Labrador.
- Launched a merit-based recruitment process to recruit individuals to lead a review of the public post-secondary education system.

Health Care and Community Supports

- A new 94-bed mental health and addictions facility, as well as a new parking garage will be built on the Health Sciences Centre campus in St. John's. We are on-track to start procurement in November and site work in summer 2019.
- Sites selected for 60-bed long-term care homes in Gander and Grand Falls-Windsor. Construction for both scheduled to begin in 2019.
- The final structural steel phase of the 145-bed long term care home in Corner Brook was completed in October. It is on-track to open in 2020.
- The two proponents competing to build and manage the new acute care hospital in Corner Brook met with 90 individuals to help them further develop their submissions. Construction is on-track to begin in 2019.
- Started construction of the new Green Bay Health Centre in Springdale.
- Planning underway for a new six-bed mental health unit in Happy Valley-Goose Bay.
- Started construction of a new ambulatory care space at the Carbonear General Hospital, as well as opened 28 long-term care beds at the Pte. Josiah Squibb Memorial Pavilion.
- The wait list for mental health and addictions counselling services was reduced by 68 per cent throughout the province with the wait list eliminated in Happy Valley-Goose Bay and on the Burin Peninsula.

- People waiting for counselling decreased from 192 to 17 days in Corner Brook.
- Significant work being led by primary health care teams in communities including Botwood, Grand Bank, Gander, Happy Valley-Goose Bay, and Corner Brook.
- Launched I CAN (Conquer Anxiety and Nervousness), a new e-mental health program designed to support young adults aged 18-30 with anxiety.
- Introduced a new financial assessment process for long-term care and community support services.

Transportation

- Nearing completion of the Team Gushue Highway extension, which will open in November.
- Completed more than 800 lane kilometres of highway improvements. This includes work on the Trans-Labrador Highway and higher traffic routes such as Outer Ring Road, Veterans Memorial Highway, Pitts Memorial Drive, and Peacekeepers Way.
- Awarded contracts for two new ferries to improve the way passengers, freight and vehicles are transported throughout Labrador and across the Strait of Belle Isle.

Communities and Environment

- Supported 140 municipal infrastructure projects with a total provincial investment of \$33.6 million.
- Secured \$555 million in federal funding over 10 years for community infrastructure projects through the Investing Canada Plan. Calls for applications are underway.
- Introduced new cost share ratios under the Investing in Canada Plan to make it easier for communities to build roads and community centres.
- A Made-in-Newfoundland and Labrador Carbon Program was introduced with minimal increases to fuel taxes, no taxes on home heating fuels and performance standards for industry.