

BUDGET 2024

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# Transforming

Our Health. Our Economy. Our Province.

**Budget Speech**





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Our Health. Our Economy. Our Province.



Delivered by  
Hon. Siobhan Coady  
Deputy Premier and  
Minister of Finance and  
and President of Treasury Board  
at the  
Second Session of the 50th General Assembly  
of the House of Assembly  
Wednesday, March 20, 2024



It is the first day of spring, a day of renewal and anticipation of the brighter days ahead. Much like Newfoundland and Labrador as we no longer stand at the precipice but at the peak of opportunity, growth, and prosperity. Much progress has been made over the last four years under the Furey Government. We are transforming and improving health care with record investment, a focus on primary care and implementing the Health Accord. Transforming and improving infrastructure with new hospitals, new long-term care facilities, and new schools.

Improving finances with near balanced budgets, a Future Fund, fiscal prudence, and debt management.

Transforming and improving the economy with strong growth and new investment in critical minerals, lower carbon oil development, wind-hydrogen, tourism, television and film development, to name a few.

We have ensured investments to support families with \$10 a day child care, removing any busing restrictions so everyone can get to school, expanding the school food program province-wide, eliminating tax on home insurance, and lowering the provincial gas tax.

We've helped seniors with a 15 per cent increase in the Seniors' Benefit and paying for driver medicals.

We have helped businesses with greater tax credits and raising the threshold of the Health and Post-Secondary Education Tax to help businesses save money.

And we are just getting started.

In this budget, in a year we celebrate 75 years of Confederation with Canada, we deliver:

- ▶ No new taxes, tax increases, or fee increases.
- ▶ A budget that helps make life more affordable for Newfoundlanders and Labradorians.
  - Continuing the 8.05 cent per litre reduction in the provincial tax on gas;
  - Continuing the 50 per cent reduction in the cost of registering passenger vehicles, light trucks, and taxis;
  - Continuing the home heating supplement for furnace and stove oil; and,
  - Continuing the elimination of the retail sales tax on home insurance.

- ▶ Reducing the Small Business Tax rate, as well as taking meaningful action to cut red tape and speed processes, to support business and drive economic activity.
- ▶ Record investments in health care, the well-being of seniors, poverty reduction, and housing.
- ▶ Record investments in infrastructure for health, education, and housing.

This budget is one our forebearers hoped we could one day present when they envisioned a stronger, smarter, self-sufficient, and sustainable Newfoundland and Labrador. We stand on their shoulders as we enter the spring for Newfoundland and Labrador – a time of rejuvenation and hope. A time of renewal and optimism.

## Transforming the Province's Finances

Newfoundland and Labrador has faced generations of financial uncertainty. Every year because of spending more than we earn, we add to the debt and burden ourselves and future generations with expensive cost of borrowing. This impacts our ability to invest in the services, programs, and infrastructure we all deserve and need.

The Furey Government has been focused, determined, prudent and responsible in managing the finances of this province. The fiscal plan we embarked on in 2020 is yielding results. Continued effort and diligence is required. The strategic plan set a course for strong financial management, expenditure control, continued transformation and modernization, as well as effective treasury management and a focus on debt restructuring and repayment. This, together with stronger population and economic growth, will propel Newfoundland and Labrador to a brighter future.

We have made strong financial choices to balance our budget, set aside money to pay debt, and strengthen our liquidity so that we have the cash reserves available to meet our obligations.

We improved the financing of the inherited Muskrat Falls Project through a \$5.2 billion rate mitigation agreement with the Government of Canada, thereby ensuring your electricity rates do not double.

By launching a European borrowing program, we helped diversify our investors which will improve results. Like all Canadian provinces, money is borrowed by issuing bonds in the capital markets. In 2024-25, we expect to borrow up to \$2.8 billion for infrastructure, debt repayment, and increased liquidity.

Bonds are publicly traded and primarily held by a broad base of institutional investors. To ensure we have the funds available when the principal on the bonds comes due, this government ensures that sinking funds are attached to the debt. We have also made legislative changes to ensure returns on those funds are optimized. This means that, for example, our longest-term bonds which come due in 2054 will be fully repaid at maturity rather than refinanced. This is important for future generations of Newfoundlanders and Labradorians.

We also established the Newfoundland and Labrador Future Fund so that we could invest revenue from one-time sources and non-renewable resources. In Budget 2024, we are contributing \$72.4 million to the future fund, bringing the total contributions to \$358.8 million.

Over the past five years, our deficit has decreased from \$1.5 billion in 2020-21 to \$152 million estimated in 2024-25, which represents 1.5 per cent of revenues. Balance is achieved next year and for the foreseeable future.

Revenue in 2024-25 is forecast to be the highest in Newfoundland and Labrador’s history coupled with one of the highest rates of economic growth forecast for 2024 among provinces.

This past summer marked the first time in 12 years that the province received an upgraded credit rating and demonstrates that our financial situation is moving in the right direction.

## Multi-Year Forecast (\$M)

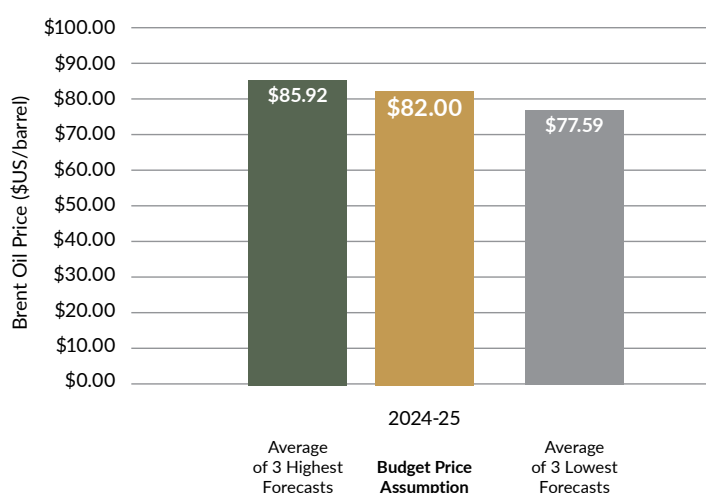
	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Revenue</b>	10,296	10,311	10,365	10,366	10,349
Less: Oil Risk Adjustment	-	20	45	60	70
<b>Expenses</b>					
Base Expenses	9,938	9,854	9,893	9,867	9,851
100% Funded	510	379	375	371	368
<b>Surplus (Deficit)</b>	<b>(152)</b>	<b>58</b>	<b>52</b>	<b>68</b>	<b>60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

I want to thank the hard-working, dedicated, skilled professionals within the Department of Finance who work diligently every day to ensure strong financial management.

## Oil projections

For 2024-25, oil is projected to be US\$82 per barrel and the Canada to United States exchange rate is forecast to be 74.7 cents. These projections are informed by 10 different independent forecasters.

## Oil Royalties Forecast and Assumptions



The Province's oil price and exchange rate forecasts are developed based on a composite of 10 individual oil price forecasts, and 8 individual exchange rate forecasts, available as of February 20, 2024.

Budget 2024		Change in Royalties (\$M)				
2024-25		\$1,551.3 million				
Oil Price (\$US/barrel)		\$82				
Exchange Rate (CAD to USD)		0.747				
Sensitivities		Change in Royalties (\$M)				
<b>Oil Price (\$US/barrel)</b>						
- 1 \$US/barrel		-24.0				
+ 1 \$US/barrel		+24.0				
<b>Exchange Rate (CAD to USD)</b>						
- 1 US cent		+26.0				
+ 1 US cent		-26.0				
	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	

## Economic outlook

Forecasts of economic indicators show Newfoundland and Labrador as having one of the highest rates of economic growth for 2024 among provinces.

Opportunities in the green energy, lower carbon oil, mining and aquaculture industries are boosting economic activity.

Newfoundland and Labrador's real GDP is forecast to increase by 5.1 per cent in 2024, primarily due to strong export growth.



The Terra Nova oil project has returned to production and the newly converted refinery in Come By Chance started production of renewable diesel in February. Development work on the West White Rose project in addition to continued government investment in infrastructure projects, such as the new mental health and addictions facility, will continue to support construction activity in the province.

Real exports are expected to increase by 16.7 per cent, driven mainly by higher oil, iron ore and nickel production.

Total employment is forecast to increase by 0.9 per cent in 2024, partly due to increased construction activity associated with increased housing starts and the West White Rose project.

The unemployment rate is expected to remain on par with the record low in 2023 at 10.0 per cent in 2024.

Household income is expected to increase by 4.9 per cent in 2024 and is anticipated to continue to support retail sales, which are forecast to increase by 2.8 per cent in 2024.

Overall, inflation is forecast to be 2.6 per cent in 2024.

Continuing the strong population growth seen in 2023, the province's population is projected to rise by 0.8 per cent in 2024, with net natural losses being more than offset by international in-migration.

Capital investment is expected to increase by three per cent to \$9.6 billion in 2024, as construction activity associated with the West White Rose project continues and residential construction rebounds from the declines seen in 2023.

## Affordability

Over half a billion dollars in investments have been provided to the people of the province to help with affordability. As announced earlier, we will continue these measures in this budget.

In addition, the new Poverty Reduction Plan provides incremental investments totaling \$41 million in Budget 2024. This is in addition to the upwards of a billion dollars that is allocated annually for social programming and support for those experiencing low income.

We have increased the Child Benefit by 300 per cent, positioning it as the third highest child benefit in Canada. The new Prenatal-Early Childhood Nutrition Supplement is the best in Canada. We have increased funding for school food programs with the goal that all children up to grade nine will be able to access healthy food in school. Improvements to the Income Support program will result in some people receiving almost four times their previous benefits. We are implementing a targeted Basic Income pilot for eligible individuals aged 60-64. Pilot participants will receive an increase in payments to match federal seniors benefits to people aged 65 and over.

Metrobus or GoBus passes are provided to people in receipt of income support, seniors receiving the Guaranteed Income Supplement and youth receiving services from the Youth Services Program in St. John's, Mount Pearl, and Paradise. Including accessible transportation initiatives, we are investing close to \$3 million in transportation to help citizens to access employment opportunities, education, services, and promote inclusion.

Last year's increase in the Income Supplement benefits more than 150,000 families and individuals, and the Seniors' Benefit helps almost 50,000 seniors aged 65 and over.

The four year, more than \$130 million provincial-federal fuel switching and energy efficiency incentive is helping households transition to electricity, which is a cheaper, greener, and more reliable way to heat a home.

Along with our federal partners we are allocating over \$21 million to support individuals and families with rental assistance in the private market, and \$10.7 million for homeowners in low income to complete repairs, accessibility modifications, and energy efficiency retrofits.

## Transformation and Modernization

In the past four years, we set a path to transform and modernize government, improve services and ensure better results for the people of the province. There has been much progress and we are focused on achieving even more.

Our government is steadfast that to achieve our goals, it is paramount that continuous improvement, service excellence, and accountability be focal points of our ambitious agenda. We are expanding efforts to address red tape and improve service delivery.

We will introduce Navigators, beginning with the Department of Industry, Energy and Technology, to work hand-in-hand with businesses to help make it easier to access

government, and improve business processes. As unnecessary, time consuming and impeding regulations and red tape are identified, they will be eliminated or improved to ensure more timely, efficient, effective regulatory affairs. We have committed financial, human and strategic resources and will work with the business community to identify and eliminate red tape while facilitating and supporting development.

We are transforming our economy, seizing, and driving opportunities. We must be agile and nimble moving at the speed of light. To ensure success, we are introducing an Opportunities NL Secretariat to Executive Council that ensures an across-government, strategic focus that will interlink departments, agencies, communities, and stakeholders. This will attract investment, strengthen exports, and enhance the productivity of local businesses.

As the economy transforms we will focus on the jobs of the future. The objective is to align economic strategies, education, and skills development, as well as improve labour market data and analysis. We will create a Council comprised of relevant departments, Memorial University, College of the North Atlantic, as well as business and labour groups and representation from private colleges.

To build on the development of a new, solely dedicated Cabinet Portfolio and to better address the changing requirements of housing, including the need for better integration and solutions for the future, the provincial Housing Corporation will be integrated into core government.

To help create safer roadways, we will begin to expand the use of traffic enforcement cameras.

## Transforming Health

Health Accord NL set a clear vision to reimagine how we deliver health care.

We have been leaders in Canada in actioning a plan to improve how, and where, residents access care, and addressing the social determinants of health that are linked to our overall well-being. Our commitment to this cherished service is backed by consecutive years of record investments in health care.

### Family Care Teams

Health care professionals welcome working in a team environment where they can work to their full scope of practice. Patients can access an appropriate level of care for their medical condition.

As a result of our new family care teams, more than 50,000 residents are now connected with a team of health care professionals.

There are presently 19 family care teams in various stages of implementation throughout the province. This year, we are continuing to take steps towards reaching our goal of 35 teams.

Budget 2024 includes \$30 million to hire additional health care providers for existing teams and to create new teams, some of which include:

- ▶ Baie Verte and Springdale region;
- ▶ Lewisporte;
- ▶ Portugal Cove-St. Philips; and
- ▶ Downtown St. John's.

More teams are being funded and will be announced throughout the year.

## **Health Care Innovation**

At the heart of reimagined service delivery is the better flow of information: how it is shared between professionals, as well as patients, and how that can contribute to better health outcomes.

In Budget 2024, we continue to transform health care by allocating \$620 million over 10 years to provide Newfoundlanders and Labradorians with a new modernized health information system. This includes a \$16 million investment this year.

This investment will allow patients to receive care from the comfort of their homes; allow records to be easily shared with health providers; reduce administrative burden; reduce the amount of time patients are required to stay in hospital; decrease the number of missed appointments; create better communication between health facilities; allow patients to self-schedule appointments; improve ease of patient follow-ups; and better protect your personal health information.

Budget 2024 will invest \$5 million in MyHealthNL, which will provide Newfoundlanders and Labradorians with access to a digital front door to access health information and services.

Through a user-friendly app and online platform, citizens will have easy access to health care services including booking certain appointments, accessing their personal health information, and health educational resources through digital channels.

It revolutionizes the delivery of care by empowering patients to have a more active role in the treatment of their health, make informed decisions, and navigate the health care system. It will also connect with other projects such as the virtual primary care service.

## **Reimagined Service Delivery**

Our government continues to invest in stroke care. The use of endovascular thrombectomy to remove blood clots causing stroke has led to improved stroke outcomes and reduced patients' hospital stays in our province.

Budget 2024 includes \$850,000 to expand this treatment and continue the program's success. An additional \$750,000 is allocated to enhance inpatient stroke services, which will help improve patient outcomes and decrease re-admission rates.

Last year, we introduced mobile primary care whereby a mobile doctors office will visit communities. Supported by a \$1.3 million investment, mobile care will expand so that communities that are presently under-resourced can better access required care.

A mobile X-ray service pilot project will begin with a target audience of residents from select long-term care homes and personal care homes requiring non-urgent X-ray services.

In addition to increasing access to these services, it will also support the mental and physical health of residents and decrease ambulance transportation use and cost for non-urgent, non-medical transport.

We continue to invest to expand the cardiac catheterization flights, also known as Heart Force One, and fly more people to get the care they need.

Our government has committed to establish a Cardiovascular and Stroke Institute. As part of this initiative, we will fund cardiovascular and stroke care navigators for each zone within the provincial health authority creating an in-person contact for patients and providers.

These navigators will improve access for patients, support providers, and extend the reach of the provincial cardiovascular and stroke program and across the continuum of care.

To increase access to cardiac catheterization even further, Budget 2024 includes \$6.5 million to operationalize a fourth Interventional cardiac suite. This will enhance accessibility, decrease patient wait times, and improve patient flow.

The Sugar Sweetened Beverage Tax is designed to encourage residents to make healthier choices that can help reduce the consumption of excess sugars associated with an increased risk of developing chronic diseases.

As noted by the World Health Organization, “if governments tax products like sugary drinks, they can reduce suffering and save lives. They can also cut health costs and increase revenues to invest in health services.”

And, that’s exactly what we are doing.

This year, revenue generated from the tax on sugar sweetened beverages will be used to provide greater health care and peace of mind for more people with type 1 diabetes and their families.

Our investment of almost \$1.8 million for the expanded continuous glucose monitoring program, so people with type 1 diabetes up to the age of 25 in the Insulin Pump Program can test their blood sugars more frequently and easily and allow them and their family members to rest assured they are okay.

Pregnant people with gestational diabetes will also be eligible for the program, which will lead to better outcomes for both the parent and baby.



Supported by an investment of \$10 million, the expansion of virtual care services will increase access to primary care and emergency care services. This expansion adds capacity to the system and complements family care teams, emergency departments, and urgent care clinics. It does not replace them.

Budget 2024 includes more than \$1.1 million to the Lionel Kelland Hospice in Grand Falls-Windsor so it can continue to provide quality palliative and end of life care. This brings our annual investment to \$2.3 million.

## **Mental Health**

This fiscal year, construction is expected to be completed on a new 102-bed adult mental health and addictions centre.

This facility, which is set to open in spring 2025, will bring both physical and mental health together at one location, recognizing the intrinsic value of a holistic approach.

At the community level, more than \$15 million has been allocated to expand options for individuals seeking help for mental health and addictions throughout the province.

Recognizing the value of the Harm Reduction Team—which includes nurse practitioners, psychiatric registered nurses, peer supports, pharmacists, occupational therapists, addictions counsellors, and outreach staff—in the care of vulnerable individuals, we have allocated \$900,000 to expand the team.

More than \$1 million is allocated to support the expansion of the mobile crisis response teams to include communities and surrounding areas of Sheshatshiu, Stephenville, Twillingate, New World Island, Burin, Clarenville, and Conception Bay North.

## **Integrated Ambulance System**

We are making fundamental changes to how ambulance services are being delivered. In doing so, we are improving emergency health care delivery.

With ambulance integration, the system will evolve beyond transporting patients to hospitals. Once fully implemented, our new system will deliver emergency interventions to the patient, where, and when, they are needed.

The new system will be technology driven, enabling quicker access to life-saving interventions.

Expanded use of helicopters, including a new helipad on Bell Island, will better service rural and remote communities.

Non-emergency transport options will be expanded to help people get to medical appointments and access the services they need.

The new, integrated ambulance system will reduce fragmentation, create operational efficiencies, and ultimately improve response times.

## **Drug Therapies**

This year, approximately \$8 million in new funding is being allocated to add more than 20 drugs to the formulary to treat patients with cancer, lupus, sinus infections, and those needing a transplant. This brings the budget of the Prescription Drug Program to almost \$200 million.

## **Recruitment and Retention**

We have been bold in our global approach to attract new health care professionals to work side-by-side with the thousands of highly-trained women and men that make our health care system run smoothly, day-in and day-out.

In collaboration with the provincial health authority, more than 450 nurses and more than 80 physicians have been recruited to work here. More than 120 internationally-educated nurses completed bridging in the province in 2023 to become Registered Nurses and Licensed Practical Nurses.

Recruitment efforts are continuing in such global markets as India and Dubai. Through our new collective agreement with the Registered Nurses' Union we are highlighting the value of nurses to the health care system and offer a compensation package that is competitive. We are also expanding opportunities for people to study and train in Newfoundland and Labrador.

Budget 2024 includes an additional \$2 million to increase the number of Faculty of Medicine seats for Newfoundlanders and Labradorians—an expansion of 10 seats—leading to even more residents completing their education in Newfoundland and Labrador.

A record hiring of nursing graduates last year has benefited the system. And we've been working with this year's graduating class to ensure they stay here.

Budget 2024 includes \$10 million for recruitment and retention to sustain the progress that we are making.



To support new nurses entering our workforce, Budget 2024 allocates more than \$500,000 for a new nursing mentorship education program to compensate experienced nurses who mentor nursing graduates.

The mentorship program is a commitment made to the Registered Nurses' Union during collective bargaining in summer 2023.

## Seniors

Budget 2024 includes a new \$10 million commitment to introduce the Seniors' Well-Being Plan, which will improve health and social service delivery for seniors. This is in addition to the \$70 million in this year's budget to support almost 50,000 seniors through the Seniors' Benefit.

Our plan will optimize health, well-being, independence, and self-determination of older adults, with timely access to coordinated supports and services in a safe and caring environment, that maintains dignity and respect.

The Seniors' Well-Being Plan will introduce a seniors' care grant that will provide additional benefits to low income seniors living at home to support services such as snow clearing and grocery delivery. A caregiver benefit will provide financial assistance to clients who have higher care needs, providing them the supports they need to live at home longer. For seniors living in coastal Labrador communities, a new supplement for food and heating is also being introduced as part of this plan.

The Seniors' Well-Being Plan provides health care protection for seniors through enhanced immune response influenza vaccines to the entire 65-plus population, in addition to those living in congregate settings.

These initiatives are in addition to establishing the centres of excellence in aging, which will lead to improved access to quality health care for seniors. These centres are supported by a \$6 million investment and include:

- ▶ The creation of acute care of the elderly units; and,
- ▶ Seniors-friendly emergency care at St. Clare's Mercy Hospital, the new Western Memorial Regional Hospital, and the new emergency department at the Health Sciences Centre.

These age-friendly initiatives are aligned with our ongoing commitment to improving more timely access to such interventions as cataract surgery, cardiac care, and hip and knee joint replacements. These procedures will help improve the health and well-being of seniors who experience a heightened need for these interventions.

\$200,000 is allocated for the Seniors' Social Inclusion Initiative. This initiative provides funding to eligible seniors serving clubs and organizations to help increase intergenerational interactions and participation in healthy aging, and mental health and well-being activities.

## Transforming the Social Determinants of Health

Addressing the social determinants of health was a key element of Health Accord NL. Much progress is being made.

### Housing

Access to stable, safe and affordable housing is a major factor in a person's well-being.

This year's record investment in housing includes nearly \$44 million in new funding to create affordable homes and repair and maintain existing ones, and \$26 million to support those experiencing or at risk of homelessness or intimate partner violence through emergency shelters, transition homes and the Supportive Living Program. Investments include:

- ▶ More than \$36 million over four years to build over 100 new public housing homes in Corner Brook, Central Newfoundland and Labrador West;
- ▶ An \$8 million increase for repairs, maintenance and renovations budget to ensure existing affordable housing is maintained and available for families who need it;
- ▶ Close to \$14 million for the Transitional Supportive Living initiative in St. John's, which includes 140 rooms with wrap-around supports; and,
- ▶ \$12 million over three years to repair and modernize public housing in the Nunatsiavut communities of Nain, Hopedale, and Makkovik.

These initiatives will complement the expansion of the Gathering Place, which will add 50 new supportive housing units and 40 low-barrier emergency shelter beds to the system. In their time of need, people know they can rely on it to get a warm meal, clothing, health care, dental help, and counselling.

This year, an additional \$1.5 million is being provided to the Gathering Place to ensure it can continue to provide valuable services to its clients.

Through our five-point plan to help improve access to housing that is affordable, we set in motion a series of actions to incentivize the rapid construction of rental housing and help families transition from the rental market to home ownership. To implement this plan, Budget 2024 includes:

- ▶ More than \$50 million for the Housing Loan Development Program;
- ▶ \$4 million for the Secondary and Basement Suite program, which provides homeowners with a forgivable loan of up to \$40,000 to create an affordable home within their home;
- ▶ More than \$3 million for the HST rebate on new residential rental properties; and,
- ▶ \$225,000 for the First-Time Homebuyers Program. To date, nearly 100 families have been approved under the program with 20 families having secured new homes.

Additionally, Crown land is being made available for rental housing development, with plans to approve projects in the coming months and low-interest loan financing being available through the Rental Housing Development Program.

## Active and Healthy Living

Physical activity is an essential component of a person's well-being.

To help make it easier to access, we are investing:

- ▶ More than \$7 million to support recreation, physical activity, and athlete and sport development;
- ▶ More than \$800,000 in the Labrador Sport Travel Subsidy. This program helps with air travel for athletes aged 18 and under, Special Olympians, and sport organizations to participate in provincial competitions and development camps; and in,
- ▶ The Physical Activity Tax Credit so that individuals and families can access recreational and sporting activities. This credit provides a refundable tax credit up to \$348 for families.

This year, we are taking substantial steps to transform sporting and recreational infrastructure to build much needed capacity. These include:

- ▶ \$13 million to build a new indoor domed turf facility, which will include exercise rehabilitation, as well as allow for year-round sports and recreational activity;
- ▶ \$1 million for upgrades at Marble Mountain;
- ▶ \$900,000 to support the renewal of the Pippy Park Campground, which includes comfort stations, paving, and recreational facilities;
- ▶ \$550,000 for upgrades to the Virginia Park Community Centre; and,
- ▶ We are committing to a new multiplex provincial recreational facility in the St. John's metro region to ensure available infrastructure is in place for a growing community.

We are now just over a year away from hosting the nation at the 2025 Canada Summer Games. The Games will leave legacy infrastructure – an updated Aquarena, modernized tennis facilities and a new Fortis Canada Games track and field complex. All of which will contribute to the health and well-being of Newfoundlanders and Labradorians.

## Education

Newfoundland and Labrador has the highest educated teaching workforce and spends the most per capita in Canada on its education system. To develop a targeted approach to transforming and modernizing the education system, we have announced an Education Accord. This initiative will result in a 10-year Education Accord with short, medium, and long-term goals for an education system that better supports lifelong learning, and ultimately the health and well-being of educational environments.

### Early Learning and Child Care

In the last four years we have reduced the cost for families from over \$40 a day for child care to now \$10 a day. This initiative saves money for families, provides high-quality early learning opportunities for children, and ensures that primary family care givers can enter the workforce.

Continued supports to develop and attract qualified early childhood educators is essential, as is the announced wage grid enhancements, to help create new spaces.

In recognizing the value of early childhood educators, we will continue to offer additional allowances and bonuses to early childhood educators, provide the early childhood educator recruitment and retention grant, and allocate \$2.7 million to offer bursaries and grants for students completing post-secondary programming to become an early childhood educator.

Child care for health care workers in St. John's, Corner Brook and Bonavista will be operational this fiscal year.

## **Public K-12 School System**

Safe and reliable transportation to and from school is a key part of accessing quality education. This year we will complete the elimination of the 1.6 kilometre policy to access school bus services. The cost of implementation is close to \$20 million.

Budget 2024 includes close to \$3 million to increase student assistant hours and hire more student assistants. This will help meet students' needs in the classroom, and when traveling on school buses.

This year, we are increasing the teaching services budget by \$3 million to help meet the needs of the student population. This will bring the total budget to in excess of \$560 million.

Budget 2024 includes \$850,000 for recruitment and retention initiatives in hard-to-fill rural, remote and isolated areas. These initiatives will build on efforts made last year, as well as the information garnered from the recent Teachers' Think Tank. These will further enhance activities that recognize the value of teachers and educators.

The continued phase-in of the Kids in the Know body safety program in K-9 classrooms will further enhance personal safety for children and youth.

## **Post-Secondary**

Newfoundland and Labrador has a strong public post-secondary education system.

Budget 2024 will provide College of the North Atlantic with an additional \$2 million, for a total of \$71 million for their operating grant. Memorial University will receive more than \$370 million for their core operating grant, the Faculty of Medicine, and to support the continuation of satellite sites for the Faculty of Nursing.

Our government will continue to fund the student fee relief to offset Memorial University's Campus Renewal Fee for the 2024-25 academic year. This will result in approximately \$500 in annual savings for a full-time undergraduate student and will help keep money in the pockets of students and their families.

To help maintain one of Canada's most robust student assistance programs, which is highlighted by non-repayable and forgivable grants, this year, we are investing close to \$30 million. This assistance program helps ease financial pressures on students and help builds a higher-wage workforce.

## **Libraries**

In recognition of the vital role of public libraries, this year, we will be providing an additional \$680,000 for the Public Information and Library Resources Board. This will bring its budget this year to almost \$13 million.

## **Transforming Communities**

Healthy, sustainable communities are essential for the well-being, growth and development of Newfoundland and Labrador.

Further to last year's increase of \$3 million for Municipal Operating Grants, Budget 2024 includes an additional \$3 million to the base funding of these grants bringing the total annual budget to \$28 million. This represents a two-year increase of nearly 30 per cent.

We are also investing \$50 million over five years to support water and wastewater projects.

This year, we are investing an additional:

- ▶ \$400,000 for municipal training opportunities. This reflects a doubling of funding available for municipal training; and,
- ▶ \$400,000 for municipal fire departments to support their response to incidents outside their municipal boundary.

To create more sustainable communities, \$167 million is allocated for initiatives such as the Canada Community Building Fund, Municipal Operating Grants, Community Enhancement Employment Program, and Special Assistance Grants. These initiatives provide funding for communities to maintain operations and deliver services.

An additional investment of \$7 million will go towards infrastructure improvements to safeguard communities on the southwest coast from extreme weather. We have spent approximately \$60 million to support the recovery from Hurricane Fiona.

## Infrastructure

We have been ambitious in revitalizing public infrastructure. We have seen the opening of a new regional hospital in Corner Brook. We have made record investments in transportation infrastructure. And, work to advance new hospitals, new family care teams, new schools, and much more is well-underway.

This year, \$1.1 billion is allocated for infrastructure projects. This considerable investment will help generate close to \$600 million in economic activity and create hundreds of new jobs for the province's skilled tradespeople.

## Health

- ▶ \$11 million is allocated to advance work on a new Cardiovascular and Stroke Institute, replacing St. Clare's Mercy Hospital, and long-term care centre in Bay St. George;
- ▶ \$35 million for capital equipment improvements at other health facilities, including new family care teams, urgent care clinics, and ambulatory clinics; and,
- ▶ A \$3 million one-time investment for capital equipment improvements at health facilities, which includes new equipment at Family Care Teams, Urgent Care, and Ambulatory teams. This is in addition to the annual investment of \$32 million.

## Early Learning and Education

- ▶ \$41 million for new schools in Cartwright, Kenmount Terrace, Portugal Cove-St. Philip's, and Pilley's Island. Over the next three years, we will spend \$146 million on these projects.
- ▶ \$30 million over the next five years to revitalize the fleet of school buses; and
- ▶ \$50,000 to begin planning for a new high school in Paradise.

## Justice

- ▶ \$15 million over two years to enhance such things as open air courts, video conferencing, new cameras, and program trailers at Her Majesty's Penitentiary;
- ▶ \$8 million to continue work to replace Her Majesty's Penitentiary; and,
- ▶ \$5 million for the ongoing re-development of the Martin Gallant Building in Stephenville Crossing, which houses the Provincial Court and some government offices.

## Arts and Culture

- ▶ \$8 million to advance a new mid-sized theatre in St. John's; and,
- ▶ \$5 million over five years for upgrades at The Rooms.

## Transportation

- ▶ Close to \$300 million for upgrades to provincial highways and roads, including completion of the Team Gushue Highway.
- ▶ \$29 million for improvements to the fleet of ferries and wharves, which is in addition to the more than \$75 million spent annually to operate them; and
- ▶ An annual expenditure of \$30 million to upgrade our fleet of highway equipment.

## Community-Based Organizations

With approximately 16,000 employees and volunteers, community-based organizations are instrumental in creating more prosperous and inclusive communities. They are our partners in supporting the social and economic well-being of Newfoundlanders and Labradorians.

This year, to sustain their important work, we are investing more than \$100 million.

## Indigenous Peoples

Our government continues to work collaboratively with Indigenous Peoples in the spirit of advancing reconciliation. It is a long, but incredibly important journey.



To support the well-being of Indigenous Peoples and communities, Budget 2024 includes:

- ▶ \$2.5 for the Inquiry into the Treatment, Experiences and Outcomes of Innu in the Child Protection System.
- ▶ More than \$340,000 for the Indigenous Violence Prevention Grants Program;
- ▶ \$130,000 for the Newfoundland Aboriginal Women's Network; and,
- ▶ \$25,000 for the annual Provincial Indigenous Women's Gathering.

## Safer Communities

Public safety is paramount in helping shape the well-being of our communities.

Every second of the day, valiant first responders answer calls to action.

The environment that these individuals work in is consistently changing. In recent budgets, our government has taken steps to provide meaningful support to adapt to the pace of change.

In the last four years, we have:

- ▶ Launched a new Public Safety Radio System, which dramatically enhances emergency response capabilities for first responders;
- ▶ Doubled the budget for fire protection equipment and vehicles;
- ▶ Upgraded the 9-1-1 service, which improves response times;
- ▶ Significantly increased investments in the RCMP and Search and Rescue;
- ▶ Expanded RNC coverage on the west coast; and,
- ▶ Supported the RNC to add new officers.

To support growing communities on the Northeast Avalon we are announcing today almost \$2 million for 10 new frontline RNC officers to serve the region. Residents from St. John's

to Conception Bay South will benefit from these additional community policing resources. Additionally, nearly \$500,000 is being invested to take action against gun and gang related crime.

Knowing the challenging conditions within correctional facilities, we are creating an additional 22 full-time correctional officer positions split between Her Majesty's Penitentiary and the Labrador Correctional Centre. Increased staffing improves conditions and allows crucial rehabilitative programming to occur. We are also investing to create 12 new positions in adult probation.

We remain committed to replacing Her Majesty's Penitentiary through the ongoing procurement process. While that unfolds, we are investing \$15 million over two years in temporary infrastructure measures to improve conditions and create additional space at the facility.

## Gender Equity

All residents have a right to live in a society free of violence and discrimination – one where they feel valued and respected each day. Budget 2024 provides support for organizations and projects that are working to prevent violence and supporting the well-being of women, girls and gender diverse people throughout Newfoundland and Labrador.

Some of our investments in this important area include:

- ▶ \$3.7 million is being allocated under the National Action Plan to End Gender-based Violence for new educational programs and community outreach initiatives;
- ▶ More than \$3.5 million in funding to organizations and projects that support these objectives; and,
- ▶ More than \$400,000 for the intimate partner violence units in the RCMP and RNC.

## Transforming the Economy

### Competitiveness

Creating an environment in which businesses can thrive, opportunities are maximized, and people can flourish is essential to the growth, development and prosperity of Newfoundland and Labrador.

In the past four years, your government has focused on ensuring competitiveness with business investments, as well as attractive tax inducements. These include the introduction of a 20 per cent green technology tax credit, a new 10 per cent manufacturing and processing investment tax credit, a new 40 per cent all spend film and video production tax credit and an increased exemption threshold for HAPSET.

This year, we are pleased to announce a reduction in the Small Business Tax rate by half a per cent. This will save money for approximately 6,200 small businesses, which they can invest in their growth and development.

## **Workforce Development and Population Growth**

Globally, jurisdictions are relying on immigration and migration between regions to attract families and people to participate in the labour force as a means of addressing demographic changes.

We're seeing Newfoundlanders and Labradorians living elsewhere returning home. We're welcoming newcomers from other countries.

Our success has led to population gains over the last three years, marking the longest period of sustained growth in more than 50 years.

More newcomers than ever before are coming here, and they are staying here – choosing Newfoundland and Labrador communities to live, to work, and to raise families. In 2023 we met, and exceeded, our 2026 goal of welcoming 5,100 newcomer Permanent Residents three years ahead of schedule.

People are seeing the benefits of living here – the quality of life, relative security, and housing, which – while presenting bigger challenges than ever before – is still more affordable than many locations in Canada.

To continue to create an environment where newcomers and residents can find success, we are:

- ▶ Investing more than \$170 million so workers can continue to get the skills they need to secure good jobs, and employers meet their changing demands for skilled labour; and,

- ▶ Investing nearly \$16 million to provide critical supports for Ukrainians who continue to arrive seeking refuge. This funding will help provide settlement supports that include employment, housing, and language training.

More than \$3 million for the Community Youth Network is also being allocated to help improve the well-being of youth who face barriers to accessing employment, education, and supportive services.

## **Business Development**

Vibrant industries, whether they are the technology, energy, tourism, agriculture, fishery, among other industry sectors are building a diversified economy.

The technology sector is 'Making Waves' and earning a global reputation for innovation, development and capability.

In 2022, this still relatively new sector in our economy contributed approximately \$1.7 billion to the Gross Domestic Product. It employed upwards of 10,000 people, with a need for more.

We are steadfast in our commitment to sustaining that momentum, and the growth of all our industries.

To support industry competitiveness, Budget 2024 includes:

- ▶ \$35 million to support economic development, with a focus on research and development, commercialization, investment attraction, and regional development; and,
- ▶ \$7 million to advance partnerships to improve connectivity.

## **Energy**

### **Lower Carbon Oil Development**

Newfoundland and Labrador's offshore lower carbon oil is an important contributor to the provincial economy. We have made significant progress in positioning the oil sector to meet the world's energy needs during the energy transition, while taking steps to decrease the carbon intensity of the sector by participating in projects, initiatives and groups focused on decreasing carbon sector emissions.

The restart of the Terra Nova FPSO was positive for the industry and the hundreds of people it employs. We are also excited on the progress being made on the extension of the West White Rose Project, with first oil expected in 2026.

Work is ongoing with Equinor on the Bay du Nord project. The Canadian Association of Petroleum Producers noted in February that there remains significant potential to grow and increase exports in the future, with investments in the province's offshore expected to increase to \$2 billion in 2024.

Exploration is occurring offshore with ExxonMobil planning the acquisition of new seismic data this summer covering the Hibernia and Hebron fields. They are also planning to drill an exploration well in the Orphan basin this summer - the Persephone well. Equinor is continuing with its exploration efforts, with drilling of the Sitka well planned for this summer.

Supported by an investment of \$1.5 million, work is also continuing on the natural gas resource assessment of the volume of gas that exists in the Jeanne d'Arc Basin.

## **Wind-Hydrogen Development**

Newfoundland and Labrador has some of the best onshore wind resources in the world, which can be used to power wind turbines and generate electricity for industrial users; export through transmission lines; and the production and export of hydrogen/ammonia.

Following a call for bids process for onshore wind-hydrogen development in the province, four companies received Wind Application Recommendation Letters. We continue to work with these companies as they proceed through the Environmental Assessment and Crown lands processes.

The construction, operations and decommissioning phases of these four projects which range from 35 to 40 years, are anticipated to have an overall economic impact of more than \$200 billion on GDP, and revenue to the province of \$11.7 billion. Based on project plans, peak employment is estimated at approximately 12,000 full time equivalents jobs during construction and the total capital spend is estimated at over \$60 billion.

## Hydroelectricity

Newfoundland and Labrador generates over 90 per cent of its electricity from renewable energy resources with annual exports of 3.2 terawatt hours expected in the near future. Another 30 terawatt hours are being exported annually from the Upper Churchill Falls hydro station under a long-term contract that is soon to expire.

There are small-to-medium sized undeveloped hydro projects in the province. The combined capacity of these undeveloped hydroelectric projects is in excess of 4,000 megawatts.

Newfoundland and Labrador is electrically-interconnected via a new high voltage direct current transmission line, and to the rest of the North American grid via Quebec and Nova Scotia.

## Mining

Newfoundland and Labrador has some of the best known mining opportunities in the world.

From some of the highest purity iron ore to recently discovered lithium, 34 of the minerals that are identified as being critical are found right here. These are the minerals that are needed by Canada and other jurisdictions, and are required as part of the energy transition, climate action, and adaptation.

The mining industry is an important contributor to the economy, with an estimated total of 8,500 people employed in 2023 – 6,500 in operations and 2,000 in project construction. For 2023, the estimated gross value of mineral shipments from this province is \$4.3 billion. Exploration remains a key component of our provincial mining industry, with exploration expenditures for 2023 estimated to be \$218.5 million.

To enhance the competitiveness of the mining industry and attract private investment, Budget 2024 includes:

- ▶ \$2.6 million to support implementation of the Critical Minerals Strategy;
- ▶ \$1.7 million for the Mineral Incentive Program, including \$1.3 million for Junior Exploration Assistance; and,
- ▶ \$1.6 million for a Labrador-specific geoscience program that supports exploration in frontier regions.

## Tourism, Arts, and Culture

Our vibrant arts, cultural and heritage sectors inspire people to visit our province, and for us all to celebrate our history. Last year, visitors to our province reached an estimated 487,000, an increase of 13 per cent over 2022.

In recognition of the Year of the Arts and the 75<sup>th</sup> anniversary of Confederation we will be investing \$10 million to support the arts and cultural sectors. We are also creating a \$2 million Cultural Facility Infrastructure Fund.

We continue to showcase the beauty of the province in key markets and exploring new emerging areas is made possible by a \$13 million investment.

### Film and Television Sector

We celebrate the success of the film and television sector which received 20 nominations for the Canadian Screen Awards. Newfoundland and Labrador is known for its global competitiveness, breathtaking site locations, and talented workforce.

Last year, 39 projects were filmed here – a record number. Many more are on the horizon for 2024.

This year, the College of the North Atlantic's film and television school had its highest enrollment to date with 77 students.

The St. John's International Women's Film Festival, which was launched to create gender equity in the screen arts, has emerged as one of the best-attended film and television events in Atlantic Canada.

Led by Picture NL, formerly the Film Development Corporation, we are marketing the sector globally to production companies. To support their efforts, we are:

- ▶ Increasing their operational budget by \$400,000, as well as offer a,
- ▶ \$10 million for the Film and Television Equity Investment Program; and
- ▶ The All Spend Film and Video Production Tax Credit, which provides up to 40 per cent of project cost with a maximum tax credit of \$10 million annually per project.

These measures will help us sustain and nurture the incredible momentum this industry has built.

## **Air Access**

Our work to attract new routes internationally and domestically continues. It is anticipated that there will be an increase of more than 20 per cent in inbound seat capacity to the province from May to October this year compared to the same period in 2019.

With an investment of up to \$3.75 million this year, we will be able to build on the progress made, which is so important for tourism and attracting new business. Priorities include securing year-round access to Europe and a direct route into the United States.

## **Environment and Climate Change**

Our government is committed to attaining a sustained and timely transition to a green economy, and to realize our net zero goals.

The Green Transition Fund includes \$11.5 million for projects and initiatives that focus on the greening of commercial operations, research and development, manufacturing and extractive resource development, and other areas that enhance the green economy supply chain and production effectiveness.

We're also maintaining a Green Technology Tax Credit of 20 per cent to help businesses with specific capital costs for green activities such as equipment for energy conservation, clean energy generation and efficient use of fossil fuels.

Through the Low Carbon Economy Leadership Fund, we are supporting fuel switching measures for the residential sectors and energy efficiency measures for the private, public, municipal, and non-profit communities.

To assist in the transition to electric vehicles and the reduction of carbon emissions, a \$1.1 million investment to install new charging stations.

Budget 2024 also includes more than \$2 million in funding for an enhanced new drinking water improvement initiative and flood risk mapping.



## Agriculture

I would like to acknowledge our late colleague and dear friend – the Honourable Derrick Bragg – for his tireless advocacy of the agriculture sector. Through his efforts, we were able to achieve our goal of doubling food self-sufficiency and drive growth in this important sector of our economy.

Since 2016, the amount of Crown land developed and enhanced for fruit and vegetable production has more than doubled, from 590 hectares to 1,212 hectares.

I am pleased to announce an investment of close to \$20 million in the agriculture sector to assist over 500 farmers in the province. The investment will help improve capacity through innovative applications to increase their yields, explore new markets, secondary processing, and reducing our reliance on imports.

## Fishery

Our important fishery employs approximately 16,000 people and exports products in excess of a billion dollars to more than 40 countries.

In addition to our ongoing work with industry partners to bring our high quality, sustainably sourced products to global markets, we are allocating close to \$5 million for the Atlantic Fisheries Fund and Seafood Development Program.

To further grow our seafood industry, we are providing \$3 million to the Association of Seafood Producers for increased marketing of the seafood sector.

The aquaculture sector is a significant contributor to the seafood sector, with nine per cent to the province's total seafood market value. Last year, its market value reached \$219 million – the highest value since 2017. We expect this to increase in the coming years as new and existing aquaculture sites increase production levels.

To sustain its continued growth, Budget 2024 include \$3.5 million to support aquaculture.

## Forestry

Everyday, we work with stakeholders in the forestry to ensure that the province is home to healthy forests. This year, approximately \$28 million is allocated for a variety of initiatives including wildland firefighting equipment, treating rising insect populations, and tree planting.

## Wildlife

We are also investing \$5 million in the sustainable management of moose and caribou populations and more funding for enforcement.

## Labrador

There are good things happening in the Big Land and we continue to work together to ensure a prosperous future. This year marks the 50th anniversary of Labrador Flag Day on March 31. The Labrador flag is a unifying emblem throughout the Big Land and symbolizes the heritage, culture and resilience of a proud people.

Our government has committed to actively work with the Nunatsiavut Government to establish long-term, practical, and sustainable solutions that support the unique needs of Inuit communities. Budget 2024 includes \$12 million over four years to continue the important work of repairing and modernizing public housing in Nain, Hopedale and Makkovik.

The Integrated Health, Housing and Supportive Service Hub in Happy Valley-Goose Bay will provide integrated supports, treatment, and services all in one place. Work on this new Hub continues with funding of over \$30 million committed to complete the project.

Important work is under way on a series of housing initiatives in Labrador West, including supporting the work for affordable housing options for seniors, supports for individuals experiencing homelessness, and expanding safe and affordable housing options to help reduce barriers for women and children experiencing or at risk of intimate partner violence. This work includes \$1.7 million for construction of a four plex.

Planning and design for a new K-12 school in Cartwright is nearing completion. Construction of the school is planned to begin in 2024.

Great strides were made in 2023 to lessen the financial burden on patients from Labrador, Northern Newfoundland, and other rural areas who regularly travel to larger centres to access specialized medical services. We contributed an additional \$1 million last year to make many improvements, and another \$700,000 is allocated this year to support the increased demand for assistance.

Budget 2024 also allocates approximately \$18 million, as part of the Provincial Roads Plan, for road rehabilitation and paving in Labrador.

Additional marine infrastructure work will continue this year at Makkovik and Nain and wharf inspections are planned at several sites in Labrador.

Preparations are under way for the next Labrador Winter Games. Budget 2024 allocates \$750,000 to plan and deliver the games, an increase of \$250,000.

Expansion of the Labrador Correctional Centre is on target for completion in 2024. The upgrades permit the option to house female and male offenders in Labrador, reducing the need for transports to other facilities on the Island, and allow Labrador offenders to be closer to their families.

More than \$800,000 is allocated for the Labrador Sport Travel Subsidy, which provides air travel support to Labrador athletes, aged 18 and under, Special Olympians, and sport organizations to participate in provincial competitions and development camps.

Appreciating Labrador's vast mineral resources, \$1.6 million is allocated for geoscience programs in the region.

## Conclusion

Four years ago we set out on a course to tackle difficult problems together:

Our provincial finances, health care, infrastructure, transportation, economic growth.

The work continues and expands: housing, poverty reduction, education. Transformation is happening; progress is being made. There is positive momentum and we must not waver.

We must keep our compass true. Our determination resolute. We must not be distracted or deterred by head winds, noise, negativity or by those who say it cannot be done.

For we know it can, it will, and it has.

It is the beginning of a great future with incredible opportunity. Let us continue the momentum toward a stronger, smarter, self-sufficient and sustainable Newfoundland and Labrador.

