

Your Health. Our Priority.

Our Largest Ever
Investment in Health Care

BUDGET 2023

Budget Speech



**Your Health.
Our Priority.**

BUDGET 2023



Delivered by
Hon. Siobhan Coady
Deputy Premier and
Minister of Finance and
President of Treasury Board
at the
Second Session of the 50th General Assembly
of the House of Assembly
Thursday, March 23, 2023

Your Health. Physical. Mental. Financial. Economic.

Together, with emphasis on the social determinants of health is the impetus of this budget.

This is the largest investment in your health in the history of Newfoundland and Labrador.

It is our government's priority.

Focused on your health and well-being, this budget delivers:

- ▶ The largest health care investment in our province's history;
- ▶ No new tax or fee increases;
- ▶ Historic incremental investment in provincial highways and roads. Close to \$1.4 billion over the next five years;
- ▶ Continued focus on helping you with the cost of living, including:
 - ▶ Continuing with the 8.05 cent per litre in the reduction of the provincial tax on gas and diesel;
 - ▶ Eliminating the retail sales tax on home insurance;
 - ▶ Maintaining the home heating supplement for furnace and stove oil;
 - ▶ Continuing the 50 per cent reduction in the cost of registering passenger vehicles, light trucks, and taxis;
 - ▶ Increasing payments through the Seniors' Benefit and Income Supplement.
- ▶ Creating over 850 new affordable housing and rental units; and,
- ▶ Improving access to child care.

Speaker, this is my fourth budget. The fourth with Premier Furey's leadership and it sets a solid plan to ensure a stronger, smarter, self-sufficient, and sustainable Newfoundland and Labrador.

I want to thank the hard working, professional, dedicated public service employees who work every day to advance Newfoundland and Labrador.

Today, I stand to say we have made much progress. We all want to make the best life for ourselves and our family, to leave a stronger, better place for our children and grandchildren. Under the leadership of Premier Furey we have done what many said was impossible. We have lowered the net debt – forecast to be \$17.1 billion in last year's budget with effort, focus and solid leadership it is now \$15.7 billion – a \$1.4 billion decrease. Our deficit has turned to surplus for 2022-23 with an achievement of return to balance earlier than forecast. As well your government supported you with over half a billion dollars in cost of living measures. And, we started a Future Fund. Taking non-renewable resources revenue and putting money away for the future.

We have a growing population – the fastest rate of population growth in 50 years, with more children in school. Our economy is performing well and employment is on the rise.

This positive budget is reflective of your tenacity, resilience, and determination to build and support a stronger Newfoundland and Labrador.

Look towards the horizon. The sun is coming up.

Financial Health

Your government has been steadfast in focusing on responsible financial management.

Performance measurements indicate the plan is working. However, continued diligence is required. Newfoundland and Labrador has faced difficult financial challenges and has the highest per capita expenditures and net debt of any province in Canada. There continues to be uncertainty in the global economy.

Strong financial management continues in this budget with a determined control of spending. Transformation and modernization continues and expands across government. The role of the auditor general is strengthened and enhanced.

This year we are projecting a smaller than forecast deficit of \$160 million with a return to balance budgets as of next year, two years ahead of schedule.

Statement of Operations

2022-23 (\$M)

| | Original Budget 2022-23 | Revised 2022-23 | Variance |
|------------------------------|-------------------------|-----------------|--------------|
| Revenue | 9,070 | 10,525 | 1,455 |
| Expenses | 9,421 | 9,741 | 320 |
| Surplus (Deficit) \$M | (351) | 784 | 1,135 |

Multi-Year Forecast

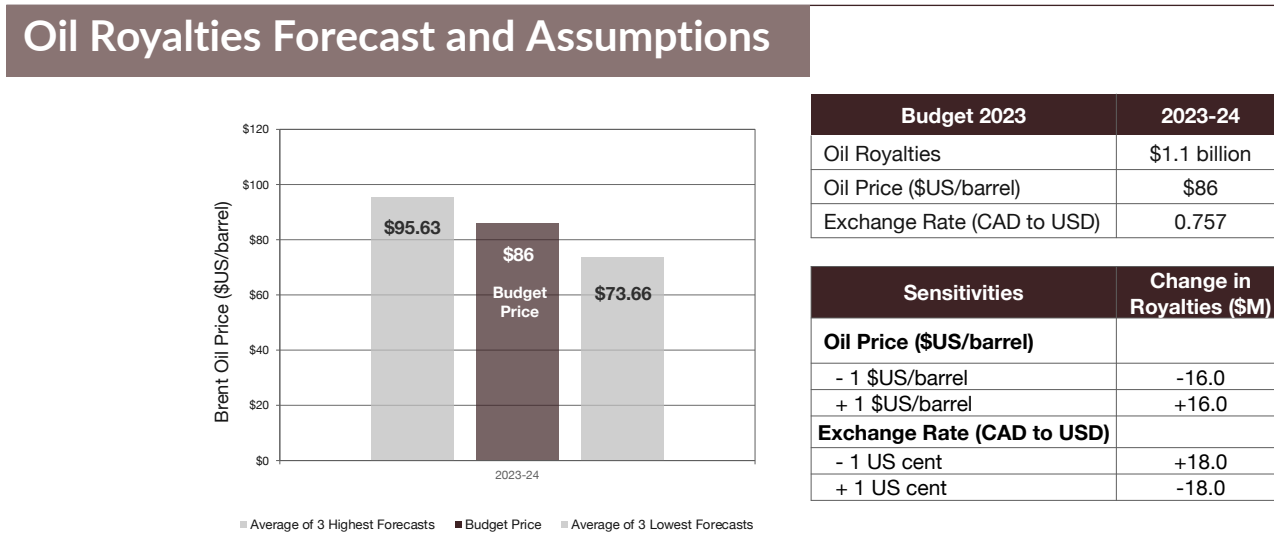
| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|------------------------------|--------------|------------|------------|-----------|-----------|
| Revenue | 9,689 | 9,974 | 10,055 | 9,905 | 9,802 |
| Less: Oil Risk Adjustment | - | 20 | 40 | 50 | 60 |
| Expenses | | | | | |
| Base Expenses | 9,378 | 9,296 | 9,358 | 9,413 | 9,346 |
| 100% Funded | 471 | 361 | 371 | 371 | 371 |
| Surplus (Deficit) \$M | (160) | 297 | 286 | 71 | 25 |

Responsible debt management is yielding results with lower net debt. Focus is on debt repayment and restructuring, more effective debt financing, and advancing the Future Fund. This year, we are projecting to contribute another \$127 million to the Future Fund, which will help ensure greater prosperity for future generations.

Recently, the Premier and I opened the London Stock Exchange trading day to officially launch the province's European borrowing program. This will help diversify our investors and improve results.

Oil Projections

For 2023-24, oil is projected to be US\$86 per barrel and the Canada to United States exchange rate is forecast to be 75.7 cents. These projections are informed by 11 different independent forecasters.



Economic Outlook

The economic outlook for Newfoundland and Labrador is positive and holds great promise for the future.

Key economic indicators show improved performance.

The outlook for the Newfoundland and Labrador economy in 2023 remains positive and is expected to have one of the highest rates of growth among Canadian provinces.

Real GDP is expected to increase by 2.8 per cent to \$34 billion in 2023, primarily due to increased mineral production and investment growth. Most other indicators are also expected to show growth.

Continuing the strong growth seen in 2022, the province’s population is projected to rise by another one per cent with net natural losses (i.e. births – deaths) being offset by significant net in-migration.

Both the Terra Nova oil project and the newly-converted bio-fuel refinery in Come By Chance are expected to restart operations this year.

The resumption of development work on the West White Rose project and this government's continued investment in critical infrastructure projects, such as the new mental health facility in St. John's, will contribute to increased construction activity.

Real exports are expected to increase 5.4 per cent, driven mainly by higher iron ore production.

Employment is forecast to increase by 2.2 per cent in 2023. Employment gains should lower the unemployment rate from 11.3 per cent in 2022 to 10.1 per cent in 2023. This would be the lowest unemployment rate recorded for the province since consistent records started in 1976.

Household income is expected to increase by 4.3 per cent in 2023, following a 8.2 per cent increase in 2022 reflecting strong growth in wages and salaries.

This income growth is anticipated to continue to bolster retail sales, which are expected to increase by 3.4 per cent in 2023.

Environment, Social, and Governance Practices

Safeguarding the environment, addressing climate change, ensuring an inclusive, supportive social fabric and strong, transparent governance is essential as we progress as a province.

The Government of Newfoundland and Labrador is committed to the principles of environmental, social, governance, and sustainable practices.

With standards set for net zero by 2050 and 98 per cent renewable energy use on our electricity grid, coupled with lower carbon oil, advancement in the development of hydrogen and measuring performance with the Greenhouse Gas Act, as well as strong governance, accountability and transparency, reflect an Environment, Social, and Governance Model that is comprehensive and meaningful.

Environmental Social Governance Model



ENVIRONMENTAL



Standards

- Net Zero by 2050
- 98% renewable energy

Reducing Impacts

- Hydrogen first mover, 31 companies advancing
- Low carbon oil production setting global standards

Measuring Performance

- Management of Greenhouse Gas Act

SOCIAL



People

- Piloting a targeted Basic Income for youth receiving residential services

Supporting Industry

- Improving unemployment
- September 2022 lowest unemployment rate since 1976

Communities

- Advancing the Population Growth Strategy
- Q2 2022 highest quarterly increase since 1971

GOVERNANCE



Corporate Governance

- Stable majority government
- Enhanced autonomy for Auditor General

Transparency

- Strengthened oversight & Accountability Framework
- Focus on transformation and modernization processes across sectors

Regulation

- Future Fund Act
- Balanced Budget Legislation

Transformation and Modernization

Steady progress is being made on the transformation and modernization of government.

The integration of the English School District into the Provincial Government is on-track for the start of the upcoming school year.

The new provincial health authority will encompass the regional health authorities and the Newfoundland and Labrador Centre for Health Information, as of April 1. It will help bolster recruitment and retention, streamline programs and services, as well as eliminate the duplication of corporate services.

The process of transitioning Nalcor into Newfoundland and Labrador Hydro has helped transform the public utility into an increasingly productive and efficient operation.

We have developed and introduced a new Accountability Framework for government departments, public bodies, and all organizations receiving public funds. It is designed to strengthen oversight, to better support linkages between departmental budgeting, planning, and performance, and to ensure accountability for every dollar and decision made.

We are focused on a culture of continuous improvement to streamline processes, requirements, and approvals for better government interaction and efficiency.

Our actions reinforce the weight we place on the principles of openness, transparency, and accountability.

In 2021-22, more than 3,700 requests for information were received through ATIPPA. Comparatively, in 2015-16, that number was 1,410. We proactively share information and reports. And, we've strengthened the Office of the Auditor General's legislation to provide greater oversight.

Focused on continuous improvement, an additional \$2 million is being allocated to transform departmental Access to Information and Protection of Privacy. With a more integrated approach, we are contributing to greater sharing of information with consistency, and transparency.

In an increasingly digital world, residents and businesses alike expect governments to be innovative and provide easier access to services.

Through a five year, \$50 million investment we will embark on a modernization of government's information technology assets to deliver on that priority. This investment will spur innovation and operational improvements. This is in addition to our four year, \$25 million investment to improve connectivity in the province.

The addition of close to \$1.4 billion in new spending will transform our network of provincial roads and highways. A strengthened transportation network improves the mobility of the travelling public and businesses, as well as creates new jobs.

While our Medical Transportation Assistance Program is far-reaching when compared to other transportation assistance programs in Canada, we appreciate the unique needs of Labradorians, and those travelling from rural, and more remote areas, who need to travel for health care.

With the goal of improving accessibility to health care and making sure that the Medical Transportation Assistance Program meets demand, we will be moving its responsibility into a standalone Department of Labrador Affairs. This will put a heightened focus on this valuable program in our reimagined health care system.

As part of health care modernization, the provincial road ambulance program will begin to consolidate 60 separate ambulance services to a single, integrated ambulance service with centralized dispatch.

Enhanced communications across the health care spectrum will be advanced by a new Health Information System, eliminating Meditech and replacing it. This new system will remove barriers to residents accessing services by improving information sharing between health care providers and facilities, thereby enhancing continuity of care.

Furthermore, investments for the Electronic Medical Record system will enable Family Care Teams to share appropriate clinical information with other providers within their patients' circle of care.

Health Care and Well-Being

Meaningful action is being taken to improve the social, economic and environmental factors that impact our personal health. This includes providing more timely access to care and developing a better coordinated, modern health care system.

Based on the Health Accord NL, our plan is addressing the immediate pressures of improving access to care today while creating a strong foundation to achieve the ultimate goal of redefining the well-being of Newfoundlanders and Labradorians – we are steadfast in our commitment of becoming one of Canada's healthiest provinces by 2031.

Health Access

Being open to new innovative approaches allows our valued health care professionals to deliver services faster, and more equitably.

With an investment of more than \$60 million, Budget 2023 focuses on a number of initiatives such as:

- ▶ Providing residents with new ways to access cardiovascular services;
- ▶ Travelling orthopaedic teams and same day hip and knee replacement, which will significantly address high demand for these procedures;
- ▶ Improving access to midwifery services and,
- ▶ Expanding the scope of practice for health care professionals.

Collectively, these targeted initiatives will improve access to primary care, shorten wait times, and make more effective use of available resources.

A new virtual care program will ensure physician coverage in emergency departments where an onsite physician or nurse practitioner is not readily available. It will significantly expand access to primary care services in all areas of the province.

Our government will expand the Children and Youth in Alternate Care Clinic to continue to offer a medical home for children and youth living in alternate care arrangements, which will also enhance continuity of care. The clinic helps children and youth navigate the various systems from which they require services, providing wraparound, holistic physical and mental health services from a multi-disciplinary team of professionals.

\$800,000 is being allocated to increase resources to improve operating room capacity at the Janeway Children's Hospital to reduce wait times and surgical backlogs.

Team-based care is best for patients, and working in teams provides greater job satisfaction for health care providers. It is an essential feature of an effective and sustainable health care system.

As part of the primary health care transformation that was outlined in Health Accord NL, the implementation of Family Care Teams is underway. These multi-disciplinary teams work collaboratively to meet the varied needs of patients and their families and include family physicians, nurse practitioners, nurses, social workers, pharmacists and other allied health professionals.

Budget 2023 allocates \$21.2 million for the expansion of Family Care Teams.

A total of 10 new Family Care Teams will be established throughout the province with the goal of adding more in the future. These are in addition to the eight teams that are presently underway.

The advancement of urgent care centres will provide an additional access point of care for non-emergency patients, and will help alleviate some of the current pressures and challenges being experienced in both primary health care settings and emergency departments. They provide improved access for unexpected, non-life threatening health concerns which require same day or next day attention.

Budget 2023 allocates close to \$2 million, with \$2.6 million going forward for a centre in the Metro St. John's area.

People with diabetes are at significantly higher risk of morbidity and mortality from diabetes-related complications. Continuous Glucose Monitoring is a wearable device that tracks blood sugar in real-time, every few minutes and gives patients living with diabetes a more complete picture of their blood sugar control.

Our government will introduce a pilot project to evaluate the effectiveness and outcomes of this technology. This project aligns with other chronic disease management initiatives aimed at improving our province's health outcomes such as the Sugar Sweetened Beverage Tax and the Physical Activity Tax Credit.

Revenue from the Sugar Sweetened Beverage Tax will fund the Continuous Glucose Monitoring pilot for improved diabetes care, as well as the enhanced Physical Activity Tax Credit.

Recruitment and Retention

Health care professionals are the heart of the province's health care system.

Since October, our approach and targeted incentives have yielded positive results. More than 90 incentives or bursaries have been accepted by skilled health care professionals – this includes new physicians and nurses in both urban and rural areas.

To remain competitive in the global market of health care professional recruitment, retain a sustainable workforce, and build upon the creative measures already introduced, Budget 2023 includes additional funding of more than \$23 million.

These investments include such things as:

- ▶ Financial incentives;
- ▶ Targeted recruitment initiatives such as the nursing recruitment desk in India;
- ▶ A Physician Assistants Pilot Program and a part-time Annual Commitment Program for physicians that will be piloted to support stabilization of emergency department coverage and primary care services in rural areas;

- ▶ A Supervised Practice Experience Program to help support nurses and internationally educated nurses to re-enter the workforce as Registered Nurses;
- ▶ Support for retired physicians to return to the workforce to complete locums by removing financial barriers;
- ▶ The development of health professional programs with academic and community stakeholders to recruit internationally and help remove barriers to living and working in this province, along with support for paramedicine professionals to upgrade their training and expand their scope of practice.

We know that those who complete their medical training here are more likely to stay in Newfoundland and Labrador. This is why our government is expanding medical training opportunities in our province.

Our efforts focus on attracting and supporting part-time clinical faculty members with Memorial University's Faculty of Medicine to provide training to medical students; adding up to 15 more seats for Newfoundland and Labrador students in Memorial University's Undergraduate Medical Education Program, which represents a 25 per cent increase over the last two years; and, adding new seats to the Family Medicine Residency Program for International Medical Graduates.

Appreciating the important role of nurse practitioners in the system, we are allocating \$2.2 million to double the number of seats from 20 to 40 seats at Memorial University. This is in addition to seat increases for nursing programs at Memorial University and College of the North Atlantic announced last year.

Our government will implement the necessary technology to support blended capitation, a payment model that compensates family doctors based on both patient volume and services provided.

We are confident that our targeted initiatives, complemented by the attractiveness of Newfoundland and Labrador to live, work and raise a family, will continue to build on the success achieved to date.

Seniors' Care

Health Accord NL placed a particular focus on a more integrated continuum of care for seniors that supports aging in place.

In keeping with the recommendation to build a foundation within the community to better manage the care of the elderly, Budget 2023 includes investments of more than \$31 million.

This funding will support the implementation of a Dementia Care Action Plan that assists those living with dementia and their care partners, as well as increases workforce capacity.

Our government remains committed to providing seniors an environment where they can age with the dignity and respect they deserve. We have brought together an expert panel to review of the provincial long-term care and personal care home programs. This panel will bring forward recommendations to improve not only the quality of care and quality of life of seniors, but also for our valued health care professionals who work in the sector. We have been, and will continue to be, closely engaged with the home support and personal care home sectors on finding creative solutions and enhancements that will improve the quality of life and care of residents. We look forward to continuing this important work with the sector in the coming weeks.

We continue to make investments in those health care professionals that care for our seniors, as well as those with complex needs both in the home and in group settings. Budget 2023 includes:

- ▶ \$7.7 million increase this year, and increasing to \$9.3 million next year for those who support self-managed care in the home;
- ▶ \$7.5 million annual increase for community care homes; and
- ▶ \$6.1 million annual increase for personal care homes.

\$1.2 million annually is also allocated for the Lionel Kelland Hospice in Grand Falls-Windsor.

And, \$1.3 million is being allocated to cover the cost of driver medicals for people 75 years of age and older.

Mental Health

Every person's journey to wellness is unique, and ensuring access to mental health services, when and where people need them most, is vital to our population's overall health and well-being.

The implementation of all 54 recommendations in *Towards Recovery: The Mental Health and Addictions Plan for Newfoundland Labrador* is a testament to our government's commitment to improving mental health and addictions services.

This year, \$5 million will be contributed to community-based mental health services. This is a part of the \$40 million ear-marked for community-based wraparound mental health and addictions services.

Mental health and addictions supports will be enhanced with the opening of the \$330 million, 102 bed care facility in 2024.

Flexible Assertive Community Treatment teams are an important component within a system of community-based programs and services for individuals with complex mental health needs. Budget 2023 includes \$4.4 million for the continued implementation of existing teams.

Funding will be provided for the Regional Early Psychosis Nurse program in Labrador to ensure continued services and program development, along with funding to expand the rotational mental health counsellor model to all communities in coastal Labrador.

\$4.5 million is allocated for the Life Promotion Suicide Prevention Plan, as well as \$2.4 million for the Alcohol Action Plan.

Drug Therapies

This year, more than \$187 million is allocated for the provincial drug program. This reflects additional funding to add 12 new drugs to the formulary to treat such conditions as prostate cancer, leukemia, Wilson's Disease and beta- thalassemia associated anemia. The provincial oncology budget will increase by \$2 million bringing the total to \$61.3 million.

Social Determinants of Health

As outlined by Health Accord NL, addressing the social determinants of health is critical in rebalancing the health care system.

These are the non-medical influencers that impact an individual's health and include the conditions in which people are born, live, learn, work, play, and age. Wise investments in these areas will contribute to healthier communities and a more sustainable health system.

As part of our wide suite of initiatives designed to improve the financial health of people and families, we are:

- ▶ Increasing the Income Supplement to \$77.5 million, which represents a five per cent increase. This increase will benefit more than 160,000 families and individuals; and,
- ▶ Increasing the Seniors' Benefit to \$67.1 million, which represents a five per cent increase. This benefit helps more than 50,000 seniors aged 65 or older.

These quarterly payments, paid to eligible residents, are being increased for the second consecutive year. These payments are in addition to the increase in Income Support basic rates that were implemented last November.

We are maintaining our investments that focus on improving access to public transportation, which include providing Metrobus or GoBus passes for people who receive the Guaranteed Income Supplement and youth receiving services from the Youth Services Program in St. John's, Mount Pearl and Paradise. We are also maintaining support for initiatives that foster inclusive and accessible communities; nutrition supplements during pregnancy and for the first year of a baby's life.

Housing

Access to stable and affordable housing is key to improving health and social outcomes. It is essential to the social, financial and physical well-being of individuals, families and our communities.

Building on the more than 750 new housing options that have been created over the last two years or are under construction, in partnership with the Federal Government, Budget 2023 includes almost \$140 million to address diverse housing needs.

This considerable investment includes:

- ▶ A new, provincial, three year, \$70 million Affordable Housing Program that will help construct over 850 affordable homes, with a focus on seniors;
- ▶ \$25 million for those experiencing or at risk of homelessness or intimate partner violence, including emergency shelters, transition homes and the Supportive Living Program;
- ▶ \$17 million to maintain and modernize provincial social housing;
- ▶ \$16 million for Rental Assistance programs that will expand housing options in the private rental market for low income individuals and families; and
- ▶ \$10 million in grants for homeowners in low income to complete repairs, accessibility modifications, and energy efficiency retrofits to their homes.

Working with our Indigenous and community partners in supporting individuals experiencing homelessness in the Happy Valley-Goose Bay area, over \$30 million is allocated for an integrated health, housing and supportive services hub.

Active and Healthy Living

Being more active, more often is a contributor to physical and mental health.

By supporting infrastructure and equipment linked to healthy living, we are increasing the desire to participate in physical activities, sport, active recreation and healthy eating.

In the spirit of encouraging more active lifestyles and breaking down potential barriers to accessing recreational and sporting activities, we are doubling the Physical Activity Tax Credit. This credit will provide a refundable tax credit of up to \$348 per family.

By strategically investing in provincial sport organizations, we are contributing to the success of our provincial athletes, coaches and administrators at all levels.

The St. John's 2025 Canada Summer Games will be a pinnacle event that will showcase our province to thousands of visitors and be a catalyst for improved participation in sport and recreation.

We're proud to be a partner in this event through our continued contributions toward key infrastructure projects that will provide benefits for generations to come.

We are increasing the Labrador Sport Travel Subsidy to more than \$800,000, which represents a 14 per cent increase. This program provides air travel support to Labrador athletes, aged 18 and under, Special Olympians, and sport organizations to participate in provincial competitions and development camps.

To support recreation, physical activity, athlete and sport development, as well as encourage healthy lifestyles, we are investing close to \$7 million.

This investment includes an \$800,000 increase in funding for the Active NL Fund, which is focused on initiatives, infrastructure, and equipment that increases participation in physical activity, sport, active recreation, and supports healthy eating for individuals of all ages.

Early Learning

Early learning and child care is essential in supporting families, contributing to a strong economy, and most importantly giving children the best possible start in life.

This province has been a leader in Canada with an unwavering commitment to developing affordable child care having moved to \$10 a day more than two years ahead of the national goal.

Appreciating the positive impact on families, we have taken steps towards the goal of building a universal, comprehensive child care system. This year, we are working towards the goal of adding more than 700 new child care spaces.

None of this is possible without Early Childhood Educators who are vital in setting the stage for our children as they prepare for a successful K-12 experience.

Reflecting their value, the salary allocation has been increased to \$64 million as part of the wage grid review. Salary changes will come into effect on April 1 and be retroactive to January 1.

Additional investments for this sector include:

- ▶ Approximately \$6 million for retention and recruitment initiatives;

- ▶ \$3.5 million to expand the Pre-Kindergarten Pilot Program and an additional \$1.8 million for new spaces; and,
- ▶ \$2.7 million for student bursaries.

K-12

The province's population growth has had a cascading effect on the school community.

For the second consecutive year – after 50 years of decline – the school community is growing with enrollment expected to exceed 64,000 in September.

To support our growing population, we will be undertaking a review of infrastructure to ensure that we are appropriately meeting the needs of communities. Additionally, to support the increase of students, we will be allocating nearly \$12 million to increase the teaching services budget.

An optimized learning environment is an important contributor to an individual's social determinants and health.

Appreciating this importance, work is ongoing to expand emphasis on problem solving and critical thinking in the classroom. By better aligning our curriculum and teaching with international trends in assessment in mind, our province stands to improve educational outcomes.

During COVID-19, our government made one of the largest purchases of Chromebooks in North America when in-person learning was suspended. Not only did this give every teacher and student a device so classes could continue, it also allowed us to see a transformational change in our approach to teaching, as well as the way students learn.

This year, we are providing half a million dollars to introduce a new model of computer-based testing. This form of assessment is more nimble and better evaluates a student's ability to apply their learning in ways not done before.

In all, there is a shift underway to a more-responsive vision of teaching and learning. The one-size-fits-all approach to education, of downloading a set content to all students in the same way, is being replaced by ingenuity, choice, innovation and collective knowledge-building. Education should invite students to develop real world solutions to real world problems.

Budget 2023 also includes \$25 million to maintain school-based reading specialists, teaching and learning assistants, teacher librarians, and English-as-a-second-language teachers.

Post-Secondary

We are continuing to support our post-secondary institutions as they innovate and grow our place in the knowledge economy. Budget 2023 includes:

- ▶ \$295 million for Memorial University's core operating grant, and \$58.4 million for the Faculty of Medicine. These investments continue to position Memorial University as one of the most heavily provincially subsidized universities in Canada.
- ▶ More than \$69 million for College of the North Atlantic's operating grant.

We will also ensure that Memorial is accountable to taxpayers through the Auditor General's ongoing review of Memorial University.

Our government understands the need for affordable, accessible post-secondary education and we are putting funding directly in the hands of students.

This year, funding will be increased to the Student Financial Services Program, which will bring the total funding available to post-secondary students to \$28 million.

A student enrolled in a four year degree program at Memorial University would be assessed to receive both the federal and provincial loan and grant. Upon graduation, students can have 100 per cent of their provincial loans forgiven under the Newfoundland and Labrador Debt Reduction Grant Program.

Women and Gender Equity

Our government continues to advance initiatives to ensure our province is a safe, accessible and inclusive place for people of all gender identities and sexual orientations.

We are seeing positive impacts of ongoing initiatives. There is:

- ▶ Greater participation of women in the workforce;

- ▶ More women and gender diverse people are being elected to public office; and
- ▶ Women make up 57 per cent of professional and technical fields in the public service.

I am optimistic that seeing greater participation of women in the workforce will inspire young girls, women, and future leaders.

To help sustain this progress, we will continue to advance workforce development initiatives that help upwards of 2,300 women annually get the training to become employed, and women entrepreneurs get the necessary supports to create jobs for themselves and others by starting their own business.

Additionally, more than \$3.4 million is allocated to violence prevention and equity-seeking organizations and projects.

We have also allocated \$241,500 for the Indigenous Violence Prevention Grants Program that supports culturally-appropriate approaches to preventing violence in Indigenous communities. More than \$200,000 will support the training of nurses through the Sexual Assault Nurse Examiner Program.

These investments help support the delivery of crisis support services; provide training and education; increase access to culture and health care; and nurture intergenerational well-being, which all contribute to improving the social determinants of health.

Population Growth

Innovative actions are reversing decades of population decline with an accelerating rate of growth not seen for a half-century.

Last year, provincial nominations for Permanent Residency grew by 60 per cent from 2021 – also a record year for immigration.

We continue to provide refuge to those fleeing the horror of war and persecution. The vast majority of the more than 2,400 who landed here are choosing to stay and settle in the province that welcomed them with open arms.

Newcomers contribute to our culture and diversity. Their skills are being utilized across such sectors as health care and advanced technology.

As we attract newcomers, we are providing residents with workforce development and training opportunities.

To sustain this positive activity, we are investing:

- ▶ More than \$140 million in workforce development. This federal funding will assist underrepresented groups, such as women, persons with disabilities and youth secure employment;
- ▶ \$19.2 million for settlement supports, including those for Ukrainians;
- ▶ \$2.2 million to accelerate progress on achieving the goal of welcoming 5,100 newcomers annually by 2026;
- ▶ \$900,000 for enhancements to an online application system, which makes it easier for potential newcomers to live and work in Newfoundland and Labrador.

Stronger, Safer Communities

Over the next two budgets, the base funding for Municipal Operating Grants will increase by \$6 million – \$3 million this year, and another \$3 million in 2024. Collectively, these increases will see the Municipal Operating Grant budget grow to \$28 million.

More than \$158 million is allocated for Municipal Operating Grants, Special Assistance Grants, Community Enhancement Program and the Canada Community Building Fund. These programs help communities deliver essential services and advance infrastructure initiatives.

We continue to encourage communities to work together, and will prioritize potential funding opportunities to support initiatives with a regional, shared services approach.

Community Safety

Safety is fundamental to the well-being of individuals, families, and communities.

Just last fall, we saw how Hurricane Fiona shook the very core of Port aux Basques and the southwest coast compromising the safety of residents.

As a government, we applaud how the community leadership and residents have responded to that devastating storm.

We made a commitment to stand with them in the response, and activated the Federal Disaster Financial Assistance Arrangements program. Budget 2023 allocates more than \$17 million in relief efforts to support people in the region rebuild their lives.

A Province-Wide Radio System, supported by a \$21 million investment, will be available to police and paramedics on the Avalon Peninsula before this summer and rolled out to other agencies on the Avalon. It will be expanded to those operating across the province thereafter. This system will improve the way emergency responders and government—such as the RNC, RCMP, firefighters, paramedics and other public service providers—communicate with each other during emergencies.

The dedication of firefighters and first responders to their communities is nothing short of incredible. We thank them for their noble service.

This year, we are doubling the budget for fire protection vehicles and firefighting equipment to \$3.8 million. We are investing more than \$1 million to support the work of the Newfoundland and Labrador Search and Rescue Association.

To support the safety and well-being of Innu children and youth, \$10.8 million is allocated for the Inquiry into the Treatment, Experiences and Outcomes of Innu in the Child Protection System. This inquiry supports our path towards Reconciliation through listening, understanding, and mutual respect.

To support the Royal Newfoundland Constabulary deliver its valuable policing and community services, more than \$1 million annually is allocated to hire 10 new officers.

Community-Based Organizations

Community-based organizations are contributors to the social and economic well-being of our province. Last year's \$5 million increase to the more than \$100 million in grants that we invest annually will be carried forward again in 2023-24.

Economic Health

Industry and Economic Development

Newfoundland and Labrador's business community is renowned for its creativity, its resilience.

We're seeing local businesses carve out global leadership roles and attract new investment. We're seeing businesses in such traditional industries as farming and the fishery adapt new technologies to expand their operations and create new market opportunities.

As a government, we fully appreciate our role in their sustained success. We continue to advance a suite of programs that incentivizes new investment, increases access to early stage capital, improves connectivity, and encourages international trade.

To encourage economic growth and expanded employment, we are increasing the exemption threshold under HAPSET, or the Health and Post-Secondary Education Tax from \$1.3 million to \$2 million. This will result in savings for 1,250 businesses.

We continue to look for other ways to reduce costs and burdens to businesses.

In 2020, we introduced commission discounts for the craft brewing industry. Through Budget 2023, we are expanding that to include wine, spirits, and cider producers in the province.

This year, we continue to advance:

- ▶ A 10 per cent Manufacturing and Processing Investment Tax Credit to support the manufacturing and production, fishery, farming, and forestry sectors to invest in capital equipment; and
- ▶ Approximately \$35 million for economic development initiatives including research and development, commercialization, investment attraction, regional development and business growth activities.

These investments will help fuel continued development of our innovation economy.

We have what an innovation economy needs – the right mix of business incubators in Genesis, the Navigate Centre and Memorial’s Centre for Entrepreneurship; the right blend of accelerators in Bounce Health Innovation and Propel; and the right partnerships in academia.

And now, we have the Innovation Centre for Remote Operations. This new facility will act as an on-ramp for firms, allowing them to tap into the partner capabilities – propelling them to even greater heights.

Green Economy and Climate Change

The impacts of climate change affect every government, industry, company and citizen.

In this past year alone, Newfoundland and Labrador has seen rising temperatures, forest fires, and Hurricane Fiona.

We all share a role in the future health of our planet. It is a shared responsibility – one that we can all shape by the choices we make.

To support the global transition to a low-carbon economy, Budget 2023 includes:

- ▶ 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 and clean energy generation and efficient use of fossil fuels; and,
- ▶ Close to \$60 million to reduce greenhouse gas emissions, while addressing energy affordability. This funding includes \$27 million for residential rebates and \$30 million for projects in the private, municipal, non-profit, and public sectors under the Low Carbon Economy Fund and Oil to Heat Pump Affordability Program. Funding will support 1,840 homeowners.

Globally, the fight against climate change has created opportunities for Newfoundland and Labrador to be a leader in the production of renewable energy.

The wind. The water. The minerals. The workforce. The innovation. The positive climate for investment.

It is these attributes that position our province as a Clean Energy Centre of Excellence.

There is great interest in the potential of our wind resources to power the production of green hydrogen and ammonia, which is being pursued globally to assist in achieving net zero.

Traditionally, jurisdictions have developed a wind industry with the goal of greening their grid to meet local renewable energy targets.

Newfoundland and Labrador's grid is already substantively carbon neutral. Our goal is to pursue this as an economic development opportunity and help create new jobs.

The approach is timely, because we want to be in this emerging market, but we need to get it right at the same time.

Through Budget 2023, more than \$500,000 is allocated for increased capacity for Environmental Assessment and Regulatory Oversight of Wind-Hydrogen Projects.

Mining

While wind and hydrogen are emerging sectors of the green economy, critical minerals are essential building blocks.

To meet rising demand, there is heightened interest in our vast mineral deposits, our competitive regulatory regime, and reputation as a reliable jurisdiction that is supportive of mining.

Last year alone, exploration expenditures reached a 10-year high of \$243 million.

Seeking to capitalize on our mineral resource potential, Budget 2023 includes almost \$1 million for a Labrador-specific geoscience program, which includes required funding to work in remote areas.

\$1.7 million is allocated for the Mineral Incentive Program, which includes \$1.3 million for Junior Exploration Assistance. This investment helps advance mineral discoveries through the stage of defining mineral resources and to enhance our competitiveness as a world-class mineral exploration destination.

Offshore Resources

With demand for oil to continue to be a part of the global energy mix for the next 30 years, we see ourselves remaining a responsible, ethical, and sustainable low carbon offshore oil and gas industry to meet that demand.

To leverage our strategic assets, Budget 2023 includes:

- ▶ \$50 million to continue our Offshore Exploration Initiative, which supports near term drilling activity and employment;
- ▶ \$13 million for the acquisition of new seismic data;
- ▶ \$6 million in annual funding for the Innovation and Business Development Fund; and,
- ▶ Approximately \$4.8 million to conduct a natural gas resource assessment that will help identify the volume of gas within the offshore oil reservoirs in the Jeanne d'Arc Basin.

The return of the Terra Nova platform, along with the re-start of the West White Rose Project, highlights the immense opportunities attached to our offshore resources on the global stage.

As discussions with Equinor continue on the Bay du Nord project, we can't help but note that it will be the most carbon efficient development of its scale in Canada. Emissions from Bay du Nord are estimated to be less than 8 kgs of CO₂ per barrel compared to an international average of 16.1 kgs of CO₂ per barrel.

Tourism, Arts and Culture

'Transition. Transform. Thrive. A Tourism Vision and Strategy for Newfoundland and Labrador' outlined a plan to increase tourism's contribution to the economy, and the sociocultural vibrancy of this province.

Through an investment of \$13 million for tourism marketing, Newfoundland and Labrador will be competitively positioned to capitalize on emerging travel opportunities.

A \$1.5 million investment will continue efforts to expand air access to the province. Having improved access will help meet demand as people and businesses prioritize travel once again.

Intertwined with our tourism industry are our arts and cultural sectors.

By partnering with creative and cultural industries we amplify the invitation for visitors to come to a place where inspiration can be found around every corner.

With an investment of \$3.5 million in the Cultural Economic Development program, we will ensure that arts and heritage organizations continue to be supported in their creation, development, preservation and celebration of the province's cultural resources.

Film and Television Industry

The province's film and television industry has never been better positioned for success.

As local productions receive a record number of Canadian Screen Award nominations and Newfoundland and Labrador takes centre stage with Disney's upcoming release of 'Peter Pan and Wendy', Budget 2023 investments focus on setting the stage for sustained success.

The All Spend Film and Video Production Tax Credit is being increased to 40 per cent. This tax credit will apply to total qualified production costs with a maximum tax credit of \$10 million annually per project.

This tax credit is in addition to the \$10 million available through the Film and Television Equity Investment Program.

Our government knows that to create a strong and robust film industry, we need to nurture it from the ground up. And we've done just that through our partnership with the College of the North Atlantic's film and television program. Enrollment has been at full capacity making it clear that people envision exciting careers in this industry.

Agriculture

Since 2017, Newfoundland and Labrador's agriculture sector has more than doubled the province's food self-sufficiency in fruit and vegetable production. This growth has been led by entrepreneurial farmers who are using innovative practices to contribute to the social and economic well-being of communities.

Similar to how we partner with traditional businesses, we work with the farming community in different ways – everything from increasing the availability of land, providing seedlings, and making direct investments.

As a government, we are a committed partner in their success and through a new Federal-Provincial Sustainable Agricultural Partnership, there will be close to \$43 million in joint funding available over the next five years for strategic initiatives.

This year, \$2.25 million is allocated for the Provincial Agriculture Assistance Program. And, more than \$800,000 will be invested in the Wooddale Nursery in the central region for new equipment and such activities as the vegetable transplant program.

Fishery

The fishery is an integral component of the provincial economy, employing over 17,500 people from over 400 communities. The sector's value is in excess of \$1 billion, with exports to 40 countries.

To help ensure continued success, \$5.1 million is allocated to the Atlantic Fisheries Fund. We have also allocated \$500,000 annually for three years for multi-species aquaculture development and the collection of oceanographic data.

Forestry

Our forests are a valuable driver of the provincial economy. We are actively working with stakeholders to support the industry and revitalize our forests.

In Budget 2023, \$3.8 million is allocated to plant more than six million trees. And, another \$5 million will go towards protecting forests from spruce boardroom.

Infrastructure

Our government's investment in infrastructure are investments in the well-being of communities by improving access to services, creating new jobs, and attracting newcomers to live and work.

This year, our investment of more than \$1.1 billion for infrastructure will help generate \$479 million in economic activity and create hundreds of new jobs for Newfoundland and Labrador tradespeople.

Investments in new hospitals and upgrades at existing facilities will improve how our valued health care professionals treat patients. This will also improve our ability to attract new health care professionals as they may want to work in more modern environments.

This year, we're investing:

- ▶ Almost \$450 million for the construction of the new regional hospital in Corner Brook and adult mental health and addictions hospital in St. John's;
- ▶ \$7.8 million will continue planning and procurement of a new hospital to replace St. Clare's Mercy Hospital and a new Cardiovascular and Stroke Institute. It also includes the demolition of the former Grace Hospital nursing residence;
- ▶ More than \$50 million for renovations and improvements to health care facilities, as well as new equipment;
- ▶ \$13 million for the re-development of the emergency department at the Health Sciences Centre;
- ▶ \$250,000 for planning of a new long-term care facility in the Bay St. George region; and,
- ▶ \$150,000 for planning of a new school of nursing in Western Newfoundland.

Our government is investing \$225 million in highway infrastructure in 2023, culminating in close to \$1.4 billion in improvements to provincial roads and highways over the next five years.

This is an historic investment in our critical trade routes that people depend on for services, education, health care, and tourism.

\$3.3 million is allocated to enhance safe snowmobile travel for residents of Labrador's coastal communities.

More than \$127 million will lead to new schools in Cartwright, Portugal Cove-St. Philip's, and the Kenmount Terrace neighbourhood in St. John's, as well as the redeveloped Dorset Collegiate in Pilley's Island.

To support ongoing improvements in correctional facilities, \$5.7 million is allocated for the extension of Labrador Correctional Centre in Happy Valley-Goose Bay, as well as \$7.3 million for advance work on a new correctional facility in St. John's.

And, \$2 million is being allocated for improvements to the National War Memorial in St. John's.

Labrador

Completion of the 1,100 kilometre Trans-Labrador Highway last summer marked an incredible accomplishment for Labrador.

Our government has long appreciated the social and economic benefits that a fully-paved highway would invite for Labrador. The recent awarding of a contract to study the concept of building a road to connect communities in Northern Labrador to the rest of Labrador is the next step towards identifying opportunities to improve the region's transportation network.

This year, \$3.3 million is allocated to enhance safe snowmobile travel for residents of Labrador's coastal communities.

In 2021, we established a community-led Action Team to address the issue of transient homelessness in the Happy Valley-Goose Bay area and has since expanded its focus to address the broader needs of individuals experiencing homelessness in the area.

Working with our Indigenous and community partners in supporting individuals, over \$30 million is allocated for an integrated health, housing and supportive services hub.

Residents in Labrador West will benefit from increased access to primary care through the creation of Family Care Teams.

Funding will be provided for the Regional Early Psychosis Nurse program in Labrador to ensure continued services and program development, along with funding to expand the rotational mental health counsellor model to all communities in coastal Labrador.

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.

Budget 2023 includes almost \$1 million to address a Labrador-specific geoscience program, which includes required funding to work in remote areas.

And, we are advancing plans for a new school in Cartwright.

Indigenous Peoples

We are advancing matters of mutual importance with Indigenous populations within the province and taking meaningful steps to strengthen communities and advance reconciliation now and into the future. Budget 2023 includes:

- ▶ \$10.8 million for the Inquiry into the treatment, experiences and outcomes of Innu in the child protection system;
- ▶ \$241,500 for the Indigenous Violence Prevention Grants Program;
- ▶ \$125,000 for the Newfoundland Aboriginal Women's Network; and,
- ▶ \$25,000 for the annual Provincial Indigenous Women's Gathering.

Conclusion

Newfoundlanders and Labradorians are navigators. Whether guided by Inukshuk or the North Star, we take our mark, set our path, and find our way. With patience and perseverance we have done just that to improve our financial well-being. It has taken hard work but Newfoundlanders and Labradorians are known for that. Never shy from it. Embrace it in fact.

With the same determination and focus we are improving our Health. Physical. Mental. Financial. Economic. This budget sets record investments for high quality delivery and availability of health care. It is focused on your financial well-being with no new fees or taxes and with supports to help with the cost of living. All while ensuring strong fiscal management of the province. It supports and nourishes economic growth and prosperity.

Budget 2023 is the largest investment in your health in the history of Newfoundland and Labrador.

Focused on your health and well-being.

This is the priority of your government. All towards a stronger, smarter, self-sufficient, sustainable Newfoundland and Labrador.

It is a new day and we are ready.

