



Budget  
2019

Working towards a  
**brighter future**

Budget Speech





## 2019 Budget Speech

Working towards a  
**brighter future**



Delivered by  
Hon. Tom Osborne  
Minister of Finance and  
President of the Treasury Board  
at the  
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of the House of Assembly  
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## Introduction

Thank you Mr. Speaker.

Today, marks our fourth budget in the first mandate of this administration.

We are a government that is firmly focused on the future. However, it is important to understand where we have been, where we are, and what is on the horizon for Newfoundlanders and Labradorians.

Mr. Speaker, I am an optimistic person – someone who very much takes a glass is half full view – but the financial challenges we faced when forming government bears repeating.

Within hours of the Premier being sworn-in, he was advised by senior government officials that without quick and decisive action, the ability to pay public service employees and deliver services such as health and education may have been compromised.

Mr. Speaker, our province was on the brink.

As frightening a scenario as that was, our actions have set the province on a course to overcome the tall task of addressing the fiscal crisis that faced Newfoundlanders and Labradorians – left unchecked, it would have had dire consequences on our economy and future generations.

We have been responsible. We have been accountable.

We have balanced the fiscal pressures with the need to:

- ▶ Advance critical infrastructure;
- ▶ Create an attractive environment for investment and job growth;
- ▶ Improve access and outcomes in health care and education; as well as,
- ▶ Clean-up the mess of Muskrat Falls.

Today, our financial outlook is significantly improved.

Mr. Speaker, the Official Opposition paints a doom and gloom picture of the provincial economy. There is – in fact – nothing further from the truth.

There is still much work to be done to create a brighter future.

However....

They cannot dispute that we have well-exceeded the expectations set in the PC's final budget in 2015. The facts are that:

- ▶ The total number of people working in Newfoundland and Labrador last year was higher than what was forecasted in Budget 2015;
- ▶ In 2018, employee compensation was almost a quarter of a billion dollars higher than forecasted in 2015;
- ▶ Last year, project investment was one billion dollars higher than projected in Budget 2015; and,
- ▶ Retail sales were higher than the 2015 Budget projected they would be.

	Budget 2015 Projections for 2018	Actual / Preliminary Estimate 2018
Employment	222,800	225,300
Employee Compensation	\$14.8 billion	\$15 billion
Capital Investment	\$8.5 billion	\$9.7 billion
Retail sales	\$8.96 billion	\$9.01 billion

Mr. Speaker, despite years of unprecedented oil revenues pouring into the treasury, there is no mistaking that the lasting legacy of the previous administration is a poorly-conceived hydro-electric project.

Today, the Muskrat Falls Project accounts for more than one-third of the province's total direct and indirect debt. And, our bond rating agencies have identified it as the largest downward pressure on Newfoundlanders and Labradorians.

We've had to borrow and borrow again to fund this over-budget, behind schedule project.

We were collectively left holding a stack of bills instead of putting that money into services and programs that are important to hard-working Newfoundlanders and Labradorians.

Through the work of the Premier, the Minister of Natural Resources and strengthened project management, the project is on more stable footing. And, by leveraging the expertise of the Public Utilities Board we will be able to take informed steps to manage electricity rates.

As with previous budgets, we are required to make an equity investment to Nalcor Energy. This year, that investment exceeds more than half a billion dollars.

## Where we are

Mr. Speaker, as I said at the outset I wanted to paint a picture of the starting point for our government.

The past is the past. And, that's where I will leave it.

As I look at the faces on this side of the House of Assembly, I see a united team of MHAs under the leadership of a Premier who has a vision for the province that we all rally behind.

As a government, we feel good with the progress that we have made and are incredibly optimistic for the future.

Our optimism is fueled by nine consecutive months of employment gains and increasing retail sales. The Conference Board of Canada and Atlantic Provinces Economic Council both forecasted that Newfoundland and Labrador will be among the leaders in economic activity this year.

The gains that we have made highlight the value of our plan – The Way Forward.

Our plan is a smarter approach to governing that has well-positioned Newfoundland and Labrador for the future.

Mr. Speaker, the progress that has been made, and the momentum that we are building, would not have been achievable without the tremendous support of our public service employees.

Unheralded in their work, they touch every aspect of our daily lives – everything from maintaining our roads to delivering health care; and from educating our youth to supporting economic development.

They have been our trusted partners and advisors.

They have been innovative and open to delivering services in a more effective manner; and, together, we negotiated agreements that recognized the financial challenges and provided much-needed job security.

As the Minister of the Human Resource Secretariat, I take pride in that collective and collaborative approach as it marked the first time in the province's history that wage freezes were negotiated for four years.

On behalf of the Premier, Cabinet, and our team of MHAs, I extend a heartfelt thank you to all public service employees.

As we navigate our Way Forward, we will continue to work closely with the public service and leverage their expertise and passion for the communities they call home.

Mr. Speaker, The Way Forward has been guided by our engagement with residents and businesses.

They have been clear...do better with less. Reduce government expenditures and maintain a high level of investment in health care, education, business development and other government services.

Mr. Speaker, it has required careful balancing but we are meeting those expectations.

- ▶ The annual deficit has been reduced from over \$2 billion in 2015-16.
- ▶ Spending has held steady after a 10-year period when provincial budgets increased by more than 50 per cent. That is even more notable when you consider that eight provinces grew their expenditures at a higher rate than this province over the last three years.

And, reducing the number of government vehicles by 10 per cent will result in savings on fuel, insurance, and maintenance totaling hundreds of thousands of dollars annually. By reducing our leased space by more than 103,000 square feet since 2016, we are saving millions of dollars annually.

Since forming government, we have made a commitment to reducing the size of the public service, which we believe can be achieved without mass lay-offs.

This year we have made a reduction of approximately 100 additional positions, bringing our total reduction of positions to date to just under 900 within government departments. We have also made reductions in our agencies, boards, and commissions and have introduced legislation that improves our ability to work with government entities on identifying cost-savings and addressing staffing levels through attrition.

That's notable progress.

From a health care perspective, the cost of delivering care grew by more than 50 per cent between 2007 and 2015 due to many factors including the introduction of new drugs and new technologies. This considerable growth and how to best manage it is an issue being experienced by all provinces.

Our government has made great strides to curb that growth rate and make better use of the roughly \$3 billion that is spent on health care annually. In fact, the Canadian Institute for Health Information has reported that Newfoundland and Labrador has seen the third lowest growth rate in Canada over the last three years.

Mr. Speaker, we have achieved this while making significant – and necessary improvements – to home and community care supports, mental health and addictions services, health infrastructure and primary health care.

By working smarter and being open to partnerships, we are:

- ▶ Well into construction of a new 145 bed long-term care home in Corner Brook;
- ▶ Building a new ambulatory care unit in Carbonear, which is in addition to the 28 long-term care beds that were opened in the community;

- ▶ Weeks away from starting construction of a new protective care unit in Botwood, long-term care homes in Gander and Grand-Falls-Windsor, as well as a new mental health and addictions hospital here in St. John's; and,
- ▶ Construction of a new acute care hospital in Corner Brook will start later this year.

That's just health care.

That doesn't include the improvements to transportation infrastructure or new schools being constructed in such communities as Gander, Paradise, Coley's Point or Bay d'Espoir.

Mr. Speaker, that's our goal...that's our legacy – better services; better outcomes.

As we continue our Way Forward to returning to surplus, we will build on the progress made to date. We will continue to improve and modernize government operations, as well as continue our government-wide shared services review.

There are opportunities for government departments and organizations to work smarter and share such back-office services as human resources, information technology, finance and supply chain functions.

Once fully implemented, shared services will improve efficiencies and save government tens of millions of dollars annually with absolutely no impact on public facing services.

This can be summed-up in two words....

Smarter Government.

We need to capitalize on these opportunities.

Through our Way Forward plan, our government is working with industry, community, other levels of government, as well as academic and research institutions to support economic development and job growth.

With more than \$18 billion attracted in new investment in such industries as oil and gas and mining, the message is strong –

Our approach is working.

Newfoundland and Labrador is open for business, and companies from around the world want to do business in our province.

Our collaborative approach to working with businesses – both large and small – are leading to business development, creating jobs and benefiting communities.

In the technology sector, companies like Provincial Aerospace, Quorum, and Bluedrop are expanding their teams and taking on new business opportunities.

Dildo Brewing in the Trinity Bay area and Port Rexton Brewing, which has turned into a pillar of the Bonavista Peninsula's tourism scene, are a part of a growing craft brewing industry. We expect another 10-to-12 craft brewing operations to open – in part due to the actions that our government implemented to make the industry more attractive.

In the environmental industries, Hi-Point Industries in Bishop's Falls is well-positioned for growth and expansion; And, in Deer Lake, Juniper BBQ Scraper is expanding its marketing efforts into Ontario and parts of the United States.

We are also teaming-up with municipalities and the Federal Government to ensure infrastructure is in place to attract investment and business development such as the recent announcement to develop an industrial park in St. Lawrence to support the mining and aquaculture sectors.

S+P Data, which is a North American contact centre that we supported in 2018, is well on its way towards creating 500 new jobs with close to 300 people already employed at its Village Mall location. This brings significant benefits across the entire North East Avalon.

Leveraging our considerable natural resources,

- ▶ In the Placentia Bay area, approximately 1,900 people were working on the West White Rose Project earlier this year;
- ▶ Vale's construction of its underground mine at Voisey's Bay will extend the mine's life by at least 15 years. With construction underway, there are approximately 2,000 people working on the project in Labrador and in Long Harbour; and,

- ▶ IOC has started its new open pit in Wabush, which will help sustain roughly 1,800 jobs and the mine for up to 50 years.

It is great to see a growing number of women take advantage of the opportunities attached to these projects. Our diversity and inclusion plans are helping people overcome barriers to work on these exciting projects, which strengthens our communities and the provincial workforce.

We'll continue this important work, and encourage young women to seek out careers in the natural resource sectors.

## Fiscal Review: 2018-19

Mr. Speaker, the revised deficit for 2018-19 is \$522 million, which is an improvement from mid-year when the deficit was projected at \$547 million.

### STATEMENT OF OPERATIONS 2018-19 (\$M)

	Budget 2018 Projection	Revised	Variance
Revenue	7,673	7,751	78
Expenses	8,356	8,273	83
Deficit	(683)	(522)	161

We cannot undo years of an ill-fated approach to managing the province's finances with the stroke of a pen.

Every decision requires careful reflection on how it aligns with our goal of better services and better outcomes. We consider things such as how it will impact women, youth, seniors, industry, and low income individuals.

Quite simply Mr. Speaker, every dollar must be stretched as far as possible.

Actions taken through this zero-based budgeting approach at the outset have netted \$68 million in

annualized savings over the last three years. This year, we have identified an additional \$428,400 in savings.

## Fiscal Forecast

Looking toward 2019-20, economic indicators show reasons for optimism:

- ▶ We have had nine consecutive months of year over year job growth.
- ▶ Employment in the province is expected to average 228,100 person years of employment in 2019, which reflects continued growth over 2018.
- ▶ Household income is expected to increase by 3.3 per cent.
- ▶ Capital investment is expected to rise by 16.8 per cent as a result of the West White Rose and Voisey's Bay projects.
- ▶ Oil production is projected to increase by 12.1 per cent.
- ▶ Real GDP is expected to grow by 4.1 per cent; and
- ▶ Real exports are expected to increase by 11.3 per cent.

These positive indicators point to the success of our job creation and economic diversification efforts.

## Return to Surplus

As a result of the newly signed Atlantic Accord agreement, in the 2019-20 fiscal year we will realize a surplus of \$1.9 billion. This is the province's first surplus since Budget 2011.

Mr. Speaker, while it is obviously excellent news, our job is not done. We are still projecting deficits in 2020-21 and 2021-22. We must remain diligent and focused on our plan to returning to a sustainable surplus in 2022-23.

Today we remain on track to do just that.

## RETURN TO SURPLUS (\$M)

	2019-20	2020-21	2021-22	2022-23
Revenue	10,350	7,462	7,838	7,901
Less: Oil Risk Adjustments	-	20	50	70
Net Revenue	10,350	7,442	7,778	7,831
Expenses	8,425	8,238	8,088	7,808
Surplus (Deficit)	1,925	(796)	(300)	23

## Revenue

Revenue forecasts have increased significantly from Budget 2018 projections, largely as a result of the new and guaranteed revenue stream that our government secured through Atlantic Accord negotiations.

Through the Atlantic Accord agreement we receive fixed cash installments from 2019 until 2056, and these funds are “front-end loaded,” with approximately 60 per cent received by 2030. In 2019, we will receive \$134.9 million from the first installment.

In 2019-20, revenue is expected to reach \$10.3 billion. Even excluding the Atlantic Accord, revenues are projected to continue trending upward between now and 2022-23.

Our current estimate of the impact of the shutdown of the Searose FPSO is a deferral of \$82 million for fiscal year 2018-19.

Mr. Speaker, in 2016, our government had no choice but to make difficult decisions.

None of us wanted to do this but it was necessary to address the financial crisis that Newfoundland and Labrador was facing.

We have already eliminated the Temporary Gas Tax. This year, marks the end of the Temporary

Deficit Reduction Levy.

Mr. Speaker, with Budget 2019 consumers can rest easy – there are no tax or fee increases.

Last year, we began to gradually decrease the tax on automobile insurance.

We continue to stand-by our commitment of rolling back taxes and fees when we're able to do it.

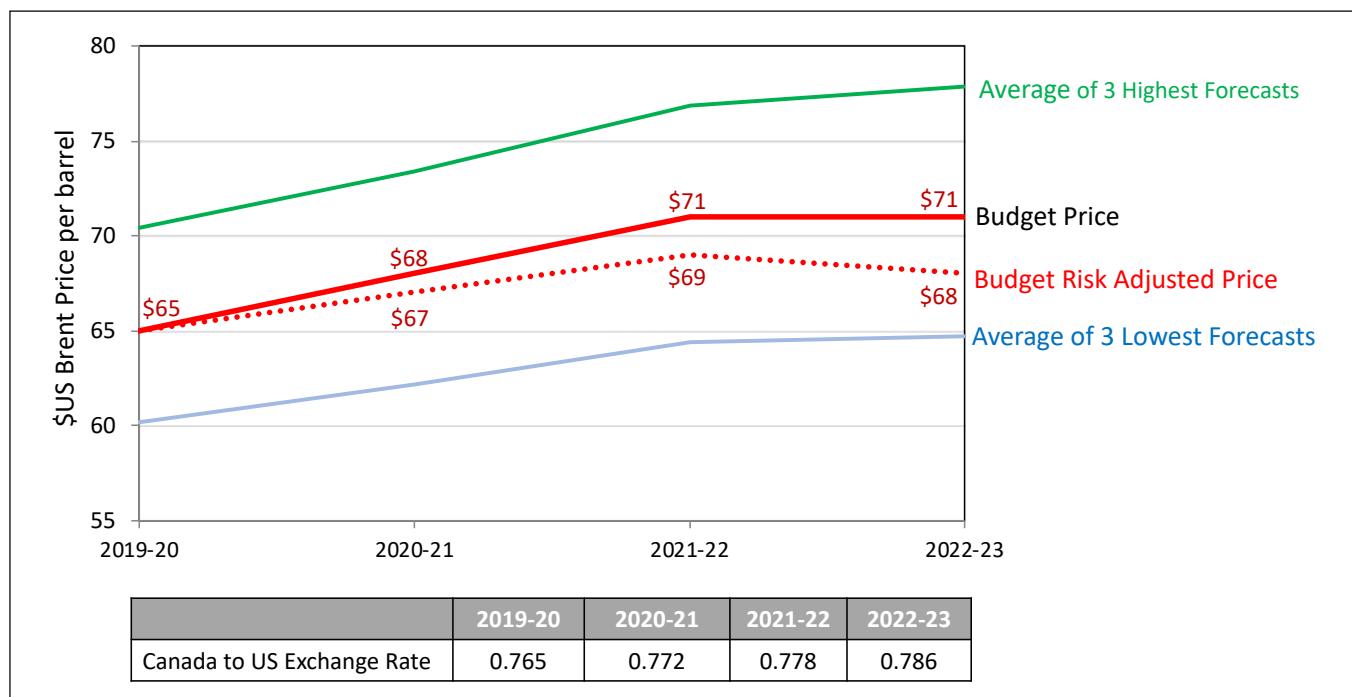
This year, we are eliminating the tax on automobile insurance in its entirety.

## Price Assumptions

While the average price of oil in 2018-19 moved above 2017-18 numbers, oil prices showed continued volatility. Recognizing this, forecasts are carefully considered, and are based on the forecasting models of 11 industry analysts.

In Budget 2019, we are forecasting oil at US\$65 per barrel for 2019-20, and the Canada to US exchange rate to be 76.5 cents.

## OIL PRICE FORECAST



## Expenses

This past year, we started the process of paying out severance to public service employees, which will eliminate a long-term liability from our books and save taxpayers over \$25 million annually once fully implemented. To date, \$253.5 million has been paid out.

Of the total paid out to nearly 23,000 public service employees, \$78.5 million was contributed to RRSPs and \$175 million was paid out in cash, which is benefiting the overall economy and small businesses.

## Borrowing

In Budget 2018 we forecasted gross borrowing of \$1.45 billion, however our actual borrowing in 2018-19 was \$1.425 billion.

For Budget 2019, borrowing will be \$1.2 billion, which is lower than Budget 2018 projections due to increased cash flow from the Atlantic Accord.

### BORROWING AND NET DEBT FORECAST (\$B)

	2019/20	2020/21	2021/22	2022/23	Total
Gross Borrowing	1.20	1.20	0.70	1.70	4.8
Net New Borrowing	1.16	0.43	0.35	0.14	2.1

## Our Horizon

Mr. Speaker, Newfoundland and Labrador's future is bright. As a province, there is incredible potential and opportunities for future generations.

As outlined in The Way Forward, our government is focused on leveraging the strengths of such high-growth industries as agriculture, aerospace, mining, aquaculture, and ocean technology.

Our collaborative approach to advancing sector work plans has created the conditions for accelerated business development and job growth.

I would like to thank the many industry, labour, academia and community stakeholders who have come to the table with open minds and a vision to work collectively to identify actions to achieve ambitious goals.

By working collectively, we are better positioning Newfoundland and Labrador as a leader nationally and globally. We are positioning the province for success.

And, we are backing up that support with more than \$100 million in industry development, which will help create new jobs.

Building on the progress that has been made in these sectors, we engaged McKinsey, which is a globally-recognized firm to help identify additional opportunities and to expand on our track-record for business development, creating new jobs, and contributing to community development.

As acknowledged by McKinsey, a key ingredient in realizing these goals is for government, business, and educational institutions to work collectively to ensure that the right skills-mix is available. We need to align the needs of businesses with workforce qualifications.

## Aquaculture

Mr. Speaker, the aquaculture sector is on pace to exceed the goal identified in The Way Forward plan to double the size of the industry.

Mowi (formerly Marine Harvest) Canada East and Grieg Aquaculture have made major investments that will expand the local industry, increasing local employment and creating opportunities for the development of the local supply chain and associated technology companies.

In particular, as identified in the report from McKinsey there are several attractive opportunities for an emerging supply and services sector including equipment, eggs and smolt, harvesting, secondary processing, waste management and feed.

As the industry grows, we will take advantage of the economies of scale and the opportunity to further diversify the industry in new directions with business development and new jobs.

In Budget 2019, a new 18-week Aquaculture Training Program will begin to be piloted this fall at the Burin Campus.

This new program, supported by an investment of more than \$236,000, will address skill shortages in the sector by targeting both the basic skills needed to obtain and maintain employment as well as the technical skills required for employment in aquaculture operations, in partnership with the Marine Institute and in consultation with industry.

## Ocean Industries

Mr. Speaker, another area identified by McKinsey are the considerable opportunities attached to the global ocean economy, which is anticipated to double in size by 2030. It is an industry that requires a new wave of innovation, science and technology.

Whether it is remote monitoring, unmanned underwater vehicles, simulation, or subsea imaging technologies, Newfoundland and Labrador is a leader in this industry with proven results in developing offshore resources safely and responsibly.

Mr. Speaker, Newfoundland and Labrador represents approximately 50 per cent of Canada's ocean economy. The newly-created Atlantic Ocean Supercluster will build off this collective activity and help grow the ocean economy into one of the most significant and valuable segments of Canada's economy. It will help open-up new opportunities for businesses to compete globally and help create new jobs for young, innovative Newfoundlanders and Labradorians.

Our government will be a partner of the supercluster and enhance the province's innovation infrastructure to encourage entrepreneurship.

We have been working with industry, as well as Memorial University's Marine Institute – which is one of the top maritime universities in the world – to identify infrastructure needs, expand innovation service providers to offer dedicated support to businesses in the ocean technology sector.

In Budget 2019, \$2.5 million is being contributed towards the construction of a new 36,000 square foot facility at the Marine Institute's Holyrood Marine Base.

The Marine Institute's Holyrood Marine Base is an integral part of the innovation ecosystem in Newfoundland and Labrador.

In addition to supporting education and research, the new facility will accelerate the growth of ocean technology firms through the provision of space and latest technologies to test products.

As recommended by McKinsey, this year we will invest \$250,000 to launch an ocean technology competition, focused on developing solutions that solve Newfoundland and Labrador's unique challenges.

## **Oil and Gas**

Through Advance 2030, our government is working with industry to position Newfoundland and Labrador globally as a preferred location for oil and gas development.

Our government has worked hard to support geo-science and seismic work to reduce the risk and increase the attractiveness for the global industry to carry out exploration.

With four producing oil and gas fields, current exploration work commitments totaling \$4.3 billion, more than 650 leads and prospects and an ongoing seismic program with more than 20 basins mapped, our ocean industries are poised for growth.

They are big numbers.

Consider this....for every \$100 million spent in offshore exploration, 307 person years of employment are created and close to \$50 million in economic activity is generated.

With a targeted focus by government, by 2030 there will be:

- ▶ shorter times from discovery to production;
- ▶ a more robust service and supply service;

- ▶ commercial gas production will be started; and,
- ▶ Newfoundland and Labrador will be home to a world-class energy cluster.

We also anticipate 100 new exploration wells being drilled and that our offshore will be producing over 650,000 barrels of oil equivalent per day and direct employment totaling more than 7,500 people.

Consider the enormous potential if one in five or one in six of these results in a profitable projection – the jobs and new revenue that will be created for the province.

It is a sector that is still in its relative infancy and is primed to grow by leaps and bounds.

To support our goals and build an industry in an environmentally-sustainable manner, the Provincial Government is transitioning the oil and gas subsidiary of Nalcor into a stand-alone Crown corporation. It will bring a dedicated focus to this important work.

In Budget 2019, we have \$9 million available for investment in the Innovation and Business Development Fund which will assist in supporting enhancing supply and service capabilities, business development and infrastructure. It will help achieve the goals of Advance 2030.

Furthermore, our partnership with Equinor marks an exciting first step into a new frontier for the province's oil and gas industry – deepwater production in Bay du Nord.

Through our negotiation with Equinor, we secured \$75 million to establish a deepwater centre of excellence. This will help drive research and development, greater subsea technology, digitalization and related areas of ocean innovation.

Given the remote offshore operating environment for oil producers our offshore, digital innovations could substantially benefit the local industry and accelerate the pace of innovation already underway.

This is why we are investing \$3 million this year to create a Digital Ocean Innovation Centre of Excellence for this valuable work to occur. The centre will enhance the province's digital capabilities in emerging technology sectors, as well as support the goals of Advance 2030 and the Ocean Supercluster.

In Budget 2019, we are also contributing a further \$2.5 million to support a Subsea Centre of Excellence for training, research, and product testing.

The future is bright for this industry.

Mr. Speaker, we have learned from the mistakes of previous governments who became too reliant on oil and gas.

We will grow this promising industry, while taking important steps to diversify the economy and create jobs, which protects ourselves from the volatility of commodity prices.

## Mining

Great potential exists for us to further grow the mining industry in Newfoundland and Labrador in areas such as Western Labrador's ore developments, in Central Newfoundland's gold opportunities, and in southern Labrador's rare earth elements. The electrification of vehicles will provide significant upside for metals like nickel and cobalt while China's increasing demand for higher quality iron ore to reduce environmental impacts is resulting in premiums for our ore.

This potential has been magnified in response to the recent re-opening of the Beaver Brook Antimony Mine in central Newfoundland and the 100 new jobs that will be created and the start of mining of fluorspar in St. Lawrence which employs more than 250 people.

Additionally, mineral shipments projections for this year are 38 per cent higher than 2018. It is also an industry that is forecasted to employ 5,100 people directly in operations, as well as an additional 1,200 from mining construction, bringing the total employment forecast for 2019 to 6,300 – an 11 per cent increase from 2018.

To sustain this progress, \$4.6 million is available for investment in Geological Survey; And, \$1.7 million through the Mineral Incentive Program, which includes \$100,000 for the Junior Exploration Assistance Program to encourage mineral exploration.

McKinsey identified a need for greater science in geo-science exploration. This year, we are adding \$250,000 to expand the Geo-Science Exploration Program.

As reflected by the benefits of seismic activity in the offshore, with greater geosciences capacity comes greater exploration and greater investment.

This year, we are also investing more than \$858,000 to pilot a new Geological Technician Certificate Program at the College of the North Atlantic's Grand Falls-Windsor campus and is scheduled to begin this fall.

This builds-on McKinsey's recommendation to strengthen the connection between industry and courses provided through our post-secondary institutions.

The College of the North Atlantic and Memorial University are also leading a hyperspectral imaging project that digitizes provincial core samples to produce new advanced data that will be publically available in support of the mining sector.

We are pleased to contribute \$1.5 million to this project, which marks an important step in achieving a goal of Mining the Future 2030 to double annual exploration to \$100 million dollars per year.

## Aerospace

Mr. Speaker, McKinsey has identified the huge opportunity for new jobs and new investment in the maintenance, repair and overhaul in the airline industry.

When I initially read the recommendation, I thought it was a bit of a pipe dream.

It will surprise many but this work is already taking place here as Provincial Aerospace has existing contracts with airlines for repairs and maintenance to smaller aircrafts at their Torbay hangar, and EVAS has similar contracts in Gander.

Leveraging these strengths, there is exciting potential to expand our global reach and support the creation of hundreds of high-paying jobs on larger aircrafts.

With such capacity already here, it is very clear that this is no pipe dream. It is a very real opportunity.

Globally, the aircraft maintenance, repair and overhaul sector has steadily grown to US\$133 billion market, which is led by the growth in the commercial aircraft segment and growing global fleets and a move by airlines to outsource more labour-intensive checks.

It is anticipated that globally there will be labour shortages, which we believe creates a unique opportunity for Newfoundland and Labrador given our central location and existing capacity.

I recently had the good fortune of joining the Ministers of Tourism, Culture, Industry and Innovation and Advanced Education, Skills and Labour to announce a key step to explore opportunities for additional growth potential for this industry through a \$200,000 investment.

Expanding on McKinsey's recommendations of better collaboration between government, industry and post-secondary institutions, we are capitalizing on growing opportunities, including establishing a non-destructive testing training program at the College of the North Atlantic campus in Gander.

The Department of Advanced Education, Skills and Labour, is adding a trade designation for the Air Maintenance Engineer Program at the College of the North Atlantic campus in Gander. We will be the second province in Canada to make this designation.

We are also working with the college and Federal Government on further plans to upgrade and modernize the College of the North Atlantic's Gander campus aerospace programming.

Combined, upgrades to the Gander campus and the non-destructive training program will be supported by the Provincial Government and College of the North Atlantic investing more than \$1 million.

We look forward to working with such companies as EVAS Air and Provincial Aerospace to identify further opportunities that take full advantage of the growing market maintenance, repair and overhaul industry.

McKinsey has also identified the need to establish aerospace training programs in St. John's, as part of the review to explore additional growth potential for this industry. This will be investigated.

## **Investment Attraction**

We have done good work in attracting new investment to our province that is spurring economic activity and creating jobs.

Through McKinsey's analysis it was identified that greater investment attraction efforts can spur the growth of individual sectors such as supply and services in the aquaculture industry by injecting capital that might not be available for new projects.

To support a new approach to investment attraction, we are allocating \$500,000 to build on existing resources. Funding will facilitate proactive and industry-specific investment attraction activity engaged to target prospective clients.

Our new investment attraction approach will pursue opportunities through the execution of strategic and proactive investment attraction activity to achieve economic development objectives in priority sectors.

Aligned with the need for greater investment attraction, we need to be able to improve the ability for small businesses to access the capital they need to launch their operations.

To help fill this gap, we are partnering with credit unions in Newfoundland and Labrador to develop a pilot initiative for a small business loan guarantee program. The partnership would see government provide guarantees, to a certain amount, for term loans, working capital, and lines of credit issued by credit unions to grow and expand businesses.

This pilot initiative is a great opportunity to focus extra supports on specific sectors.

## **Rural Cellular Project**

Mr. Speaker, there are areas in our province that are challenged to attract service providers to invest in cellular infrastructure given smaller populations or their remoteness.

Investment in cell service infrastructure has many benefits including better business communications and connectivity in local and export markets; supports tourism development strategies to increase visitation and enhance visitor experiences; and improves essential health, public safety and security communication requirements.

This past year, we introduced a new Cellular Service Pilot Project that proved to be successful with the total impacted population reaching more than 12,000 people.

Building on this success, the Minister of Tourism, Culture, Industry and Innovation will be extending the pilot initiative in 2019-20 to reach additional areas of the province.

## **Community Sector**

In Newfoundland and Labrador, community sector organizations are woven into every facet of daily life. Every day, we all benefit from their work.

Today, our government is releasing *The Way Forward with Community: A Sector Work Plan to Advance the Social and Economic Contribution of Community Organizations*.

This work plan can truly be called a community sector work plan because it was developed in close collaboration with community sector partners, led by the Community Sector Council Newfoundland and Labrador. This is the sixth work plan to be released by our Cabinet Committee on Jobs.

Together, we will pursue opportunities that strengthen the economic contributions of the community sector and remove barriers that prevent the community sector from reaching its full potential. Our collaborative actions will foster the conditions necessary for vibrant community organizations that contribute to the economic and social fabric of Newfoundland and Labrador.

This joint work plan involves researching the direct and indirect employment impacts of the community sector to the provincial economy. The community sector supplies 16,000 jobs to the provincial economy. Through this collaborative 31-point work plan we will take actions to help the sector achieve its full potential. Realizing this potential includes reaching the following growth targets by 2024:

- ▶ Increasing the number of people employed in the community sector; and
- ▶ Creating high-profile partnerships between the community, public and/or private sectors.

Together, we will undertake important work, including:

- ▶ Examining funding policies to identify opportunities for enhancing the financial sustainability of community organizations;
- ▶ Evaluating the Provincial Government's current multi-year funding arrangements, reflecting input from current recipients and engagement with the broader community sector, to inform a transparent process in further expansion of multi-year funding; and,
- ▶ Hosting a summit later this year to discuss issues of importance, and facilitate networking and professional development.

Mr. Speaker, I am very pleased to announce an investment of \$2.5 million to support professional development, collaboration and partnerships for community sector organizations throughout our province as part of the launch of our joint work plan – The Way Forward with Community.

## **Greener Communities**

Mr. Speaker, I believe that Budget 2019 is a plan that balances our fiscal priorities with the need to be a partner in economic success, with the need to support families and contribute to greener-communities.

Our government is committed to the support and development of a clean economy and climate resilient infrastructure. We are working on initiatives to support an environmentally- and economically-sustainable future.

Our five-year Climate Change Action Plan is designed to help reduce greenhouse gas emissions, stimulate clean innovation and growth, and build resilience to the impacts of climate change.

Budget 2019 commits \$15.1 million in provincial funds to leverage federal funding through the Low Carbon Economy Leadership Fund.

In March, the Premier and Minister of Municipal Affairs and Environment announced a series of programs that will be supported by this fund, including the Home Energy Saving Program, the Energy Efficiency in Oil Heated Homes Program, the Climate Change Challenge Program, the Freight Transportation Fuel Efficiency Program, and the Fuel Switching and Energy Efficiency in Public Buildings Program.

This year, \$346,800 is committed to support the review of the Provincial Solid Waste Management Strategy. We are committed to ensuring the protection of the environment. Through a review of the system, we will ensure the strategy successfully addresses a broad scope of waste management issues and is both modern and efficient.

In Budget 2019, the Department of Municipal Affairs and Environment, in partnership with Newfoundland and Labrador Hydro, will introduce a one-year Heat Pump Rebate Program to assist homeowners in increasing the energy efficiency of their homes. The program budget will be \$1 million, and homeowners can receive a grant of \$1,000 towards the purchase and installation of an eligible heat pump.

Mr. Speaker, it is well-known that transportation is a large contributor to Greenhouse Gas emissions and through The Way Forward on Climate Change we have made it a priority to increase electric vehicle usage. Renewable electricity from Muskrat Falls presents new opportunities to reduce emissions through vehicle electrification.

Through an investment of \$2 million in Budget 2019, the Department of Municipal Affairs and Environment, in collaboration with Newfoundland and Labrador Hydro, will pursue funding opportunities with the Federal Government to enhance the electric vehicle charging station network. This will include accepting applications from the private and not-for-profit sectors to establish charging stations across the province.

## New Health Initiatives

Mr. Speaker, this year, the Minister of Health and Community Services will be launching a new program that will provide children starting kindergarten with access to a free, comprehensive eye exam from an optometrist.

Our government will contribute \$250,000 in coverage for children by supporting the Newfoundland and Labrador Association of Optometrists to deliver the Eye See Eye Learn Program.

This initiative will allow children to overcome potential barriers to eye exams and contribute to a more positive learning experience, as well as an overall improvement to their quality of life.

Mr. Speaker, the introduction of regulated midwifery services in the province will bring significant value to the health care system and expectant mothers.

In Budget 2019, we have allocated \$370,000 to establish the first location in Gander with a team of three full-time registered midwives. The first midwife will be on the ground this spring.

Discussion is ongoing with regional health authorities and the future expansion of midwifery services.

Our government will increase services and supports for people across the autism spectrum and their families.

This year, we have allocated \$2.5 million, growing to \$5 million in following years to implement an Autism Action Plan. This plan will take a whole of government approach in the provision of services to people with autism and their families.

This year, our government will be expanding the Insulin Pump Program.

While we continue to work with Eastern Health to complete a review of the program, we are immediately lifting the age cap for those currently enrolled.

This means individuals currently relying on the program are not at risk of losing their current coverage or having to take on a new financial burden.

This year, 15 new drug therapies will be added to the Newfoundland and Labrador Prescription Drug Program. Eight of those will be for oncology.

## **Income Support Clawback**

Mr. Speaker, we have long heard stories of the unfairness of clawing back children's benefits from families on Income Support.

This year, we are making the changes necessary to put a stop to the unfair practice that disadvantaged some of our most vulnerable children and families.

Mr. Speaker, I am pleased to announce that we will amend the Income and Employment Support Regulations to exempt payments from child support of the Canada Pension Plan Disabled Contributor's Benefit, and Canada Pension Plan Surviving Child Benefit for the purposes of determining eligibility for Income Support.

Further amendments will be made to ensure that child maintenance payments will not be clawed back from Income Support

## **Parental Benefits**

Mr. Speaker, through Budget 2019, I am incredibly proud to confirm that our government is extending maternity, adoption and parental leave and select benefits from the current 52 weeks to 78 weeks for public service employees.

Employees who choose to take extended leave for these reasons will continue to accrue service toward salary step progression and their service will be recognized.

Employees will continue to have the option to purchase pensionable service and government will match their contributions. They will also continue group insurance coverage during their leave provided they maintain their premium payments.

With these moves, we are fully recognizing the challenges often faced by employees with young families, and are providing parents with an option that may best suit their family needs.

We also recognize that although social norms are changing, it is predominantly women who take such leave, and our government is committed to ensuring proper supports so that women have equal opportunity in the provincial workforce.

## **Justice System**

Our government has been working hard to improve access to justice for all Newfoundlanders and Labradorians and to make sure it is inclusive and works for everyone. Central to this has been the spirit of cooperation among stakeholders to break down barriers.

The needs of inmates have become increasingly complex due to mental health concerns, addictions issues, and a variety of other factors. We are long overdue for a new correctional facility in this province and the days of endless reports and inquiries into corrections are over.

Our government is pleased to allocate \$600,000 to advance construction of a new adult correctional facility in St. John's. This is the first step towards replacing an antiquated facility that no longer meets the needs of those incarcerated. It will ensure the safety of employees and correctional officers – providing them with a modern working environment.

We are also allocating \$1 million to expand the Labrador Correctional Centre in Happy Valley-Goose Bay, which will increase capacity and the potential to allow for women to be housed at the facility, closer to children and family members.

As outlined by the Minister of Justice and Public Safety last month, Budget 2019 includes \$354,000 for bail supervision and electronic monitoring programs to help lower levels of recidivism and improve safety for women.

Through the work of the Justice Minister's Committee on Violence Against Women and Girls, electronic monitoring was discussed as a way to protect those exiting violent relationships. Enhancing supervision of offenders convicted of domestic related crimes would increase victim and public safety as well as keep offenders accountable to no-contact conditions.

## Arts & Culture

The Way Forward commits to revitalizing the approach to supporting culture.

Newfoundland and Labrador's cultural sector is a significant part of our communities and provincial economy.

I am pleased to announce that we are releasing the Cultural Action Plan, which highlights our continued support for arts and heritage. It also reflects our commitment to working closely with stakeholders to address the challenges and opportunities facing the cultural sector.

Over the next five years, government will continue its core support to the protection, development, promotion, and celebration of Newfoundland and Labrador's vibrant culture.

This will include such things as:

- ▶ Support for non-profit cultural facilities and organizations through funding programs and advisory expertise;
- ▶ Funding support for community cultural activities and events;
- ▶ Funding support for Indigenous cultural heritage; and,
- ▶ Continuation of the Art Procurement Program.

Through this plan, there is a \$1 million increase to the ArtsNL grant program in support of artists, bringing the total Provincial Government investment to over \$2.9 million.

## **Seniors, Children and Inclusive Communities**

Our government appreciates the impact of the rising cost of living on citizens that may be on lower or fixed incomes.

Mr. Speaker, our government's Newfoundland and Labrador Income Supplement supports low income seniors, individuals, families, and persons with disabilities.

Through the Income Supplement, qualifying families would be eligible to receive upwards of \$650 per year, with an additional \$200 for each child.

Through the Newfoundland and Labrador Seniors' Benefit, we provide up to \$1,313 annually to adults aged 65 and older – approximately, 70 per cent of single beneficiaries are women.

The total investment this year is \$123 million.

<b>NL Income Supplement</b>	<b>154,000 families</b>
<b>Seniors' Benefit</b>	<b>47,000 seniors</b>
<b>Budget 2019 Investment</b>	<b>\$123 million</b>

Our government, led by the Premier, has taken great steps to support seniors.

One of the more notable accomplishments was the creation of the Seniors Advocate. We have also worked closely with Seniors NL and other 50+ organizations throughout province.

These organizations play an important role, and this year we are allocating an additional \$270,000 for our 50+ clubs. These seniors' organizations will be eligible for up to \$2000 from our new seniors' social inclusion initiative. This initiative will support participation in community events, healthy aging, and mental health and well-being activities.

Currently, our seniors enjoy a discount when they register their vehicles.

Mr. Speaker, understanding that many seniors find themselves on fixed incomes we are increasing that discount.

Today, I am pleased to announce that when seniors renew their vehicle at the counter, the price will fall below \$100. For seniors that renew online, the fee is now less than \$90.

This year we are also introducing a discount for our veterans who served our country so bravely.

We are applying a 10 per cent discount on vehicle registration for veterans that have a veteran plate. This is a sign of respect of our veterans.

To help ensure seniors and older adults remain healthy, active, and engaged citizens, Budget 2019 is allocating \$95,000 for the Age-Friendly Newfoundland and Labrador Community Grant Program. Through this program we are working with communities to plan for our province's aging population.

We have seen the benefits of accessible, affordable transportation in the Bay St. George Area, Twillingate and Clarenville and how it translates into older adults and seniors being independent and active in their communities.

Recognizing this importance, in Budget 2019 we are investing \$300,000 for the Newfoundland and Labrador Community Transportation Program. This will further support our goal of supporting age-friendly, accessible and inclusive transportation projects.

## **Supporting Children and Families**

There is perhaps no greater priority than the health and well-being of a child.

The Government of Newfoundland Labrador is committed to supporting youth in need of protection with an investment of \$1.5 million to support legislative enhancements in the new Children, Youth and Families Act, which will be proclaimed in spring 2019.

The new act supports youth in need of protection by increasing the scope of the duty to report to include youth aged 16 and 17, as well as removing restrictions so that all youth in receipt of services can continue to do so up to age 21. Funding will be provided to hire additional social workers to support this expanded scope and to assist with the additional program costs to the Youth Services Program.

Mr. Speaker, unfortunately, there are times that a child may not be safe in the care of their parents.

To support adoption permanency planning, \$233,100 has been allocated to further advance the development of profiles for children waiting to be adopted and the completion of the matching and approval process. It is paramount that children who are eligible for adoption are matched with loving and supportive families in a timely manner.

Budget 2019 also supports a number of initiatives outlined in The Way Forward to help support vulnerable families and children, such as the Triple P parenting program for families with children in care. In doing this we hope to support families in a holistic way to help prevent children from coming in need of protection and entering into the care system.

Mr. Speaker, we believe that safe, stable and affordable housing is fundamental to the social and economic well-being of individuals, families and our communities. Our government is working closely with our community partners to help improve access to affordable housing and make it easier for first-time home buyers to enter the market.

In 2018-19, approximately 1,150 public housing units were modernized or renovated and this year we are allocating \$10.2 million to ensure safe and quality homes are available for tenants. To modernize and renovate public housing, \$3.1 million has been allocated, which will help ensure we continue to provide affordable housing.

The Home Energy Savings Program will provide \$4.4 million to assist low-income homeowners to help reduce energy costs. This year's expanded program will assist homeowners using alternate heating sources such as oil, propane, diesel or wood biomass; in addition to those using electrical heat.

Our \$7.39 million investment in the Supportive Living Program and the Provincial Homelessness Fund will allow us to support community agencies in places like Stephenville, Labrador West and Carbonear who are working directly with individuals experiencing or at risk of experiencing homelessness.

Government will also maintain its support for the Housing Hub emergency shelter in Happy Valley-Goose Bay and provide \$500,000 in operational funding during 2019-20, enabling the Hub to continue offering shelter to those who are homeless.

Whether it is the Nain Transition House, Kirkina House in Rigolet or Grace Sparkes House in Marystow, there is incredibly important and valuable work being undertaken in transition houses and emergency shelters in our province. In this year's budget, our government continues to support their work with \$11.8 million in funding and an additional \$500,000 will be allocated to assist Iris Kirby House.

## **Education, Skills and Childhood Development**

### **Childhood Development**

Mr. Speaker, our government is making transformative changes to early childhood development and the education system.

More affordable and accessible child care is important for families and the province as a whole. It helps build our communities; and, it encourages parents – in particular women and single parents – to return to the workplace.

Mr. Speaker, in a report released by the Canadian Centre for Policy Alternatives that surveyed 28 major Canadian cities, it was noted that uptake on the Operating Grant Program in St. John's has

resulted in a drop in child care fees. St. John's is the only city, of the 28 surveyed, that has shown an overall drop in fees since their first report in 2014.

Building on the additional 1,000 affordable child care spaces created since last year, Budget 2019 allocates approximately \$60 million for early childhood development, which includes \$7.4 million through an agreement with the Federal Government.

These investments will:

- ▶ Provide \$17 million for the Child Care Services Subsidy Program to reduce costs for individual families;
- ▶ Provide \$11 million to continue the Operating Grant Program which improves accessibility of child care for low and middle income families; and,
- ▶ Provide an income enhancement to qualified Early Childhood Educators working in regulated child care services to help improve the quality of child care services.

## K-12

In July 2018, we released the Education Action Plan to guide actions to improve the K-12 system. In less than one year, close to 40 per cent of the actions have been completed or substantially underway, reflecting the weight we have placed on readying the province's youth for the future.

Budget 2019 allocates \$13 million, an increase of \$6 million from last year, to continue implementation of the plan and support better outcomes for students. Through the plan, we are implementing over 80 actions to ensure students have access to the supports they need and hiring 350 teacher resources over a three year period.

This includes:

- ▶ Additional reading specialists, teacher librarians, and teaching learning assistants in K-12 education;
- ▶ Learning resources for teachers to support reading in the primary and elementary grades and for school libraries to support literacy development; and,

- ▶ A mathematics bursary program to support teachers wishing to enhance their qualifications in mathematics.

Recognizing the important contribution of Student Assistants to the K-12 school system, the budget for Student Assistant hours will be increased by \$300,000 over last year.

The increase in funding will help improve a school's ability to meet the needs and support the inclusion of all students with exceptionalities.

Social and emotional skills are necessary for positive mental health by achieving and maintaining personal well-being and positive relationships to succeed in the school environment and all aspects of life.

Through the Minister of Education and Early Childhood Development, as part of the Responsive Teaching and Learning Initiative, currently being phased-in across the province, Budget 2019 provides an additional \$350,000 for Social and Emotional Learning curriculum into the school system.

## **Post-secondary Education**

In Newfoundland and Labrador, we are fortunate to have internationally-recognized post-secondary institutions that are attracting students from countries that span the globe.

Year-in and year-out, Memorial University and College of the North Atlantic graduate young women and men who go on to be community, business and industry leaders. Many are on the front lines of developing cutting-edge technologies and business practices that are helping strengthen our provincial economy.

Our commitment to supporting accessible and affordable post-secondary education is reflected by our investment in Memorial University, which is the highest public investment as a percentage of a university's general operating revenues in Canada.

This year, we are also investing:

- ▶ \$87 million to fund College of the North Atlantic and its 17 campuses; and
- ▶ \$78.2 million to maintain tuition levels for Newfoundland and Labrador students, including an additional \$4 million to Memorial University and \$1.1 million to College of the North Atlantic.

To support a new three-year Respiratory Therapy Program at College of the North Atlantic this fall, we are investing more than \$1.6 million over four years.

Our government is working with the Federal Government, as well as leadership at Memorial and the College to improve infrastructure that supports greater learning, new discoveries, and entrepreneurship.

Budget 2019 allocates \$12.2 million to the province's public post-secondary institutions for infrastructure projects. This includes \$1.8 million to complete the \$18.5 million Heavy Equipment Centre of Excellence in Stephenville.

## **Skill Development/Workforce Development**

Mr. Speaker, we are strengthening the province's workforce to ensure it is positioned to take advantage of current and future opportunities.

Budget 2019 provides funding for programs and services to maintain the province's skilled workforce and prepare for careers in these industries. These include:

- ▶ Approximately \$13 million committed for employment and training programs;
- ▶ \$6.1 million will support youth in employment and career related activities;
- ▶ Approximately \$700,000 is allocated to build capacity and provide more flexible training in the province's apprenticeship system by increasing offerings in an online format;
- ▶ And, \$161 million is available for investment through the Labour Market Transfer Agreement, which will help people prepare for, find, and maintain employment.

Mr. Speaker, the base funding for programs supported by the Labour Market Development Agreement is increasing by more than \$3 million.

Additional funding under the Labour Market Development Agreement will be used to fund initiatives under the Labour Market Partnership program to support government priorities such as the pilot new training approaches at College of the North Atlantic and support the Community Sector Action Plan.

Mr. Speaker, last year we launched the Student Mentorship Program – it is a program that provides up to 140 students with valuable on-the-job experiences. This year, we are allocating \$339,000 to expand the program to include summer career development opportunities in the agriculture, aquaculture, technology, forestry, mining, community, and oil and gas sectors.

Through the Youth and Student Services Program, there is more than \$6.1 million available for investment. This money will be used for such things as contributing to organizations that assist youth through a variety of services ranging from career fairs to youth employment initiatives focusing on career development and education.

Through our Workforce Development Agreement with the Federal Government, we will invest more than \$13.2 million in 2019-20 to support skills development, provide apprenticeship wage subsidies, and assist people with disabilities find and prepare for employment.

As identified by McKinsey, it is important to take steps to improve workforce readiness to meet future labour market needs. Collectively, we know that workforce readiness can't be isolated to a moment in time but we need to be working closely with industry to prepare people for new jobs.

In addition to the ongoing post-secondary review, we are allocating \$2 million over four years to develop The Way Forward on Workforce Development.

This comprehensive human resource plan will include dedicated staffing resources who will work with the K-12 school system to provide relevant career-development supports. Specifically, this will include the provision of sector specific labour market information products for inclusion in the new career education curricula.

## **Immigration**

We have been aggressively implementing the actions outlined in our Immigration Action Plan, which was also identified as being important in growing the provincial economy by McKinsey.

Mr. Speaker, in fact, we have reached almost 90 percent of our target of 1,700 newcomers annually by 2022 after less than two years into our plan's implementation. Based on preliminary numbers for 2018, 1,525 permanent residents made Newfoundland and Labrador their new home.

Building on the success we have achieved to date, the Minister of Advanced Education, Skills and Labour recently announced the next wave of initiatives under the Immigration Action Plan.

To support the new initiatives and ongoing work, Budget 2019 allocates \$2.4 million in provincial funding and \$1.85 million in federal funding to support the implementation of the 2019-20 year three Immigration Action Plan initiatives.

Budget 2019 also includes a commitment of \$150,000 to support newcomer women, through the introduction of an empowerment-focused employment and self-employment initiative.

## **Health and Healthy Living**

### **Mental Health and Addictions**

By working cooperatively with our colleagues in Ottawa, we secured \$28.8 million for mental health and addictions. This investment is being put to great use and has supported a 68 per cent reduction in the number of people waiting on counselling services. For example, we have eliminated wait lists in Happy Valley-Goose and on the Burin Peninsula.

Mr. Speaker, we are removing barriers to treatment, making it easier to access supports, changing how services are delivered, and working towards eliminating the stigma of mental illness.

Budget 2019 includes \$914,000 to launch mobile crisis intervention teams on the west coast this spring and in central Newfoundland by the end of 2019. Mobile crisis intervention teams are already in place in Labrador City and St. John's.

Working closely with our community partners and the regional health authorities, we are making sure people get appropriate treatment when and where they need it.

We know that work-related mental health conditions, such as PTSD, are impacting workplaces across Canada. That is why, as of July 1, 2019, a worker who experiences a traumatic event or multiple events at work will be presumed to have developed their diagnosed PTSD as a result of their work – making it easier to apply for benefits.

This progressive legislation simplifies the claim process and allows the workers' compensation system to help injured workers receive the assistance they need earlier. This will lead to better outcomes in improving the worker's overall health and well-being as well as options for returning to work when appropriate.

## **Home and Community Care**

Our government is unwavering in our commitment that older adults and seniors are healthy, active, and able to live in their own homes and communities for as long as possible.

We have leveraged \$43.25 million from the Federal Government to enhance home and community care services.

We have introduced a new and improved financial assessment process for long-term care and community support services that is easier, person-centred, client-friendly, open and transparent.

We have adopted a Home First philosophy.

Diverse teams of health professionals work together to provide timely access to home support, rehabilitation, nursing and social work services at home.

A \$1.7 million investment in the Home Dementia Program supports individuals living with moderate or advanced dementia and their caregivers to receive support at home from a physician or nurse practitioner through remote monitoring technology.

## **Primary Health Care**

Mr. Speaker, teamwork and community partnership are widely seen as being the future of a modern health care system.

Through Budget 2019, we will build on the creation of primary health care teams in Grand Bank and Bonavista to advance similar teams in Botwood, Gander, Bell Island, Sheshatshiu, and on the Connaigre Peninsula. Moving forward, we will help set up teams in Conception Bay North, St. Anthony and Deer Lake/White Bay.

## **Healthy Living**

Through The Way Forward, we are working with our community partners to increase physical activity and healthier communities.

Budget 2019 sustains our \$200,000 commitment in the Carrot Rewards program, which is a motivational online tool to encourage greater physical activity levels.

\$1.8 million will be used to support a comprehensive approach to prevent and reduce tobacco and vaping use.

This approach includes public education, legislation, enforcement, cessation supports, and community-based initiatives through the Alliance for the Control of Tobacco.

We are also continuing to provide our annual investment of \$220,000 to the Newfoundland and Labrador Lung Association Smokers' Helpline.

The Helpline provides free, confidential, one-on-one support by trained counselors through telephone, online and text messaging to individuals throughout the province. Through partnership with Health Canada, an additional \$100,000 is provided by the Federal Government to support Newfoundland and Labrador's smoker's helpline services.

# Safe and Sustainable Communities

## Municipal Infrastructure

Through The Way Forward, our actions are helping communities better deliver municipal services, protect the environment, and encourage economic activity.

The good work that has been undertaken has resulted in more than 630 municipal infrastructure projects totaling more than a quarter of a billion dollars. These have been advanced by our ability to partner and work cooperatively with our municipal and federal counterparts.

Under our three-year municipal infrastructure program, we are investing in new infrastructure, providing better access to clean drinking water, protecting our environment, and advancing regional collaboration.

Projects like the upgrades to the Drake Wastewater Treatment Plant in Labrador City and construction of a new town hall in L'Anse au Clair will provide meaningful improvements to how municipalities deliver services to residents.

With the goal of sustaining these positive community-oriented initiatives, this year we are allocating \$10 million in the Municipal Capital Works Program.

We have improved cost-share ratios so that communities are better able to initiate projects that improve transportation networks and provide places for residents to gather and work together.

Building on this progress, the Premier's ability to secure \$555.9 million in federal funding last fall under the Investing in Canada Plan will result in over \$1.3 billion in investments in public transit, green infrastructure, culture and recreation, rural and northern communities.

Budget 2019 commits \$42 million in provincial funds for projects under the Investing in Canada Plan; And, a combined investment of \$91 million in the Municipal Operating Grant Program, the gas tax program, Special Assistance Grants, and the Community Employment Enhancement Program.

In Budget 2019, we have allocated more than \$1.85 million for the Newfoundland and Labrador – Disaster Financial Assistance program. This amount builds on over \$12 million provided last year.

In 2019 we will continue to work on flood risk mapping on the Humber, Exploits, and Lower Churchill Rivers with an investment of \$980,000 to help assist government, communities, and emergency management partners to better anticipate – and respond to – possible flooding events.

## **Supporting First Responders**

Mr. Speaker, as reflected by the investments that we have made in new fire fighting vehicles in Burgeo, Heart's Content, Leading Tickles, St. Lunaire-Griquet, and South Brook, it is important to our government that firefighters have access to the necessary equipment to protect families and communities

In 2019, we are making our Fire Protection Vehicle Program work better for communities and fire departments.

Budget 2019 includes \$2.88 million for the replacement of fire protection vehicles and firefighting equipment. This reflects a \$1 million increase to include more options for communities to access funding for both used and new vehicles, as well as \$101,000 for grants to the Newfoundland and Labrador Association of Fire Services to support operations and the Learn Not to Burn Program.

Our government is proud to continue the presumptive cancer coverage benefit that career and volunteer firefighters receive. Qualified firefighters can receive wage-loss benefits, medical aids, and certain other benefits through WorkplaceNL, while health care costs associated with firefighters' cancer treatment are paid through the Medical Care Plan. Structuring benefits in this way reduces demand on the WorkplaceNL Injury Fund.

## **Justice**

Illicit drug abuse has significant health, social and economic costs, as well as impacts on our communities.

With an investment of \$242,000, offset by federal funding, the Drug Treatment Court in St. John's addresses the underlying issues that contribute to crime by offering court-monitored treatment, random and frequent drug testing, incentives and sanctions, clinical case management and social services support.

It is crucial that people in Newfoundland and Labrador have faith in the administration of justice.

Our Serious Incident Response Team will be operational this year, providing an increased level of transparency for police and helping ensure people have trust in the system. SIRT will investigate

serious incidents involving the police and is not intended to replace other mechanisms currently in place. The establishment of a provincial SIRT was a recommendation from the Inquiry into the Death of Donald Dunphy.

To support improved police oversight, we have allocated an annual investment of \$500,000 for a provincial stand-alone team.

This government has been working to improve operations at the Office of the Chief Medical Examiner, and by year's end it is expected that the number of staff will be double that of what it was in 2017.

This year, there is \$1.8 million allocated for the office to improve operations and add a new data management system.

This year, we are allocating approximately \$1.5 million for an inquiry into ground search and rescue services for lost and missing people.

By working collaboratively with the Federal Government, we have been able to secure federal funding for:

- ▶ Youth Justice Services, which provides specialized services to young women and men giving them the skills to effectively re-integrate into the community. An additional \$373,000 is being provided for the next four years; and,
- ▶ A Guns and Gang Violence Action Fund, which includes more than \$1.7 million over four years to support officers better target offenders. Funding will also be allocated to public prosecutions, first responders and community organizations to focus efforts on the prevention of gun and gang violence by concentrating on the root causes.

## **Violence Prevention**

Mr. Speaker, violence in any form cannot and will not be accepted. This is a serious issue among families and in communities.

This year, we have allocated \$3.2 million in operational funding to a wide-range of organizations including the Multicultural Women's Organization of Newfoundland and Labrador, the

Newfoundland Aboriginal Women's Network and the Newfoundland and Labrador Sexual Assault Crisis and Prevention Centre. We continue to support the great work of women's centres, including a new centre on the Northern Peninsula.

## Labrador

As a distinct and integral part of our province's culture, history and identity, Labrador is part of our government's focused and innovative approach to delivering better services, achieving measurable outcomes and growing the economy.

We are proud of the investments we have made to support advances that result in better road, marine and communications infrastructure.

Mr. Speaker, over the last three years approximately 220 kilometres of the Trans Labrador Highway have been paved.

This year, we are allocating more than \$40 million for the remaining contracts to complete the Trans Labrador Highway.

Mr. Speaker, with completion in sight, a fully paved Trans Labrador Highway will open-up opportunities for businesses and residents.

Through a combined investment of \$361 million over the life of the contracts, ferry service to the Strait of Belle Isle and the North Coast of Labrador will result in greater capacity, improved reliability and will invite economic opportunities.

This will significantly enhance ferry services for the communities of Rigolet, Makkovik, Postville, Hopedale, Natuashish, Nain and Black Tickle, where for the first time in the province's history, residents and visitors will be able to drive the vehicles onto the vessel and off again at another destination.

This year, \$449,000 is allocated for the acquisition of grooming machines and equipment for the Cartwright, Nain and Hopedale areas of the winter transportation link. Securing vital snowmobile trail equipment provides access to major service centres and enhances the safety of residents who depend on the winter highway.

The implementation of our plan to improve access to mental health and addictions services is having a profound effect in Labrador.

To date, we have expanded access to psychiatric services through telehealth, regular visits and the recruitment of two permanent psychiatrists for the Labrador-Grenfell Health region; And, construction of a new six-bed mental health unit at the Labrador Health Centre in Happy Valley-Goose Bay will begin this year.

The Department of Fisheries and Land Resources is also working with the Egg Farmers of Newfoundland and Labrador to explore how best to advance a commercial egg operation in Labrador. This will contribute to our goal of improving food security and build a sustainable economic industry.

Working in consultation with Indigenous Governments and Organizations and other partners, our government is seeking to explore opportunities in the Labrador forest sector.

Our government supports the view that youth from Labrador benefit from participating in provincial sport championships with their peers in other areas of the province. The Labrador Travel Subsidy program invests \$730,000 in supporting athletes, coaches and teams to participate in provincial championships and training camps, and supports the development of Labrador coaches and officials.

## Indigenous People

Our government is proud of the advances we have made toward supporting and enabling Indigenous people in their pursuit of achieving vibrant and healthy communities. We are striving to reflect the rights and values of Indigenous people with a focus on promoting reconciliation in a respectful and meaningful way.

We are extremely pleased with the discussions that occurred at the inaugural Indigenous Leaders Roundtable held in 2017 and 2018 in St. John's and Corner Brook.

Looking ahead, our government is making plans to assemble representatives of Indigenous Governments and Organizations in Labrador this year to provide an opportunity for continued dialogue on issues of mutual importance.

The Provincial Government is committed to advancing the social, legal, cultural and economic status of Indigenous women and girls.

In 2019, we will increase funding for projects to help prevent violence against Indigenous women and children through the Indigenous Violence Prevention Grants Program to \$241,500.

Our government recognizes the important services which friendship centres provide to Indigenous people.

For this reason, we are proud to be the first government in Newfoundland and Labrador to commit core funding in the amount of \$30,000 each to the First Light Friendship Centre in St. John's, People of the Dawn Indigenous Friendship Centre in Stephenville, and the Labrador Friendship Centre in Happy Valley-Goose Bay. This investment of \$90,000 supports friendship centres to provide valuable programs and services and to promote and celebrate Indigenous cultures.

To support organizational capacity building, as well as training and preparing athletes from this province for the 2020 North American Indigenous Games, we are providing an additional \$92,000 to the Aboriginal Sport and Recreation Circle of Newfoundland and Labrador. This provincial funding is federally matched for a total of \$184,000.

We are pleased to say that we have been able to secure additional federal funding to cover increased operational and service delivery costs of providing child protection services in Innu communities. This additional funding allows us to continue to work towards improved service delivery for Indigenous children and youth in our province.

There are times when Innu children and youth in care require out of home placement and a family member or foster home may not be available or suitable.

Therefore, the Innu Round Table, Sheshatshiu Innu First Nation and Mushuau Innu First Nation worked collaboratively to ensure capacity was built in both Sheshatshiu and Natuashish for group home care options. The Department of Children, Seniors and Social Development has been fully supportive of the Innu efforts to secure federal funding totaling \$5.1 million.

## Infrastructure

Our rolling five year infrastructure plan from 2019-20 to 2023-24 totals \$3 billion. This plan is helping to stimulate economic activity, create jobs, and provide access to modern facilities.

This year, our plan includes a total investment of \$594.3 million for new and existing schools, healthcare facilities, post-secondary institutions, roads and bridges, justice facilities, affordable housing and municipal infrastructure. This investment will generate close to \$580 million in economic activity and 5,100 person years of employment.

Some of the advancements in infrastructure that will be undertaken this year include:

### Education

- ▶ \$13 million for the construction of a new Paradise intermediate school;
- ▶ \$10.1 million for the reconstruction of Gander Academy;
- ▶ \$8.8 million to begin construction on a school to replace Coley's Point Elementary; and,
- ▶ \$7.3 million to build a new school in St. Alban's to replace Bay d'Espoir Academy.

And, \$12.2 million will advance post-secondary infrastructure, which includes the Animal Resource Centre at Memorial University and the Heavy Equipment Centre at the College of the North Atlantic.

### Health Care

- ▶ \$17.6 million for construction of long-term care homes in Corner Brook, Gander and Grand Falls-Windsor.
- ▶ \$9.1 million to continue the construction of the Green Bay Health Centre in Springdale;
- ▶ \$8.9 million has been allocated to advance construction of the new adult mental health and addictions facility;

- ▶ \$8.6 million to support ongoing development of the new electrical substation at the Health Sciences Centre;
- ▶ \$6.9 million for the construction of a new hospital in Corner Brook, which will begin this year; and,
- ▶ \$5.5 million to begin construction of the 20-bed expansion of the protective care unit at the Dr. Hugh Twomey Health Centre in Botwood.

## Transportation

Two years after launching a five-year provincial roads plan, we have clear evidence the plan is working. By issuing tenders early in the year, road builders are able to take full advantage of our province's short construction season. Tenders began being issued in December.

Combined with our investments in the Trans-Labrador Highway, more than 1,400 lane kilometres have been paved over the last two years. This is equal to paving one lane of highway from St. John's to Port aux Basques AND from Labrador City to Happy Valley-Goose Bay.

This fiscal year, our government will match the roads plan budget of \$77.2 million for each of the last two years.

Budget 2019 will allocate approximately \$13.6 million, including funding from the Federal Government, for local and rural highways.

For the first time in our province's history, centre line rumble strips will be added to Veterans Memorial Highway and construction of climbing lanes at four locations of the highway will be completed to create a safer environment for all motorists.

These improvements not only mean safer roads and fewer accidents for residents of such communities as Bay Roberts, Carbonear and Spaniard's Bay, but they also support the continued economic growth of the region and efficient transportation of goods.

These investments in the roads program, along with work on the Team Gushue Highway and Trans-Labrador Highway will be supported by an investment of \$131.4 million this year.

Safety on our highways remains a top priority for our government. Our government has increased the use of modern technology to provide tools to the travelling public to make informed decisions before travelling. This year, new highway cameras will be installed at well-travelled routes including the Argentia Access Road and Hearts Content Barrens with an investment of \$145,000.

## Marine

Our five-year marine infrastructure plan provides better services at ferry ports across the province.

In addition to the significant improvements to the Labrador ferry service, our new contracts for ferry services on the south coast of the island will deliver a more cost-efficient and sustainable service to communities of La Poile, Francois, Grey River, South East Bight, Petite Forte, Recontre East, Bay L'Argent, Pool's Cove, Hermitage, Gaultois and McCallum.

In Budget 2019, we will allocate \$15 million for vessel refits and maintenance of ferries, terminals, and wharves.

## Industry Development

### Tourism

Mr. Speaker, whether it is hiking along the East Coast Trail, watching for whales and icebergs in Twillingate, experiencing the culture of Fogo Island, or touring any of the four UNESCO World Heritage sites, we are well-positioned to expand the province's tourism industry – an industry that employs approximately 20,000 people.

In the last year alone, we have worked collaboratively to make investments in projects that leverage these strengths and build industry capacity.

Examples of such projects include Theatre Newfoundland and Labrador's multi-functional theatre complex in Cow Head, as well as supporting the Discovery Aspiring Geopark on the Bonavista Peninsula that will assist it in securing UNESCO Global Geopark designation and advancing our geo-tourism industry.

To help create awareness of these wonderful experiences, our government will invest \$13 million in tourism marketing again this year. We will also use funds from the \$10 million Regional Development Fund to work with industry and community partners to support initiatives to advance economic development infrastructure, marketing, research and capability in areas such as tourism.

Building on our Tourism Product Development Plan, we will focus on enhancing tourism experiences. Further, we are committed to undertake an action plan on the maintenance and growth of airline routes and marketing.

## Film and Television

Mr. Speaker, Newfoundland and Labrador is well-known for creativity, story-telling and captivating scenery.

These attributes, coupled with a highly-skilled workforce are supporting the exciting development of a film and television industry that employs more than 600 people, attracts investment, generates economic spin-offs and supports our tourism industry. We have seen growth of over 20 per cent in this industry in the last two years. It is also an industry that is creating employment opportunities for women with more than 70 per cent of the projects supported to date being led by female producers.

To leverage our strengths and continue to position Newfoundland and Labrador as an attractive location for investment in a very competitive global industry, we have:

- ▶ Allocated \$4 million for the Film Equity Program, which we doubled in 2017; And,
- ▶ Renewed the Newfoundland and Labrador Film and Video Industry Tax Credit until 2021.

## Social enterprise

Social enterprises play a leading role in rural and urban areas in delivering services, attracting investment and creating economic development.

Through the Social Enterprise Action Plan, we are leveraging those strengths through an investment of \$250,000 that will support social enterprise research projects.

## Youth

As a government, we will continue to create an environment that drives a strong and diversified economy, especially for young entrepreneurs.

In 2018-19, approximately 20 loans were provided to young entrepreneurs through the Drive Program, supporting 40 positions. This year, we are allocating \$200,000 to continue to assist young entrepreneurs through loans up to \$10,000.

Through the Green Jobs in Green Spaces for Youth, there is \$138,000 for investment, which supports our ability to increase the number of student positions and enhanced customer service at parks.

## Research and Development

The Newfoundland and Labrador technology sector includes almost 600 businesses, generating approximately 6,500 jobs. In an effort to increase technology sector business activity and grow the number of people employed a joint government-industry working plan entitled The Way Forward on Technology was released in February 2018.

Mr. Speaker, supporting greater research and development has proven outcomes and will help attract new researchers and investment to the province, as well as help expand key industries.

As a government, we view ourselves as a partner in creating a culture where such innovation and entrepreneurship can flourish.

To support access to much-needed capital investment and support a climate where such innovation can occur, we are allocating almost \$14 million in Budget 2019.

## Traditional Industries

Mr. Speaker, where the previous administration lost sight of the importance of traditional industries we see them as being a catalyst for even greater economic activity. We see their growth as key to food security, as well as driving new business opportunities and new jobs.

Considerable work has been undertaken over the last three years to energize these sectors, as they are a catalyst for strengthening local economies through business development and job creation.

In agriculture, our actions are ensuring new entrants can access the necessary tools to build modern, innovative operations.

In the last year, we made 6,700 hectares of Crown land available for farming. That's equivalent to more than 12,000 football fields.

Through the work of the Department of Fisheries and Land Resources our investments over the last year have led to new entrants to the agriculture industry – everything from beef in Reidville and Glovertown to greenhouse vegetables on the Argentia Access Road.

Our engagement of McKinsey has also identified attractive investment opportunities for agricultural projects which our province has a competitive advantage. For example, partridgeberries, cranberries, saltwater lamb, and disease-free bees all hold the potential for new export businesses.

Our government is working closely with industry stakeholders, as well as supporting greater innovation to take full advantage of the opportunities that lie ahead.

As part of our Way Forward commitment to double food self-sufficiency and employment, as well as through the work of McKinsey, the need for cold storage has been identified.

The benefits of such a facility would allow local farmers to overcome barriers that constrain vegetable production, extend their market season, and ultimately expand their operations.

Our government is committed to working with the industry to increase the availability of cold storage.

We are investing more than \$10 million to support this growing industry, including:

- ▶ \$7.1 million under the Canadian Agricultural Partnership;
- ▶ \$2.25 million under the Provincial Agrifoods Assistance Program, including \$100,000 to launch the Community Gardens Support Program; and,
- ▶ \$1 million under the Provincial Agriculture Research and Development Program.

Mr. Speaker, progress is steadily being made to strengthen the provincial forestry industry and achieve the goals of increasing timber allocations and harvest levels as outlined in The Way Forward.

Guided by the sector work plan and supported by opportunities identified by McKinsey, we will work with industry to diversify the products produced by the forestry sector.

To support this work, Budget 2019 allocates:

- ▶ \$3.66 million for silviculture and research into reforestation and forest improvement;
- ▶ \$3.42 million for the Fire Suppression Program to protect forests from uncontrolled forest fires; and,
- ▶ \$900,800 for the Insect Control Program to monitor and evaluate forest insect and disease conditions.

As part of The Way Forward on Forestry, we will be examining the feasibility of creating a Wood Products Innovation Centre dedicated to applied research, technology transfer and innovation to assist industry in developing new products, including non-timber forest products and value added wood products. This will be done in collaboration with College of the North Atlantic, Corner Brook Pulp and Paper, Newfoundland and Labrador Forestry Industry Association and Memorial University's Grenfell Campus.

We are collectively optimistic for the potential of such a centre.

To assist fishing enterprises in the wild and farmed fisheries adopt innovative, modern fishing practices in a globally competitive sector, we are allocating \$10 million under the Atlantic Fisheries Fund in Budget 2019. This fund enhances our ability to partner with the industry to meet growing market demands for sustainably sourced, high-quality fish and seafood products.

In the fund's first year, we were able to support Torngat Fish Producers Co-operative Society develop innovative processing equipment for turbot and snow crab; And, Icewater Seafoods in Arnold's Cove develop an ice management system.

Building on this collective activity, the newly-created Canadian Fish and Seafood Opportunities Fund, the marketing pillar of the Atlantic Fisheries Fund; will advance marketing initiatives and

sharpen the industry's ability to target new markets and leverage benefits emerging from free trade agreements with Europe and Asia.

As we continue to explore opportunities to expand the fishery, the Fisheries Advisory Council is a valued resource for input and guidance. This year, we have allocated \$100,000 for the council.

To support businesses in these industries, \$500,000 has been allocated through the Employment Enhancement Program for wage subsidies and training allowances. This will help foster innovation, growth and diversity in these important sectors.

## Conclusion

Mr. Speaker, as a province we are turning the corner towards a brighter future.

Through Budget 2019, the stage is set to continue to action The Way Forward, creating jobs and opportunities for Newfoundlanders and Labradorians, and improving service delivery.

We have accomplished a great deal in our first mandate. We will continue to implement our balanced approach and make Newfoundland and Labrador the best place to live, work and raise a family.

Thank you.

