

Association of Chartered Professional Accountants of Newfoundland & Labrador

St. John's, April 30, 2026

Government of Newfoundland and Labrador Budget Release 2026

Opportunity for All of Us

The Minister of Finance, Honourable Craig Pardy delivered the Progressive Conservative Government's 2026-27 budget noting that, *"It is with great pride that I deliver your new government's first budget to Newfoundlanders and Labradorians. We are steadfast in our commitment to improving the overall quality of life for residents by making everyday living more affordable. We are equally committed to strengthening communities, and this budget is reflective of that, with a focus on lower taxes, better health care, and safer communities. I strongly believe that the road ahead is full of opportunity – for all of us."*

Overview

In the 2025-26 budget, the previous administration projected a deficit of \$372 million. In the revised 2025-26 budget, the projected deficit has increased to \$729 million. This increase is attributable to variances across several areas. While total revenues are \$7 million higher than originally budgeted, total expenses exceed the original budget by \$365 million.

A significant factor related to the increase in the projected deficit stems from a \$511 million reduction in fees and fines largely attributable to how the proceeds from a tobacco settlement will be recognized. The 2025-26 budget included \$519 million, which represented the estimate at the time for the total value of the settlement. The final settlement was \$531 million, \$138.8 of which was received and recorded in 2024-25 and \$8 million of which was received and recorded in the 2025-26 revised budget. An additional \$15 million has been included in the budget for 2026-27.

The current administration has tabled a 2026-27 budget with a projected deficit of \$689 million. The multi-year plan for the province sets the following targets (\$ millions):

	2025-26 Revised	2026-27	2027-28	2028-29	2029-30	2030-31
Revenue	10,677	10,837	10,459	10,578	10,863	11,233
Expenses	11,406	11,526	11,554	11,680	11,975	12,068
Surplus (Deficit)	(729)	(689)	(1,095)	(1,102)	(1,112)	(835)

"The Minister of Finance indicated that the public can expect a debt reduction plan by next year's budget, this is a critical item missing from today's budget and an area that I look forward to being addressed, hopefully with updates coming throughout the year" said Jason Hillyard, CEO, CPA Newfoundland and Labrador.

Revenue

Total revenue budgeted for 2026-27 is approximately \$160 million more than the 2025-26 revised revenue and is driven by a significant increase in offshore royalties of approximately \$343 million and an increase in funding from the government of Canada of \$200 million. These increases are offset by an overall decrease in taxation revenue of approximately \$239 million, and a reduction in net income from government business enterprises and partnerships of \$62 million.

The budget indicates there are no new taxes or fees for residents. An increase in the basic personal amount, exempt from income tax to \$15,000; the permanent reduction of the gas tax to 7.5 cents; and a reduction in the small business tax rate have all contributed to the lower taxation revenue. In addition, the government has introduced a \$40 million new Graduate Tuition Refund Program which will start next fiscal year, providing incentives for graduates to stay, work and live in the province.

“CPA Newfoundland and Labrador has proposed a tax incentive for many years related to retaining our youth following the completion of their studies, I am please to see this added to the 2026-27 budget and hope that it is material enough to keep our youth in the province and have a meaningful impact on their cost of living as they start their careers,” said Jason Hillyard.

Revenue from oil royalties is based on a US-Canada exchange rate of \$0.741 and a per barrel price of \$79USD which is up from the \$73USD used in the prior year budget. Oil production is expected to be higher than the revised production for 2025-26, contributing to the increase in royalty revenue.

Total oil revenue for 2026-27 is 19% of the total budgeted revenue, an increase from the 16% it represents in the revised 2025-26 budget.

Expenses & Debt

The 2026-27 budget projects expenses of \$11.526 billion, an increase of \$120 million or 1.1% over the prior year forecast.

The increase in total expenditures consists of an increase of \$272 million in the General Government Sector and Legislative Branch, offset by decreases of \$133 million in the Social Sector and \$19 million in the Resource Sector.

Within the Social Sector, Health and Community Services continues to be the most significant expenditure at \$4.795 billion, representing 42% of total expenditures. Education is the second largest expenditure at \$1.881 billion, representing 16% of total expenditures.

Total consolidated net borrowing in the 2026-27 budget is \$24.992 billion, an increase of \$2.446 billion from the revised 2025-26 budget.

For additional details and a complete list of budgetary measures please refer to [Budget 2026 - Government of Newfoundland and Labrador](#).