

Our Plan

We will do what Newfoundlanders and Labradorians are expecting us to do.



Our Targets

To ensure Newfoundland and Labrador is positioned to return to surplus in Budget 2022, the Provincial Government has implemented a series of fiscal targets as part of Budget 2016, including:

- Borrowing targets that over the seven year period (2016-22) will require \$8.2 billion in new debt, compared to \$17.6 billion if no action was taken;
- The net debt as of March 31, 2023 is targeted to be \$16.5 billion, compared to \$27.3 billion if the Provincial Government did not take definitive actions; and,
- Instead of a deficit of \$1.9 billion if no action was taken, the Provincial Government is targeting a small surplus in 2022-23.

Our Actions

Given the seriousness and scope of the current and forecasted fiscal situation, a new approach is required that moves beyond the traditional single year budget efforts.

Over the last three months we have seen a continued decrease in oil royalties, which increased our projected deficit for 2016-17 from \$2.4 billion to \$2.7 billion. **Given the bold actions announced today, we are able to cut that deficit by one-third. The budgeted deficit for 2016-17 is now \$1.8 billion.**

We've taken a prudent approach and have budgeted \$125 million in risk adjustment to protect against adverse impacts encompassing commodity price fluctuations and volume.

Budget 2016 contains decisive actions, and will be followed by more actions in a supplemental budget later this fall in conjunction with the Fall Fiscal update.

We will also move forward with Phase 2 of the Government Renewal Initiative. We have identified a number of policy options to further reduce expenditures, including:

- Government and departmental reorganization;
- Efficiencies through major program review and redesign;
- Consolidation of functions within the public sector; and,
- Partnerships with the non-profit and private sectors.

We will do what Newfoundlanders and Labradorians are expecting us to do:

- We will be more efficient;
- We will eliminate government waste;
- We will stop excess spending; and,
- We will expect that public money is treated responsibly. We will act when we suspect it is not.

Our Values

As we lay the foundation to regain control of government finances, we are guided by unwavering values.

- We will take care of the most vulnerable in our province with the Newfoundland and Labrador Income Supplement.
- We will ensure that critical services are protected for the current generation and we will make government more efficient so as to not burden them with debt.
- We will protect future generations with the creation of a Diversified Wealth Fund that will prevent any future governments from leaving our province in the fiscal situation we find ourselves in today.

"We will gather the facts, analyze the data, make plans and execute and evaluate our performance. We will hold ourselves accountable. We will get results. Today marks a bold step forward."

We have much more work to do."

Minister Cathy Bennett



Budget 2016

www.gov.nl.ca/budget2016

