

Our Plan

Our vision is of a province that offers a strong future for all residents.

Our Targets

Budget 2017 continues our plan for Newfoundland and Labrador to return to surplus by 2022-23. Our work to date has positioned our province for success and to realize our potential.

- Our government has exceeded this year's deficit reduction target and is on track to meet our deficit reduction target for 2017-18.
- Last year's budget forecasted a deficit of \$1.83 billion. As a result of our commitment to restore our financial footing, the 2017-18 deficit is projected to be \$778 million.
- Budget 2017 includes expenses of \$8.1 billion, a reduction of \$283 million over 2016-17 revised. Revenue is projected to be \$7.3 billion.
- There are no new taxes or increases to fees in Budget 2017.
- 75 per cent of the temporary gas tax, introduced in Budget 2016, will be eliminated in 2017. On June 1, 2017, gas tax will be reduced by 8.5 cents per litre with a further four cents per litre reduction on December 1, 2017.
- The Newfoundland and Labrador Income Supplement and Seniors' Benefit will be maintained through a \$120 million investment. These programs benefit approximately 155,000 individuals and families annually.
- Budget 2017 requires borrowing of \$400 million which is \$2 billion lower than our forecast last year.

Our Actions

Budget 2017 includes savings of \$283 million from actions in the following areas:

- Implementing a zero-based budgeting approach, saving \$65 million.
- Reviewing expenditures of agencies, boards and commissions for anticipated savings of \$42 million.
- Removing duplication and streamlining management structures within departments, agencies, boards and commissions to make them more efficient and focused will achieve savings of \$31 million.
- Annualizing the impact of actions implemented in 2016-17 accounts for \$68 million in savings.
- Net savings of \$77 million including actuary calculations and other accrual adjustments.

Strategic Investments

In Budget 2017, our government is supporting Newfoundlanders and Labradorians through strategic investments in the following areas:

- **Healthy Living**
- **Safe and Sustainable Communities**
- **Education and Skills Development**
- **Industry and Business**
- **Infrastructure**



Exceeded Deficit Reduction Target for 2016-17



On Target for Deficit Reduction for Budget 2017



On Track to Return to Surplus in 2022-23

Realizing Our Potential

Our government is proceeding with new initiatives and strategic investments that focus on private sector job creation, economic growth, and the health and wellbeing of residents.

The achievement of The Way Forward targets would create the equivalent of an average of 9,300 full-time jobs per year while the infrastructure plan will support the equivalent of an average of 4,900 full-time jobs per year over the next five years.

Examples of initiatives and strategic investments include:

- Approximately \$3 billion for a multi-year infrastructure plan including Budget 2017 investments of \$573.1 million in key areas such as roads, schools, health care facilities and municipal infrastructure projects.
- More than \$405 million for the operating grants of Memorial University and College of the North Atlantic.
- \$120 million for the Newfoundland and Labrador Income Supplement and Seniors' Benefit.
- Over \$13 million annually for full-day Kindergarten across the province and \$14.5 million for the Child Care Subsidy Program.
- An additional \$73 million over ten years for mental health initiatives.
- \$115.2 million for community groups for projects and programs they deliver to residents.
- \$14.4 million for economic and business development.

Our Vision

Our vision is of a province that offers a stronger future for all residents;

- **We will create a stronger economic foundation.**
- **We will do better with less.**
- **We will collaborate.**
- **We will challenge ourselves.**
- **We will return to surplus by 2022-23.**

“It is very important that we stay on the course of expenditure reduction and change the culture of spending that is inherent in government and government agencies. We are methodically and responsibly redesigning government to address our economic, social and fiscal challenges.”

Honourable Cathy Bennett
Minister of Finance and President
of Treasury Board