

## Finance

April 6, 2017

### **Budget 2017: Realizing Our Potential - Province to Achieve Fiscal Targets**

Today, the Honourable Cathy Bennett, Minister of Finance and President of Treasury Board, released Budget 2017: Realizing Our Potential. Budget 2017 confirms the Provincial Government will exceed its fiscal targets for 2016-17 as a result of lowering spending within government, employing an overall approach that ensures all spending decisions are justified on an annual basis, and creating a more modern and effective public service. The Provincial Government remains on track to meet its deficit reduction target in Budget 2017 and return to surplus in 2022-23.

The budget for the 2016-17 fiscal year forecasted a deficit of \$1.83 billion. The deficit for 2016-17 is now revised to \$1.1 billion due to improvements in revenue and reduced expenses.

Primarily, as a result of expense reductions, the 2017-18 deficit is projected to be \$778 million, which is lower than the deficit reduction target of \$800 million.

As previously committed, Budget 2017 contains no new taxes or fee increases.

The Provincial Government will invest \$120 million to maintain the Newfoundland and Labrador Income Supplement and the Seniors' Benefit. These programs benefit approximately 155,000 individuals and families annually.

Budget 2017 realizes government's continued commitment to cost control. Compared to Budget 2016, expenses are reduced by \$283 million in Budget 2017 as a result of:

- Zero-based budgeting;
- Changes to the management structure;
- Savings from agencies, boards and commissions;
- Removing duplication and streamlining management structures within departments, agencies, boards and commissions to make them more efficient and focused;
- Annualizing savings; and
- Net savings, including actuary calculations and other accrual adjustments.

In Budget 2017, borrowing requirements have been reduced by \$2 billion, to \$400 million.

Through a \$3 billion multi-year infrastructure plan, government will invest in education, health, buildings, as well as transportation and municipal infrastructure. These investments, which leverage federal, municipal and private sector funding, are expected to generate an average of \$560 million in annual GDP and the equivalent average of 4,900 full-time jobs annually over the next five years.

Government will meet its seven-year fiscal forecast and return to surplus in 2022-23. As outlined in The Way Forward, government will focus on a stronger economic foundation and a more efficient public sector.

### **Quote**

“Budget 2017 outlines our government’s continued commitment to strong fiscal management and returning to surplus in 2022-23. It reflects progress; a methodical and responsible approach to ensure more effective delivery of public services and regaining control of the serious fiscal situation we face. This year we continue our efforts to address our fiscal situation, to secure a prosperous future for all generations. At every opportunity we will work to achieve the best possible outcomes.”

Honourable Cathy Bennett  
Minister of Finance and President of Treasury Board

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### **Learn More**

All Budget 2017 documents can be found online at [www.gov.nl.ca/budget2017](http://www.gov.nl.ca/budget2017).

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