



**AUDITOR
GENERAL**
of Newfoundland and Labrador

The Financial Condition of the Province

Presentation to NLMA Conference

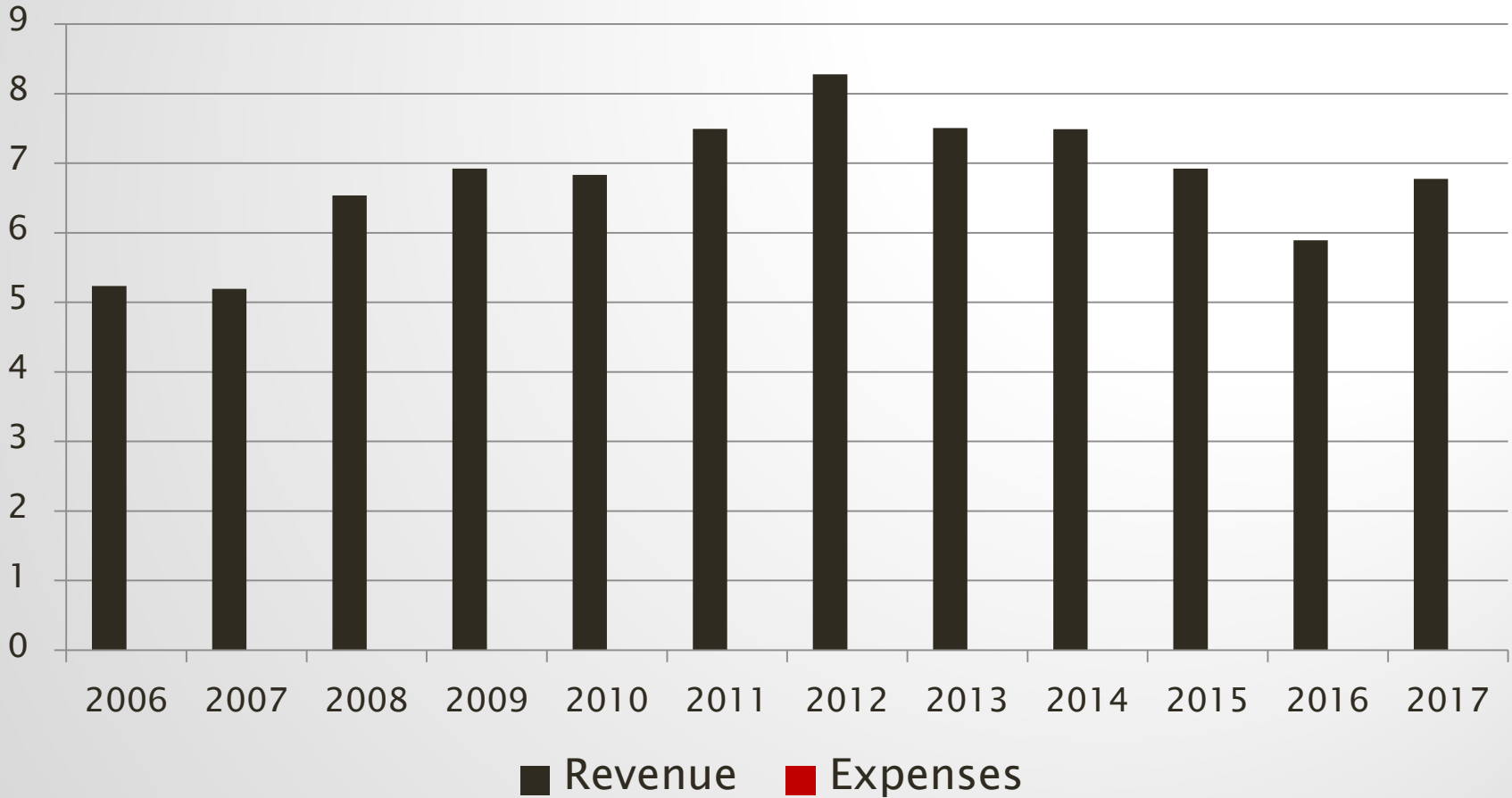
The Need to Review Health Facilities and Services

October 19, 2016

Revenue

(excluding Atlantic Accord)

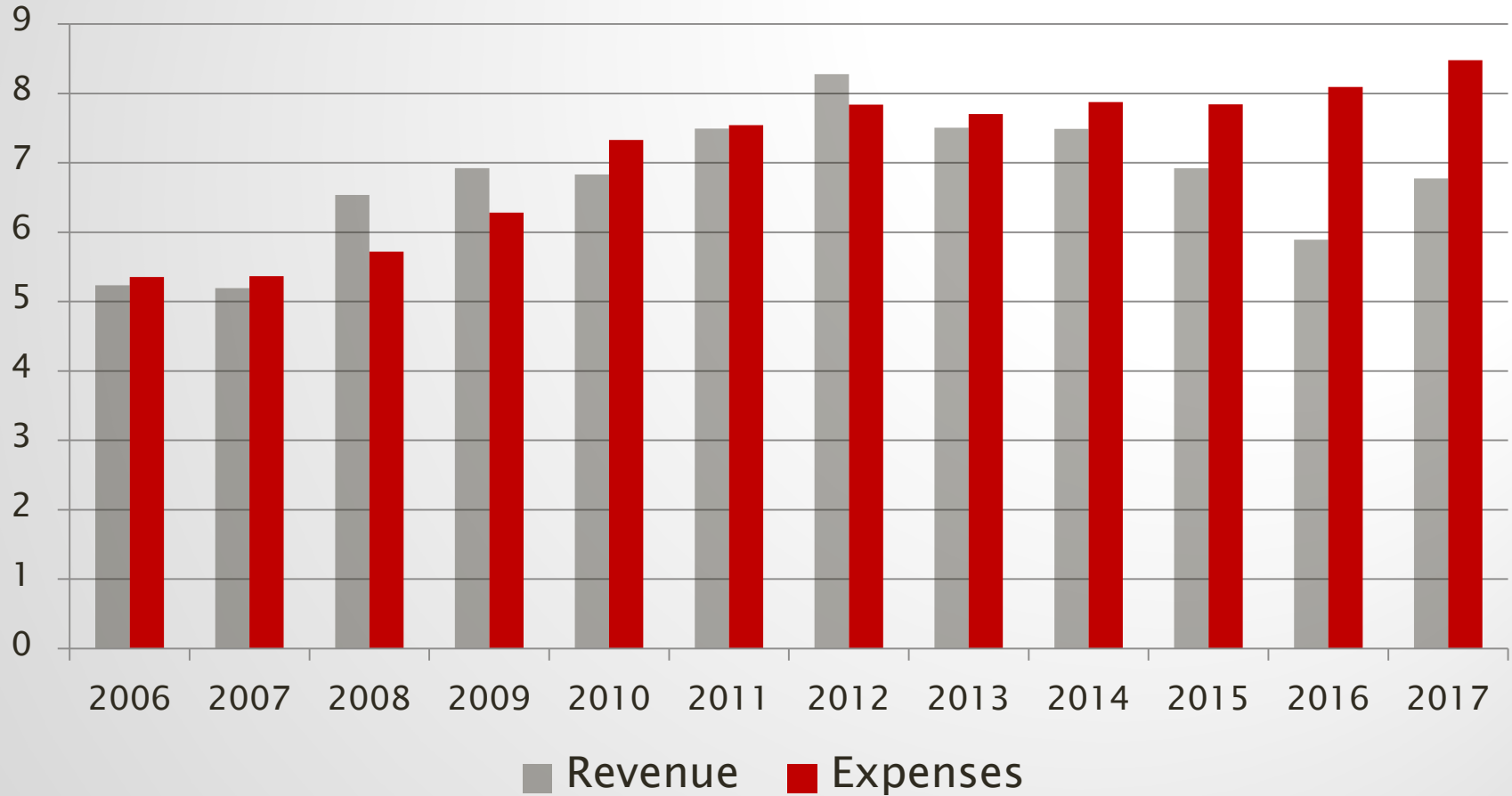
Billions



Source: Public Accounts

Revenue and Expenses

Billions

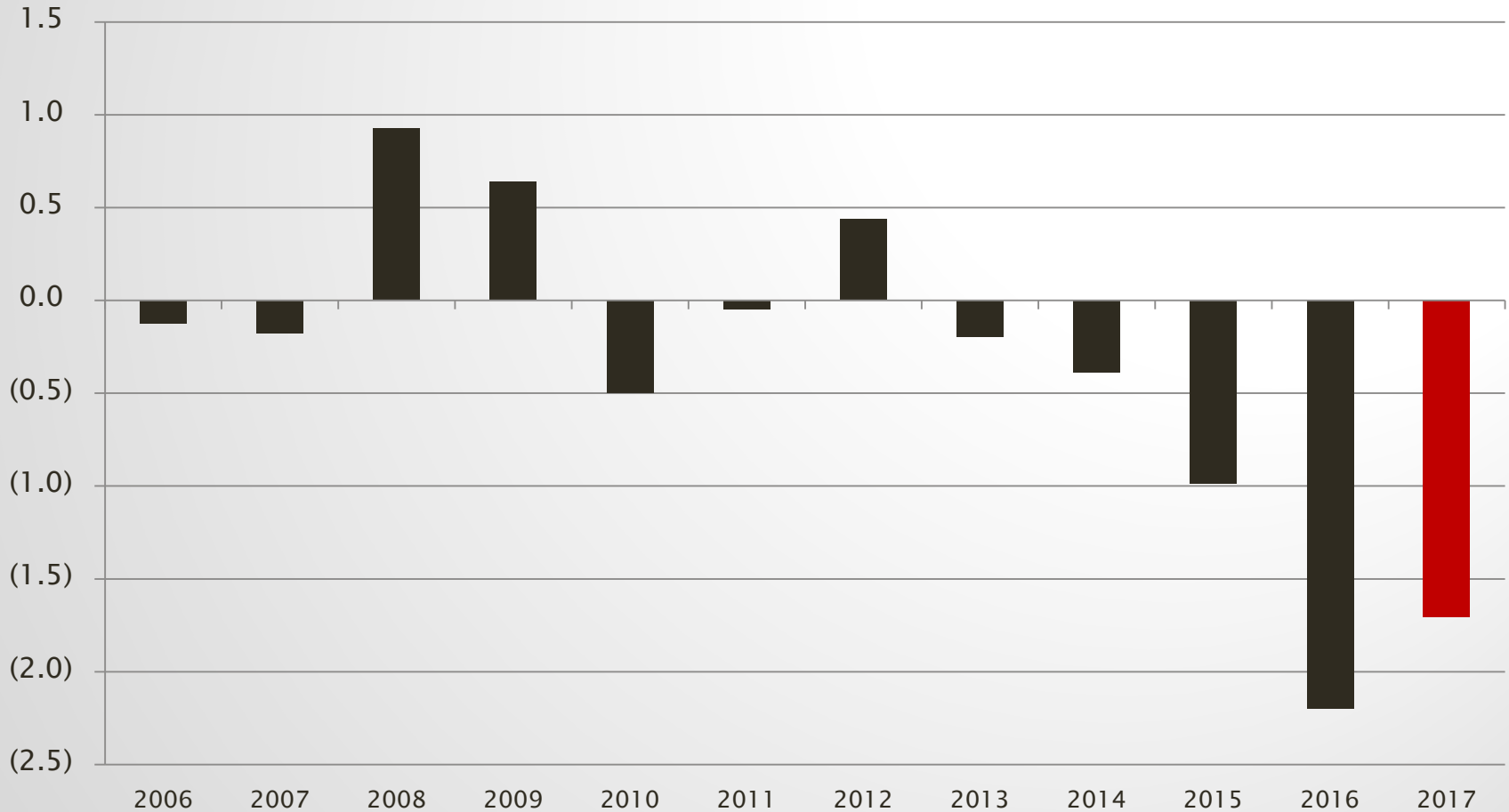


Source: Public Accounts

Surplus/Deficit

(excluding Atlantic Accord)

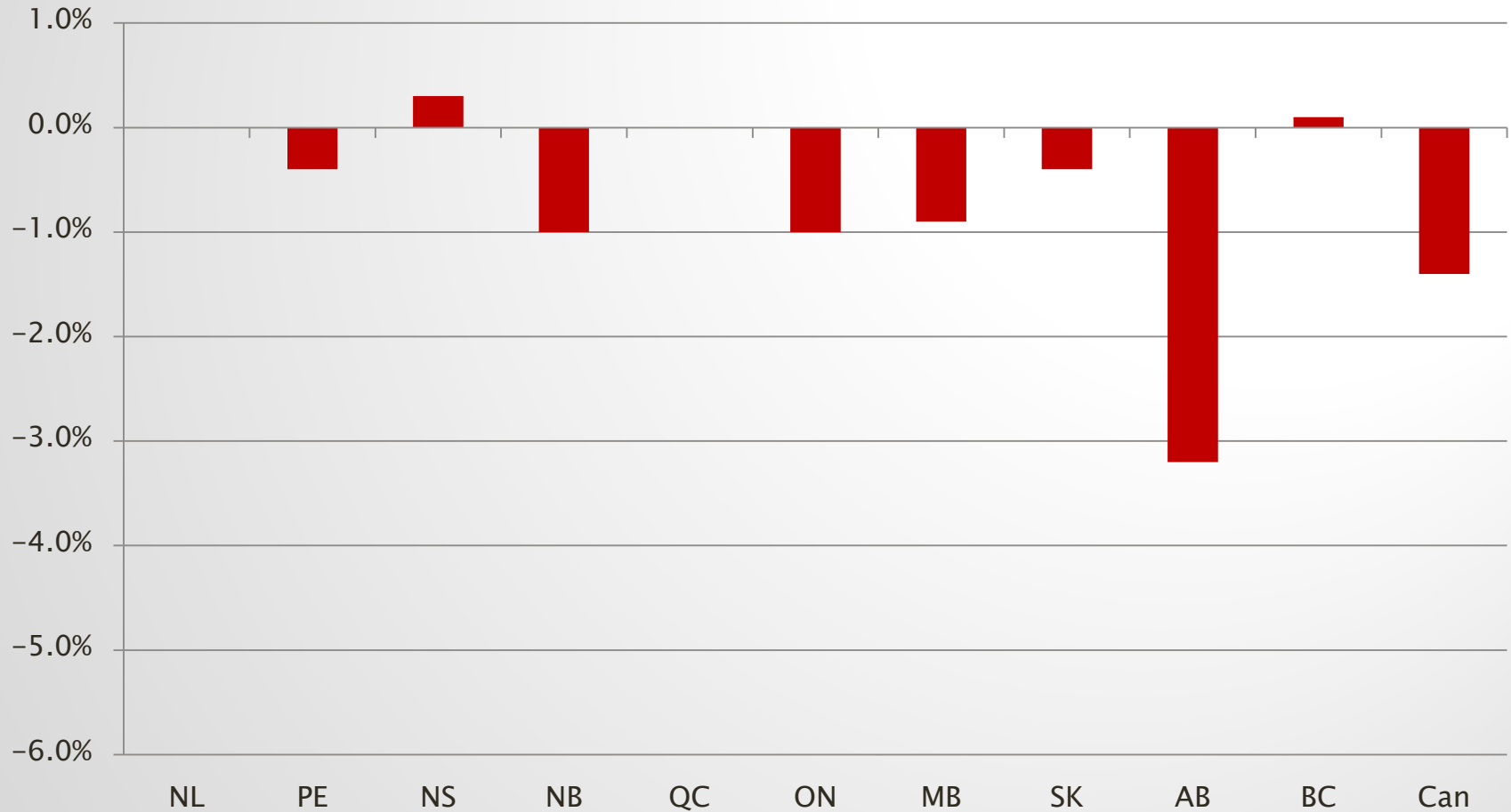
Billions



Source: Public Accounts

Deficit as a Percentage of GDP

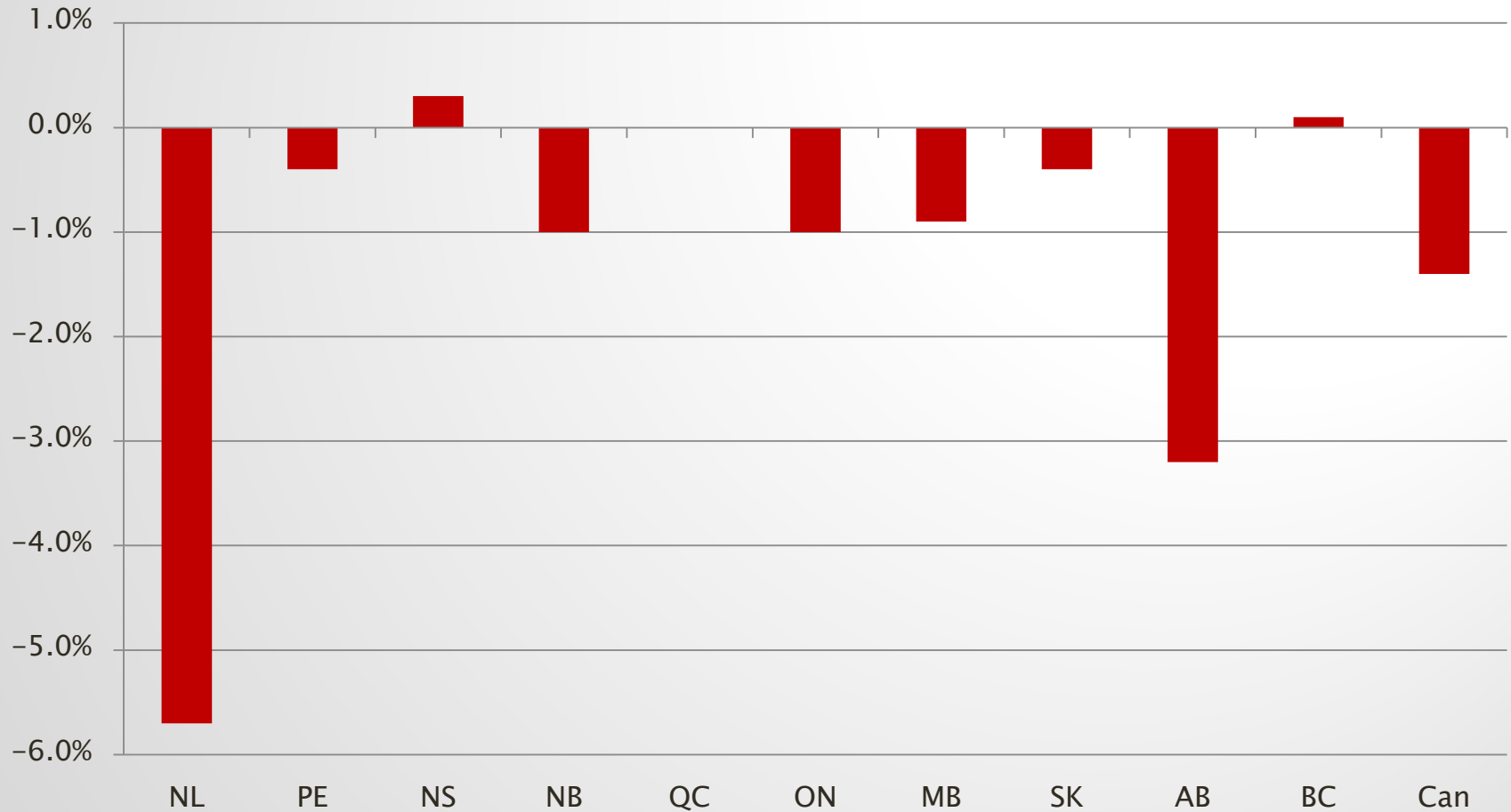
(2016-17)



Source: Public Accounts

Deficit as a Percentage of GDP

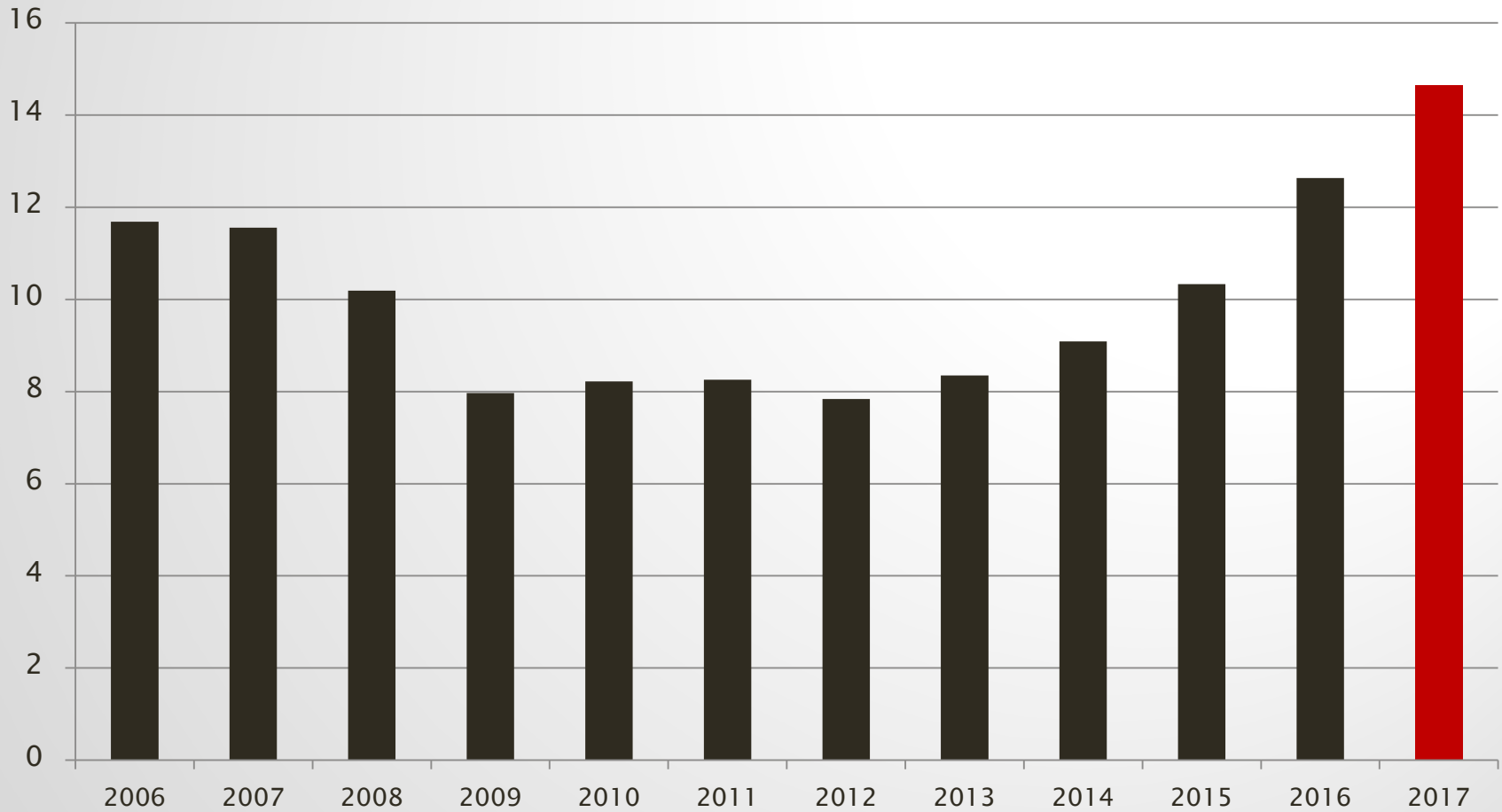
(2016-17)



Source: Public Accounts

Net Debt

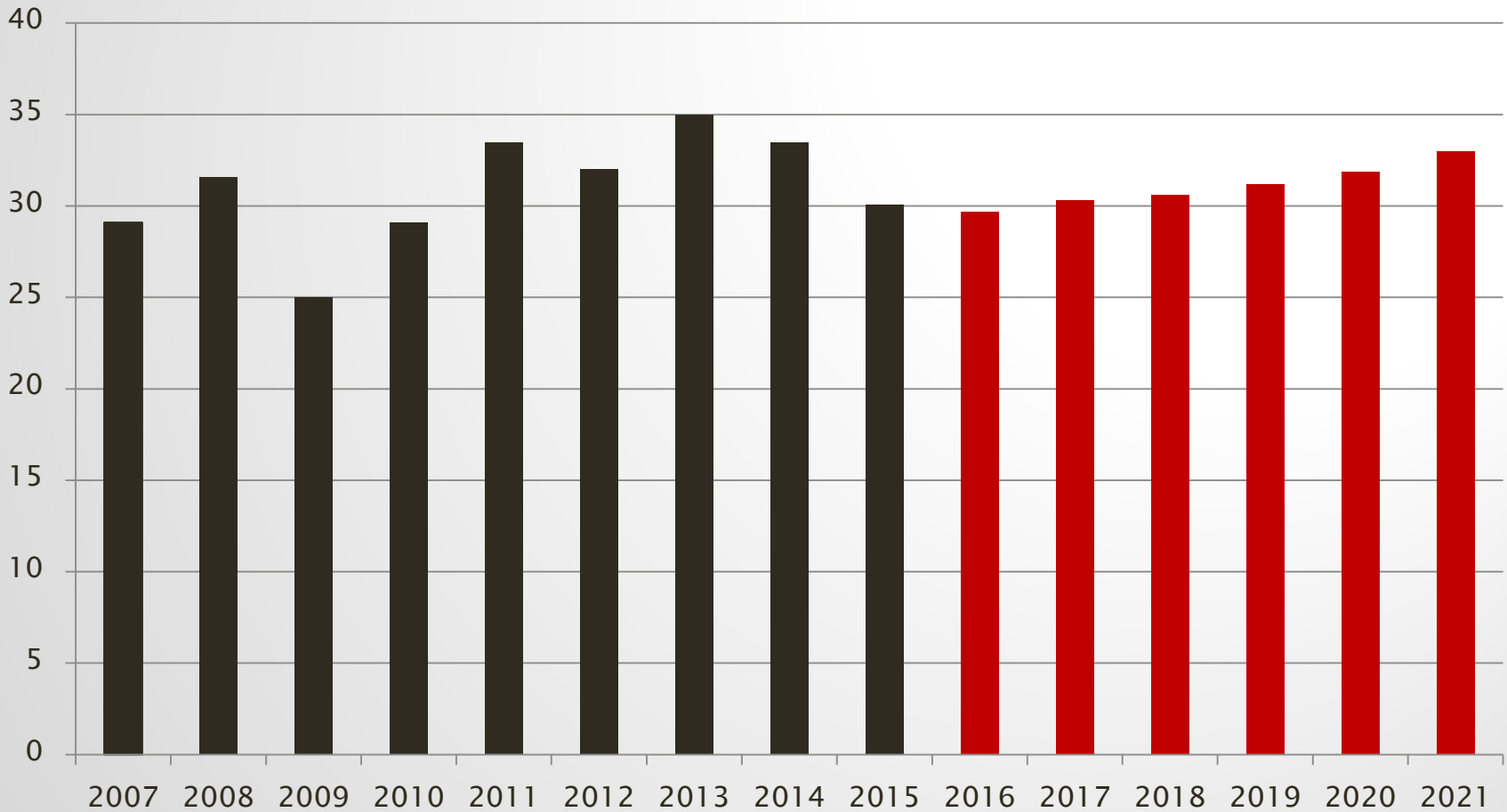
(\$ billions)



Source: Public Accounts

Nominal GDP

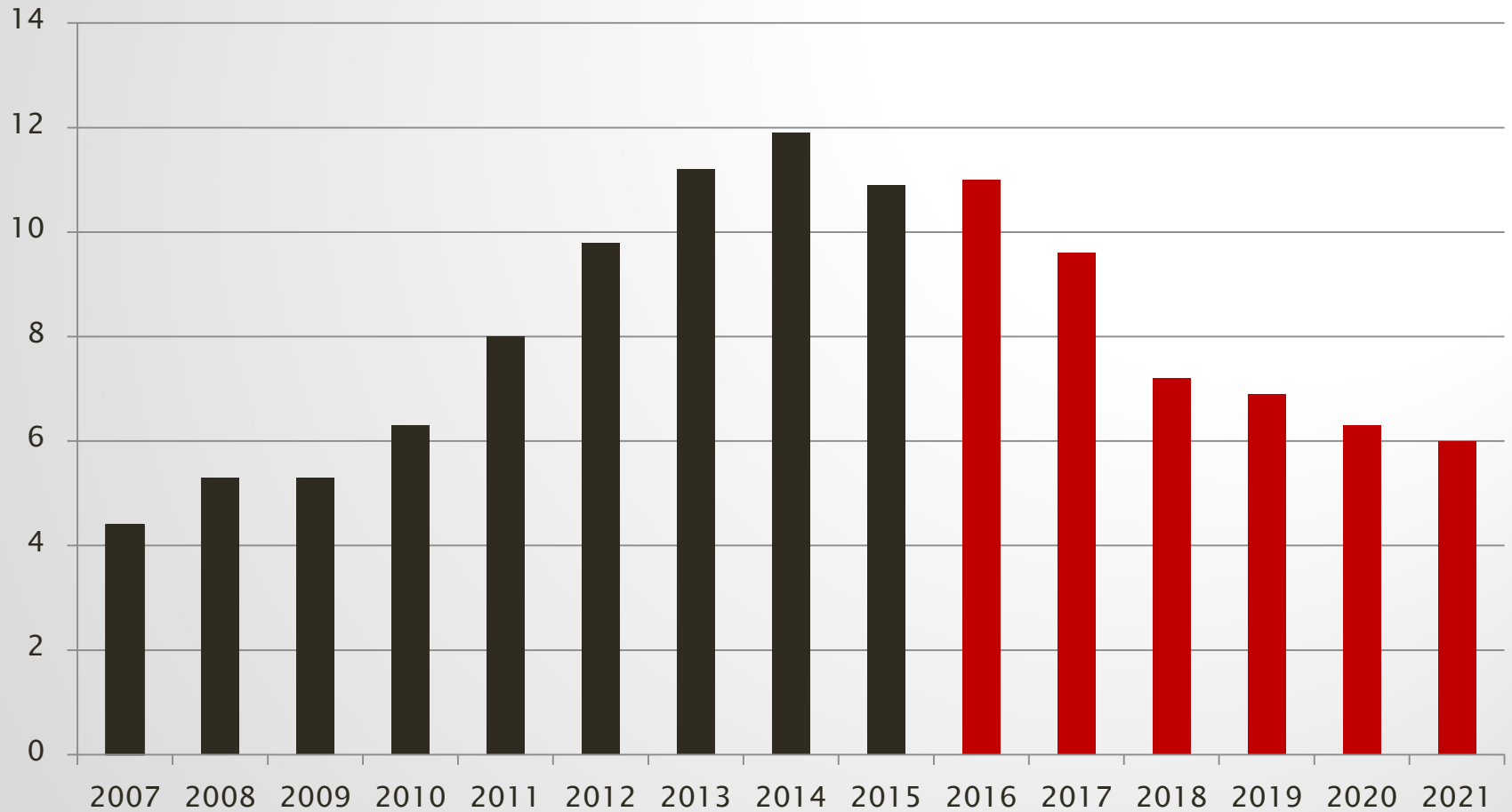
(\$ billions)



Source: Department of Finance

Capital Investment

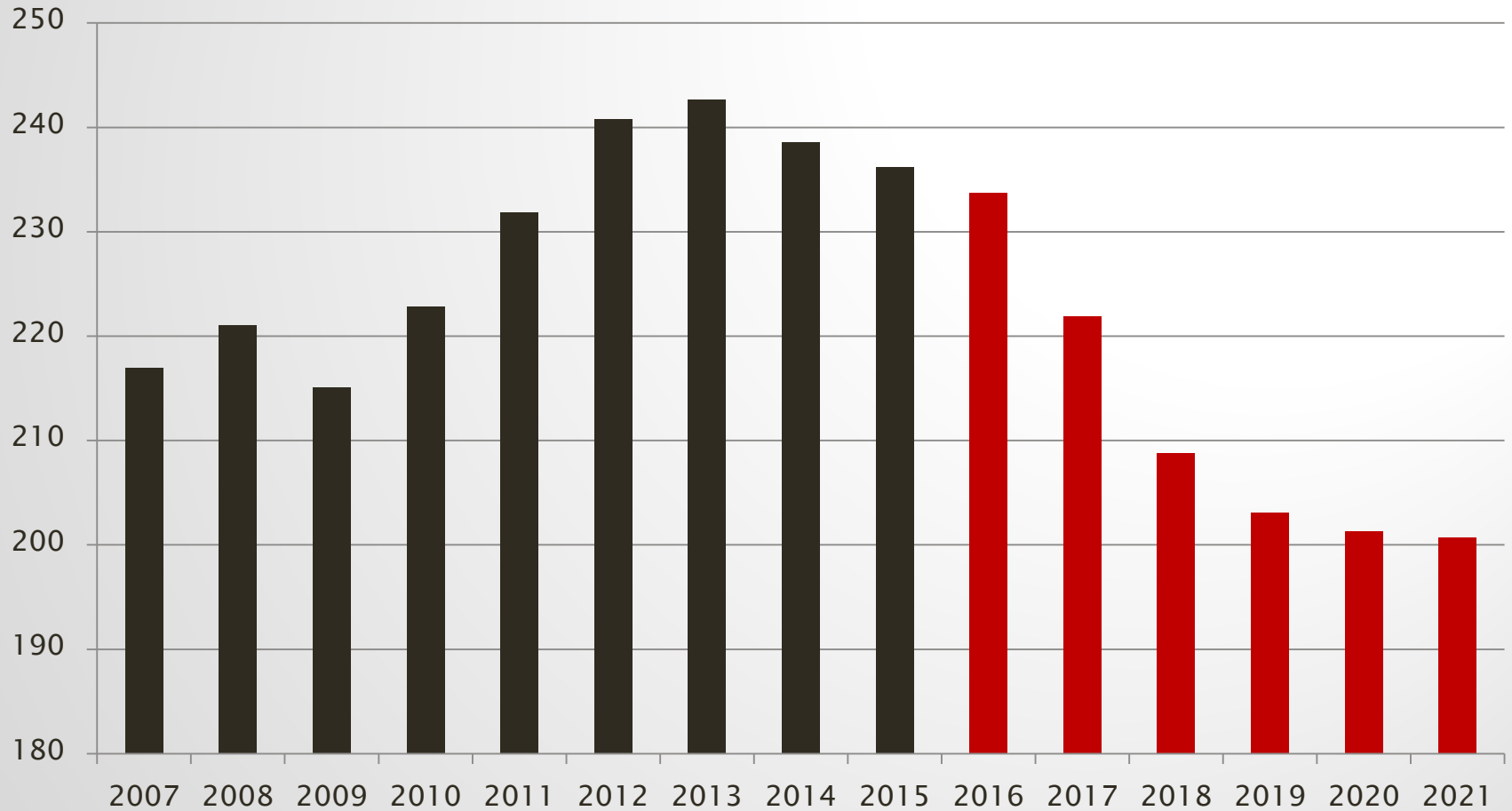
(\$ billions)



Source: Department of Finance

Employment

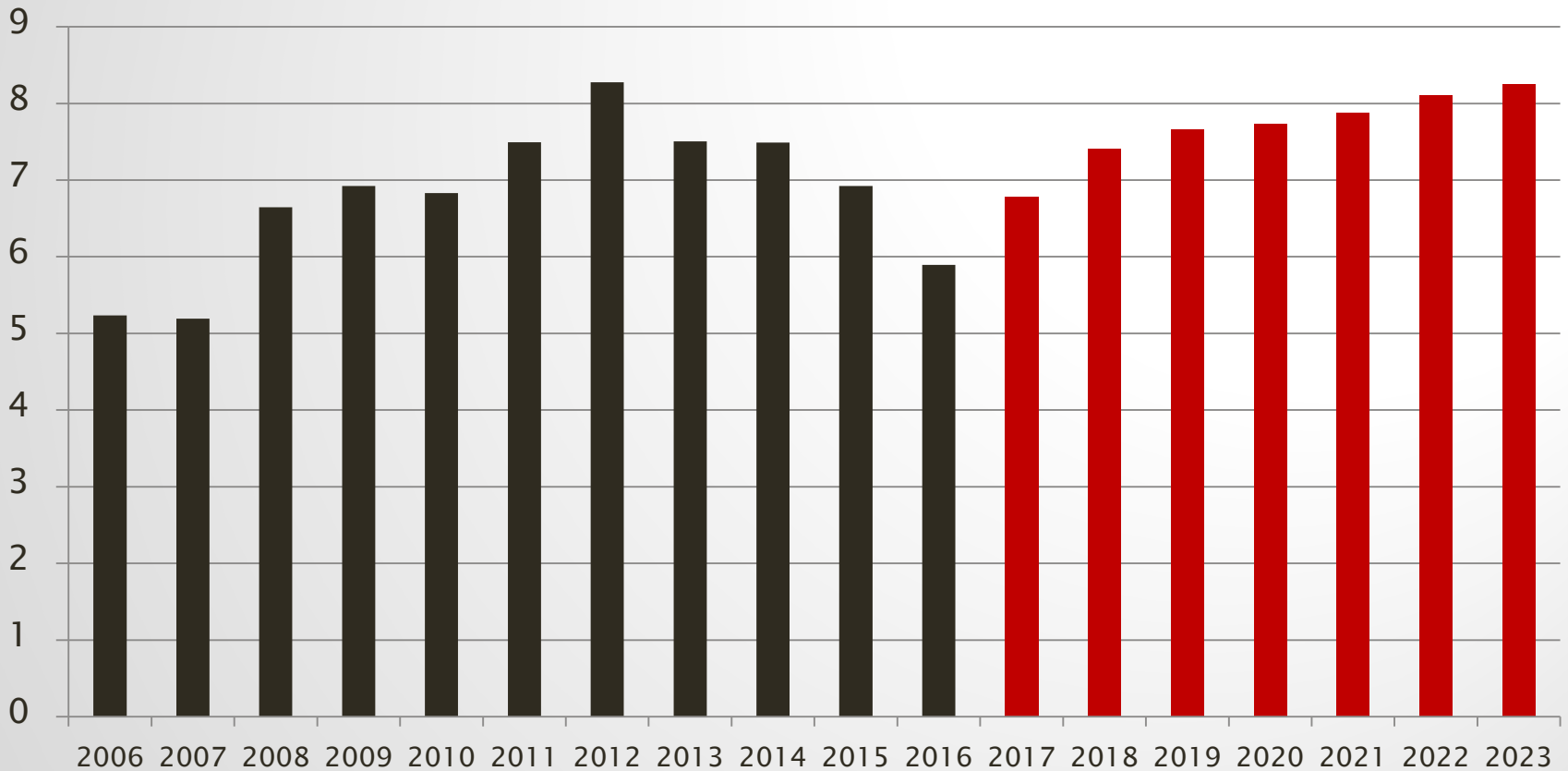
(thousands)



Source: Department of Finance

Revenue

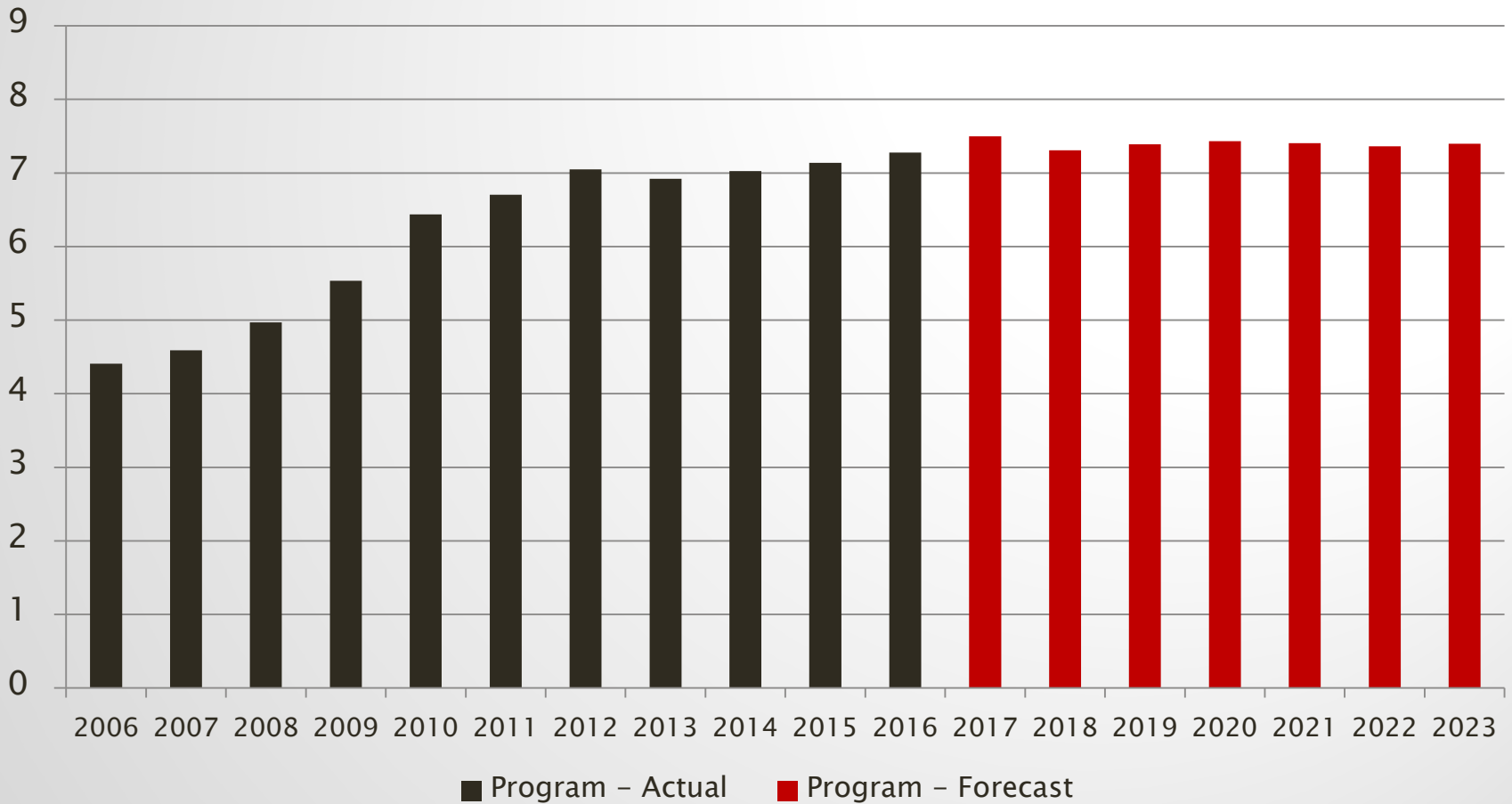
(\$ billions)



Source: Budget 2016

Program Expenses

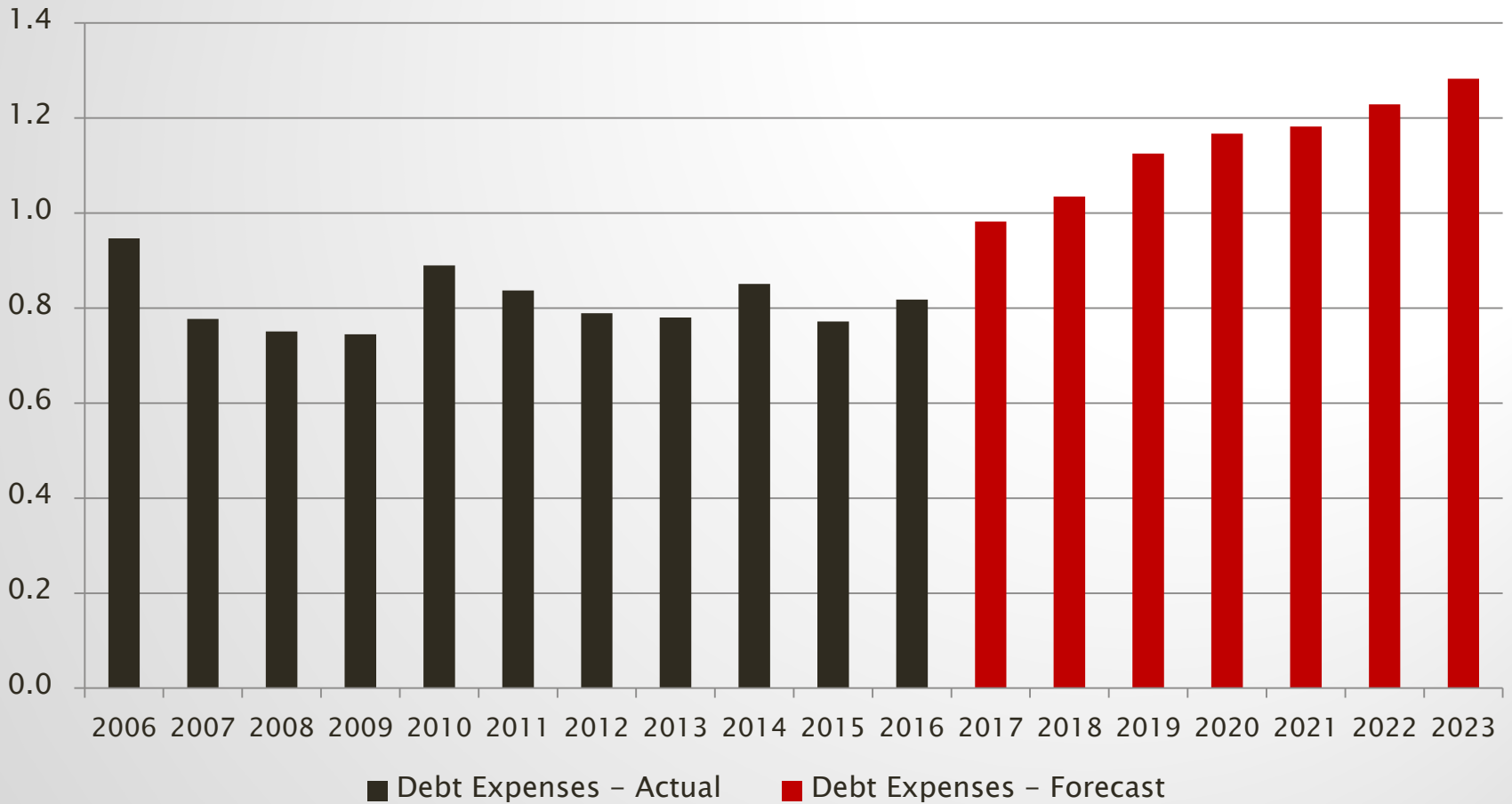
(\$ billions)



Source: Budget 2016

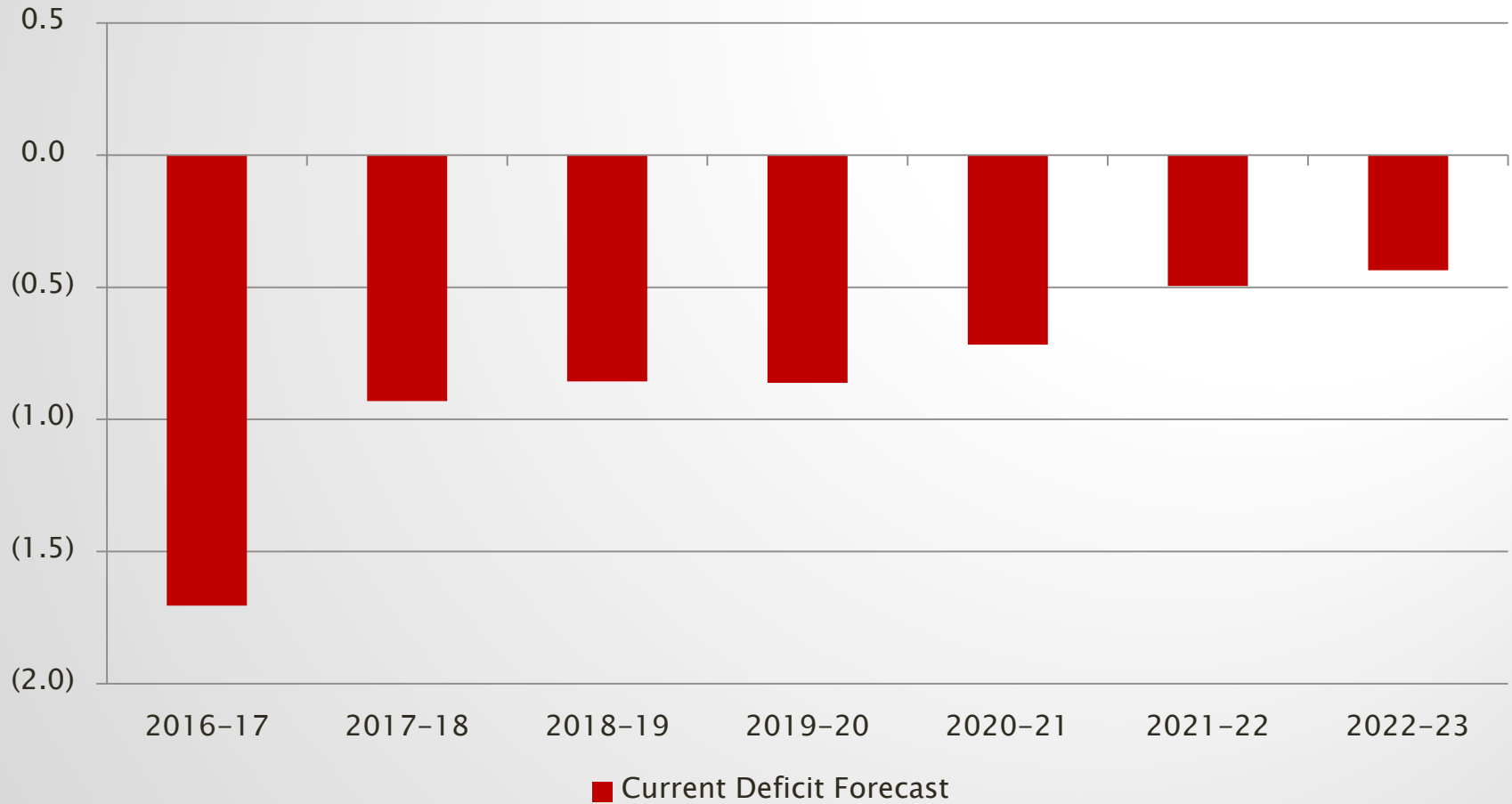
Debt Expenses

(\$billions)



7 Year Deficit Forecast

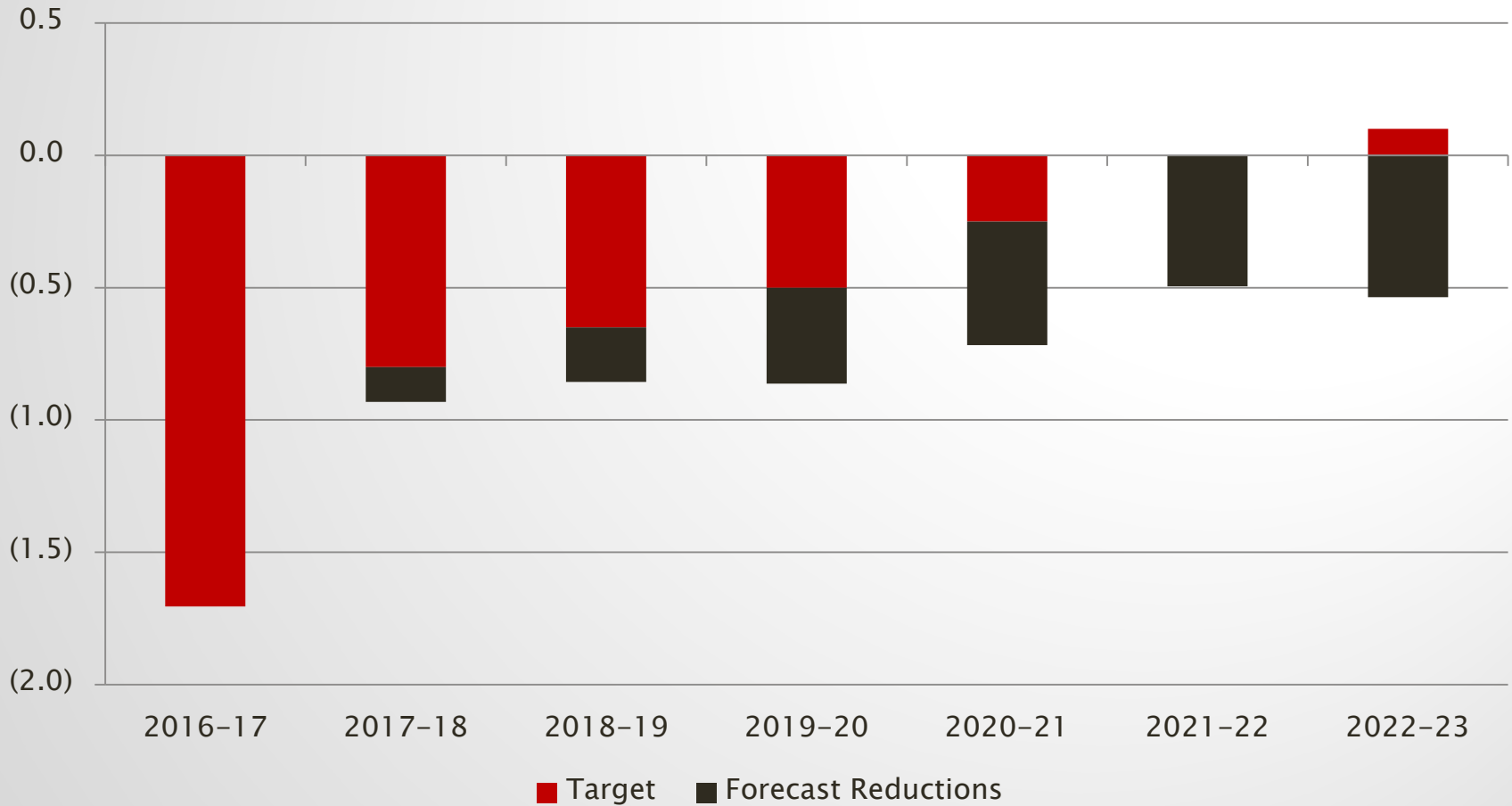
(\$ Billions)



Source: Budget 2016

7 Year Deficit Forecast and Target

(\$ Billions)



Source: Budget 2016

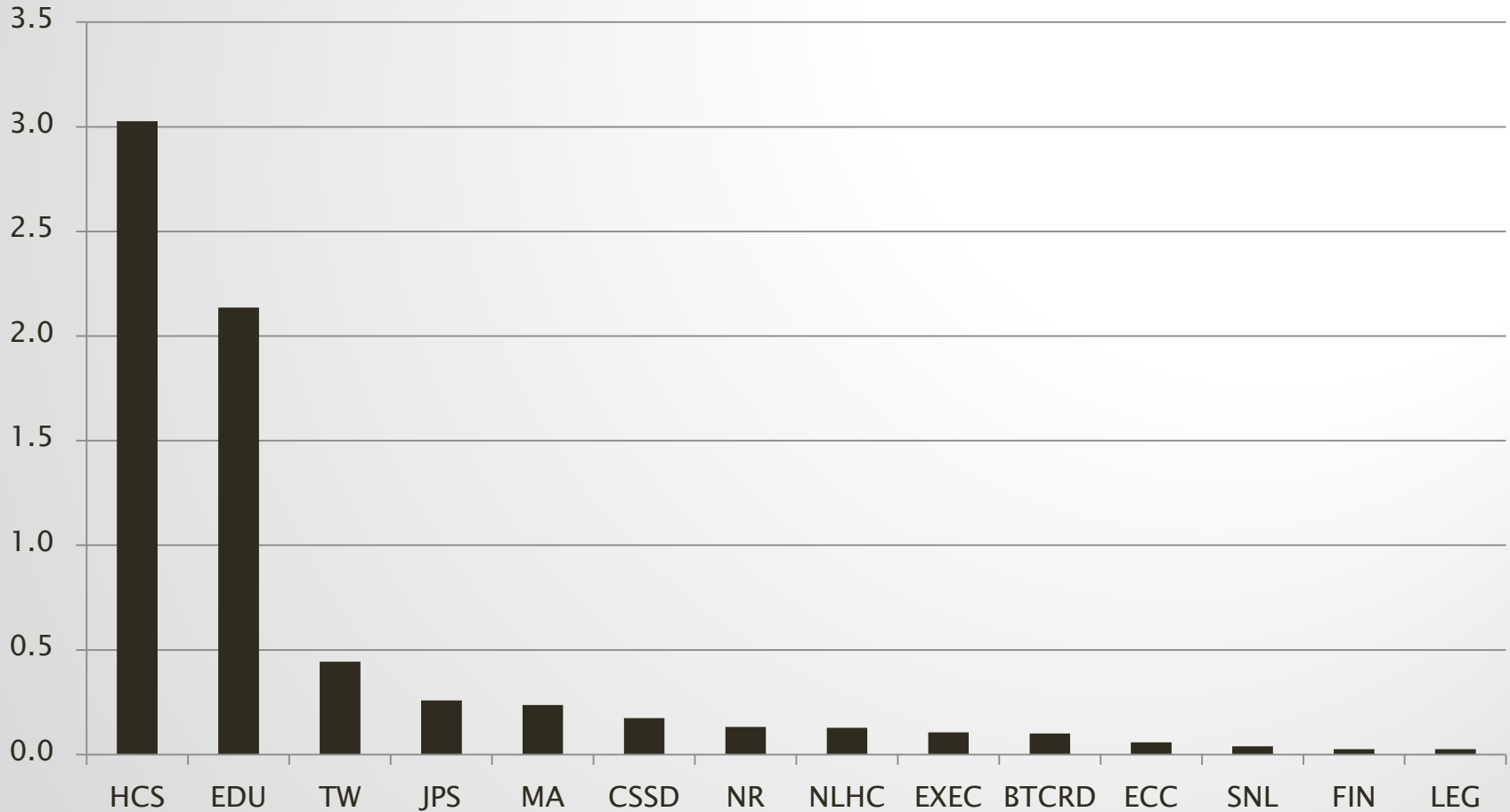
Dealing With The Deficit

- ▶ Revenue
 - Tax Increases
 - Economic Growth
 - Commodity rebound

- ▶ Expenses
 - Government Renewal Initiative
 - “The Way Forward”
 - Budget 2017

Program Expenses by Department

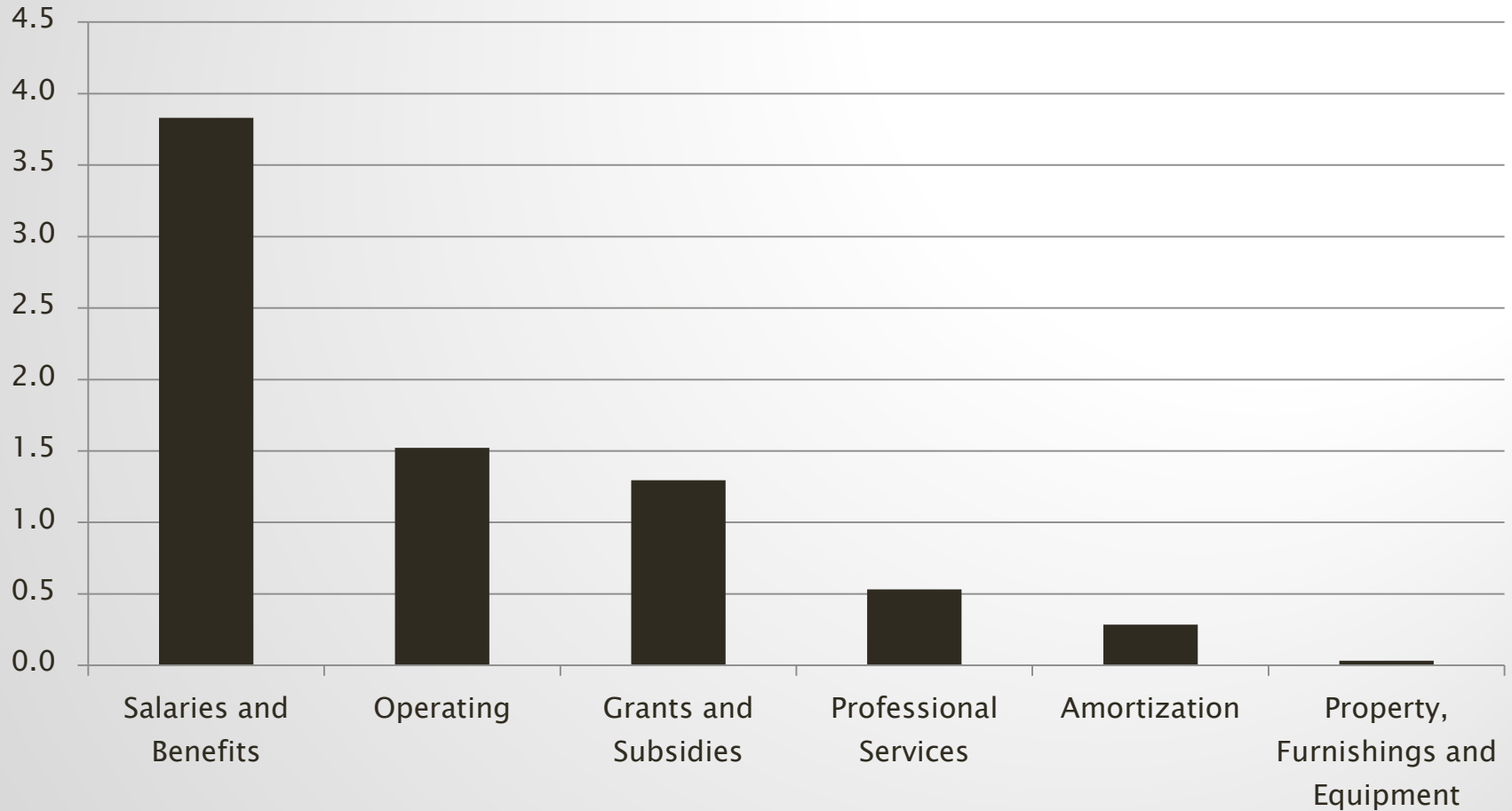
\$ Billions



Source: Budget 2016

Program Expenses by Category

\$ Billions



Source: Budget 2016

Bond Rating Agencies

Standard & Poors

- ▶ January 29, 2016 – Downgrade

DBRS

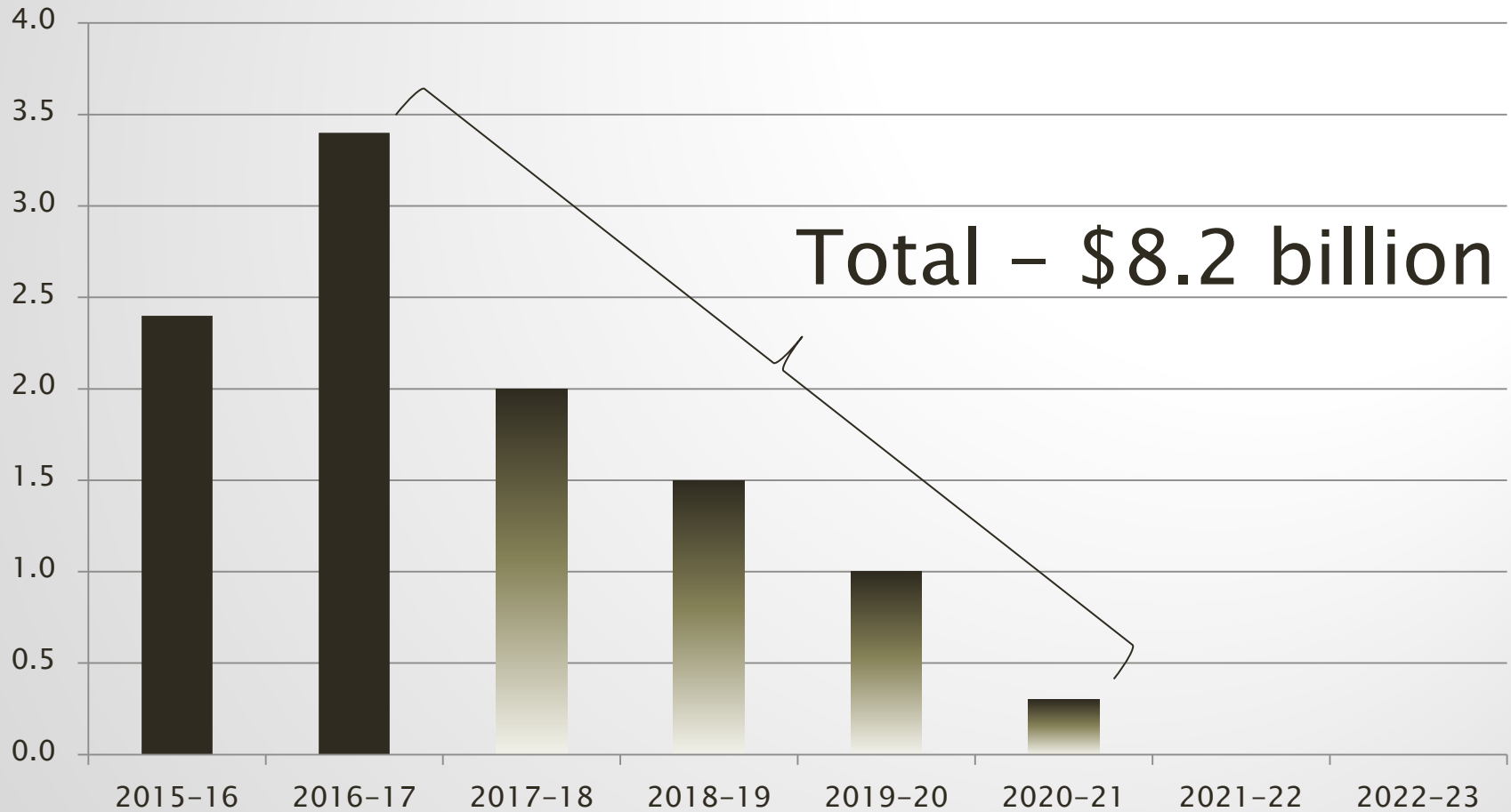
- ▶ April 15, 2016 – Downgrade

Moody's

- ▶ July 22, 2016 – Downgrade

Borrowing Program

(\$ billions)



Source: Budget 2016/OAG

»» Thank You