

Assumptions:

- Costing is based on existing provincial budget baseline, with updated deficit projection numbers.
 - New Liberal investments are in addition to existing budget baseline
- **Sell Unused Assets and make Crown land available:**
 - As of March 31, the value of all Government real estate holdings was \$3.2B.
 - Goal to update value of the portfolio and select redundant and nonessential assets to sell.
 - There are approximately 35 million hectares of Crown land in Newfoundland and Labrador
 - Over 4 years, \$200M will be realized through a combination of sales, reduced operating costs, and cost avoidance.
- **Reduce Government Waste**
 - The Auditor General has identified several areas of waste in Government.
 - From 2009 to 2012 the Auditor General made 133 recommendations that were never fully implemented. Each of these recommendations represented an opportunity for savings not previously realized, but instead now represents lost opportunity and resources taken away from other priorities.
 - Provincial expenditures are expected to be \$8.26B this year.
 - Over a 4 year period, provincial expenditures will be \$33B.
 - Reducing Government waste over a 4 year period at 1.2% will result in \$383M in savings.
 - Any savings realized in Healthcare and Education will be re-invested into those areas.
 - Examples of where Government could save money include:
 - Public Tender Act reforms – over the last 5 years, Public Tender Act exceptions average \$120M/year
 - Value-for-Money analysis

- Multi-year tendering
- Discretionary spending - saved \$90 million in 4 months
- Ferry Tariffs - \$25M
- Unpaid fines - \$37.3M
- Oil royalty audits
- No internal audit committee at Eastern Health – recommended by the AG in 2013

- **Improved Revenue from Economic Diversification**

- Economic diversification and growth are at the core of Liberal policies.
- Economists estimate that there is a relationship between an increase in GDP and an increase in revenue for the provincial government.
 - In real numbers, for every dollar in GDP growth, there is 15 cents in new provincial revenue.
- Since the current Government has failed to deliver a mid-year update, we have adjusted GDP assumptions downward based on weaker short-term forecasts.
- Since economic diversification will take time, we have not allocated for any new revenue from GDP growth in year 1. Following that, GDP growth is based on modest increases of 1.5% in year 2, 2% in year 3, and 3% in year 4.

- GDP assumptions are:

- 2016: \$33.7B (Budget \$34.6B)
- 2017: \$35.6B (Budget \$35B)
- 2018: \$36.7B (Budget \$36B)
- 2019: \$39.4B (Budget \$38.3B)

- **Reduce Spending on Government Marketing and Advertising**

- Government spends \$3M/year on marketing for departments and Nalcor
- We excluded BTCRD and SWSD because marketing/advertising is more aligned with the mandates for those departments

- A 10% cut would result in 300,000 savings/year
- **Reduce Hiring of External Consultants**
 - Government spends approximately \$75M/year on external consultants
 - A 10% cut would result in \$7.5M savings/year
- **Waterford Hospital Value-for-Money and Planning**
 - We are committed to an open Value-for-Money analysis on the construction of the New Waterford Hospital.
 - \$15M has been budgeted for this process.
 - Depending on the construction/financing tool selected following the Value-for-Money analysis, budget figures will be updated.