

NLIS 4  
Finance  
January 17, 2014

## Responsible Decisions to Ensure Long-Term Prosperity

### Minister Responds to Auditor General's Release of Report on Audited Financial Statements

The Auditor General today released his report on the Audit of the Financial Statements for the province for the fiscal year ended March 31, 2013. The financial statements, as released this week by the Provincial Government, received an unqualified audit opinion from the Auditor General and confirm that the deficit for the 2012-13 fiscal year was \$195 million, an improvement of \$63.3 million from the original budget forecast of \$258 million at the time of Budget 2012. The Auditor General outlined the financial position of the province in his report and the strength of the provincial economy.

**"The growth in our economy has helped the province build a strong financial foundation which has contributed to surpluses in six of the past 10 years and has resulted in our government not having to borrow money for operational or capital purposes since 2004. Our goal is to ensure the long-term sustainability of our programs and services. In order to achieve this we have built new schools and are investing in new health care and acute care centres. We are also improving the province's roads, we have lowered tax rates, repaid debt and we continue to invest to encourage job creation. Our priority is to grow our economy further, to continue to invest in the areas that matter most to the people of the province and to make prudent financial decisions to protect the gains we have made."**

*- The Honourable Tom Marshall, Minister of Finance and President of Treasury Board*

The Auditor General noted in his report that net debt has declined by \$3.1 billion since 2004 but has remained constant over the last five years. In addition to this, government has made significant progress in replacing the province's aging infrastructure by investing approximately \$3.6 billion.

The Auditor General highlighted the liability related to employee future benefits being \$5.6 billion at March 31, 2013, representing 67 per cent of the province's net debt. The obligation continues to increase despite \$3.6 billion in special payments being made by the Provincial Government.

"Our government remains committed to the 10-year sustainability plan and to continued consultation with stakeholders on pension and other post-employment benefits reform. It is clear that the unfunded liability associated with pension and post-employment benefits must be addressed in order to reduce our province's net debt and to ensure long-term sustainability for the province and its people."

- Minister Marshall

The Provincial Government remains committed to overseeing Nalcor's work on the construction phase of the Muskrat Falls Project to ensure it maximizes opportunities and minimizes risks for the taxpayers and ratepayers of the province.

Through sound fiscal management and responsible decisions, the Government of Newfoundland and Labrador is strengthening the business environment, encouraging the development of innovative industries and building a vibrant economy.

#### QUICK FACTS

- The financial statements for the fiscal year ended March 31, 2013, as released this week by the Provincial Government, received an unqualified audit opinion from the Auditor General.
- The Auditor General noted that net debt has declined by \$3.1 billion since 2004 but has remained constant over the last five years.
- Since 2003 the Provincial Government has spent approximately \$3.6 billion in capital assets to replace the province's aging infrastructure.
- The Auditor General highlighted the liability related to employee future benefits being \$5.6 billion at March 31, 2013 and represents 67 per cent of the province's net debt.

- 30 -

Media contact:  
Tansy Mundon  
Director of Communications  
Department of Finance  
709-729-6830, 693-1865  
[tansymundon@gov.nl.ca](mailto:tansymundon@gov.nl.ca)

2014 01 17

12:30 p.m.