July 22, 2015

Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FIN-27-2015]

On July 17, 2015, the Department of Finance received your request for access to the following records/information:

"The contents of the presentation (i.e. PowerPoint slides or otherwise) given by the Minister of Finance and President of the Treasury Board, Ross Wiseman, at the Chartered Professional Accountants of Newfoundland and Labrador."

I am pleased to inform you that access to the requested information has been granted in full and is provided in the attached.

The PowerPoint presentation “Budget 2015 Balancing Choices for a Promising Future” (attached in PDF format) was presented by the Minister of Finance to the Chartered Professional Accounts of Newfoundland and Labrador on July 17, 2015. It is important to note that speaking notes were not used for this presentation as the Minister spoke to the content of the slides, as well as to the content of the budget speech, budget highlights document, economy document and other materials which are published on the Department of Finance’s website - Budget 2015. To view these materials, the following link is provided for your convenience: http://www.fin.gov.nl.ca/fin/budget/index.html.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement’s website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.
If you have any further questions, please feel free to contact me at your convenience at 709-729-2082, or by email at bethbartlett@gov.nl.ca.

Sincerely,

Beth Bartlett
ATIPP Coordinator

Attachment
Budget 2015
Balancing Choices for a Promising Future
## GNL Fiscal Position 2014-15 & 2015-16

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>7,736.3</td>
<td>6,964.9</td>
<td>(771.4)</td>
<td>8,534.0</td>
<td>6,976.4</td>
<td>(1,557.6)</td>
</tr>
<tr>
<td><strong>Total Gross Expenses</strong></td>
<td>8,274.2</td>
<td>7,889.0</td>
<td>(385.2)</td>
<td>8,505.5</td>
<td>8,069.8</td>
<td>(435.7)</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td>(537.9)</td>
<td>(924.1)</td>
<td>(386.2)</td>
<td>28.5</td>
<td>(1,093.4)</td>
<td>(1,121.9)</td>
</tr>
</tbody>
</table>
Projected Surplus/(Deficit) 1990-2021
Tax Adjustments

• To facilitate a return to surplus in 2020-21, a number of **new revenue initiatives** were announced in Budget 2015.
  – Personal Income Tax rates
  – Harmonized Sales Tax
  – Residential Energy Rebate
  – Financial Corporations Capital Tax

• These initiatives will result in increased revenue of approximately $122 million in 2015-16, annualizing to approximately $254 million in future years.
Way Forward: A Five-Year Plan For Fiscal Recovery
Five Year Fiscal Recovery Plan

✓ Five Targets:

1. Return to Surplus by 2020-21
2. Deficit as % of GDP not to exceed 3%
3. Net Debt as % of GDP not to exceed 40%
4. Debt Expenses as % of Revenue not to exceed 13%
5. Cumulative Net Borrowings not to exceed $5B
# Target 1 – Return to Surplus by 2020-21

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Gross Revenue</strong></td>
<td>7,480.2</td>
<td>7,835.6</td>
<td>8,245.3</td>
<td>8,500.9</td>
<td>8,627.2</td>
</tr>
<tr>
<td><strong>Total Gross Expenses</strong></td>
<td>8,369.4</td>
<td>8,325.4</td>
<td>8,440.7</td>
<td>8,497.8</td>
<td>8,539.8</td>
</tr>
<tr>
<td><strong>Surplus/Deficit</strong></td>
<td>(889.2)</td>
<td>(489.8)</td>
<td>(195.4)</td>
<td>3.1</td>
<td>87.4</td>
</tr>
</tbody>
</table>
Revenues by Source

- Other Provincial
- Offshore Royalties
- Other Federal
- Offshore CIT
- Equalization
- Atlantic Accords

Fiscal Year Ending Mar 31st

$ Billion

Target 2 - Deficit as a % of GDP

Not to Exceed 3%
Target 3 - Net Debt as a % of GDP

Fiscal Year Ending March 31st
Target 4 - Debt Expense as a % of Revenue

Fiscal Year Ending March 31st

Not to Exceed 13%
Target 5 – Cumulative Net Borrowings

Not to Exceed $5B
A Decade of Expansion

Growth 2004-14

- Real GDP: 14.4%
- Investment: 188.7%
- Employment: 11.9%
- Household Income Per Capita: 74.0%
### Return to Growth in 2019

<table>
<thead>
<tr>
<th>Economic Indicators (Annual % Change)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>-0.3</td>
<td>-1.6</td>
<td>-1.6</td>
<td>-0.6</td>
<td>4.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>1.8</td>
<td>-12.2</td>
<td>-4.6</td>
<td>-18.9</td>
<td>3.9</td>
<td>9.6</td>
</tr>
<tr>
<td>Household Income</td>
<td>0.2</td>
<td>0.0</td>
<td>1.8</td>
<td>0.6</td>
<td>3.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Employment</td>
<td>-1.5</td>
<td>-2.8</td>
<td>-0.7</td>
<td>-1.7</td>
<td>1.6</td>
<td>2.3</td>
</tr>
</tbody>
</table>
Future Prospects
Managing our Energy Warehouse

- **Hydro**: > 6,000 MW
  - Developed: 6,700 MW
  - Undeveloped: > 51 MW

- **Wind**: > 5,000 MW

- **Oil**: > 6 Billion Barrels
  - Developed: > 51 MW
  - Undeveloped: 2.75 Billion Barrels

- **Natural Gas**: > 60 Trillion Cubic Feet
  - Developed: 10 Trillion Cubic Feet

- **Others**
Nalcor Energy
Equity Investments and Payback

2008/09
Equity investments begin

2017/18
Nalcor investments over 10 years ($3.1B)

2025/26 - 2042/43
Nalcor contributes cash to GNL annually, over $12B in total during this period

2025/26
Complete payback in 8 years
Muskrat Falls
NL has great growth potential
NL has numerous large offshore basins

Total Offshore Sedimentary Basins Area (km²)

- NL: 545,169
- Norway: 657,929
- Netherlands: 910,046
Prospectivity through new data

- Partnered with global seismic companies TGS and PGS.
- One of the largest seismic programs in the world.
- This survey (2011-2014) totals over 80,000 line km. 34,000+ km in 2014 most in a single year since 1983.
- Significant part of offshore has never been imaged before this survey.
- Number of new basins, plays, and prospects have been imaged.
Size comparison to US Gulf of Mexico (US-BOEMRE).
Modern Land Tenure System

- In December 2013, NL introduced a new scheduled land tenure system based on global best practices.
- New entrants now have up to 4 years to make investment decisions.
- NL & Nalcor are making new seismic data available.
- Record bid for a single NL parcel of $559 million in last sale.
First Scheduled License Round

• Announced by the CNLOPB on Dec 2013 – closes November 2015
• Less than 5% of offshore under license.
• Designed to improve predictability. Longer timeline to acquire data to inform license rounds.
• Play types imaged with new data with global analogues.
Mining

Gross Value of Mineral Shipments and Average Employment

- Iron Ore
- Copper
- Non-Metals
- Nickel
- Other Metals
- Average Employment (right axis)
Conclusion

• From 2005-06 to 2011-12, surpluses posted in 6 of the 7 years
• Plan in place to return to surplus
• Economy has done extremely well
• Considerable future potential
Questions?