

Backgrounder — 2016-17 Public Accounts

Deficit: \$1.22 billion, consistent with the third quarter forecast, \$914 million higher than budgeted, including the impact of a positive pension adjustment.

Revenue: \$13.6 billion, down \$398 million from budget.

This included lower-than-budgeted tax revenue, due in large part to the ongoing weakness in the resource sector, as well as lower revenue from non-renewable resources. Lower-than-budgeted net income from Government Business Enterprises was primarily due to the surplus distribution by the Workers' Compensation Board to employers.

Declines were partly offset by increases in transfers from the Federal Government, and higher-than-budgeted other own-source revenue primarily due to higher-than-expected revenue from fees, insurance and other own source revenues.

Expense: \$14.8 billion, up \$516 million from budget.

Poor weather and harvest conditions contributed to higher expense in 2016-17 due to higher agriculture-support costs in programs such as crop insurance and AgriStability. Utilization pressures also meant higher than budgeted spending in health care and social services and assistance.

Increases were partially offset by restraint and savings from many areas of government, as well as decreases in capital transfers to municipalities as a result of slower-than-expected project progress and fewer approvals.