

Summary Report - 2023 Pre-Budget engageNL Consultations

In advance of Budget 2023, residents were invited to take part in a pre-budget questionnaire, as described in Appendix A. The questionnaire was focused on assessing the priorities of residents, as well as gauging their support for various measures to reduce the deficit and provincial debt. It included an interactive tool to illustrate government's fiscal situation and the challenges of balancing the budget.

The consultation to gather input into Budget 2023 was posted on engageNL on January 24, 2023 and participants had until February 10, 2023 to complete the questionnaire. In total, 374 questionnaires and 241 interactive budget planner submissions were received through engageNL. An overview of participants is available in Appendix C.

The following information is a summary of common themes identified.

Key Observations - Pre-Budget 2023 Online Submissions

Budget 2023 Questionnaire

Section One: Measures to Improve Quality of Life

The questionnaire contained a list of 22 priorities. Respondents were asked to rank each one as: not a priority, low priority, moderate priority and high priority.

The areas identified by most respondents as high priority were: continue to improve health care services (72.70 per cent), improve access to mental health services (53.10 per cent); provide supports for the K-12 education system (42.32 per cent); and access to child care (40.48 per cent). Table One in Appendix B provides a full ranking.

Participants had the option to provide a priority that was not listed in the questionnaire. Some of the common suggestions included:

- Reduce the size of public service, reduce salaries/bonuses provided to government employees/politicians;
- Assistance with cost of living/guaranteed income;
- More support for tourism/arts sectors; and,
- Resettlement needs to be considered.

Section Two: Top 3 Measures to Improve Quality of Life

Respondents who selected "high priority" for four or more of the quality of life measures were asked to identify their top three priorities. The majority of respondents (36.51 per cent) selected continue to improve health care services and outcomes, followed by access to child care (17.43 per cent) and supports for the K-12 education system (9.87 per cent). See Table Two in Appendix B for the full ranking.

Participants had the opportunity to provide other high priority measures. Responses included:

- Guaranteed basic income;
- Improved support for persons with disabilities;
- Reduce size of government; and,
- Remove bureaucracy for new business start-ups.

Respondents who selected “high priority” for four or more of the quality of life measures were also asked to identify their second and third highest priorities. See Tables Three and Four in Appendix B for the rankings.

Section Three: Measures to Reduce Debt/Deficit

Respondents to the questionnaire were asked if they supported debt/deficit reduction measures, from a list of 12 options, to meet the target of budget surplus position by 2026-27. There was a great deal of support (82.51 per cent) for increasing the tobacco tax, for reducing spending by modernizing provincial programs and services - moving services online, combining boards, etc. (81.57 per cent) as well as reducing/selling government assets such as land and buildings (80.22 per cent).

The majority of respondents did not agree with increasing the harmonized sales tax (90.41 per cent) and did not agree with increasing personal income tax (88.52 per cent). However, the majority were in support of increasing corporate income tax (78.14 per cent).

The full ranking can be seen in Table Five in Appendix B.

Respondents had the opportunity to provide debt/deficit reduction measures not listed in the options provided. Responses included:

- Privatize some government entities, services;
- Reduce ferry operations/expenses;
- Reduce size of government, number of employees; and,
- Regionalize/amalgamate communities.

Section Four: Top 3 Measures to Reduce Debt/Deficit

Respondents were asked to rank their top three most preferable debt/deficit reduction measures. The top three responses were: increase corporate income tax (36.16%), reduce spending by modernizing provincial programs and services (20.13%) and reduce/sell government assets (16.98%). The full ranking can be seen in Table Six in Appendix B.

Respondents had the opportunity to provide other options for most preferable debt/deficit reduction measures. Responses included:

- Reduce the size of public sector;
- Increase income tax for high income earners; and,
- Relocate/regionalize communities.

Respondents were asked to rank their second and third most preferable debt/deficit reduction measure. The rankings are listed in Tables Seven and Eight in Appendix B.

Section Five: Financial Concerns

Respondents could highlight any particular financial area of concern. Common responses included:

- Debt reduction must be a priority;
- Cost of living/inflation is a huge concern;
- Lack of support for education system;
- Amount of spending on health care with poor outcomes; and
- Government overspending/needs to be more efficient.

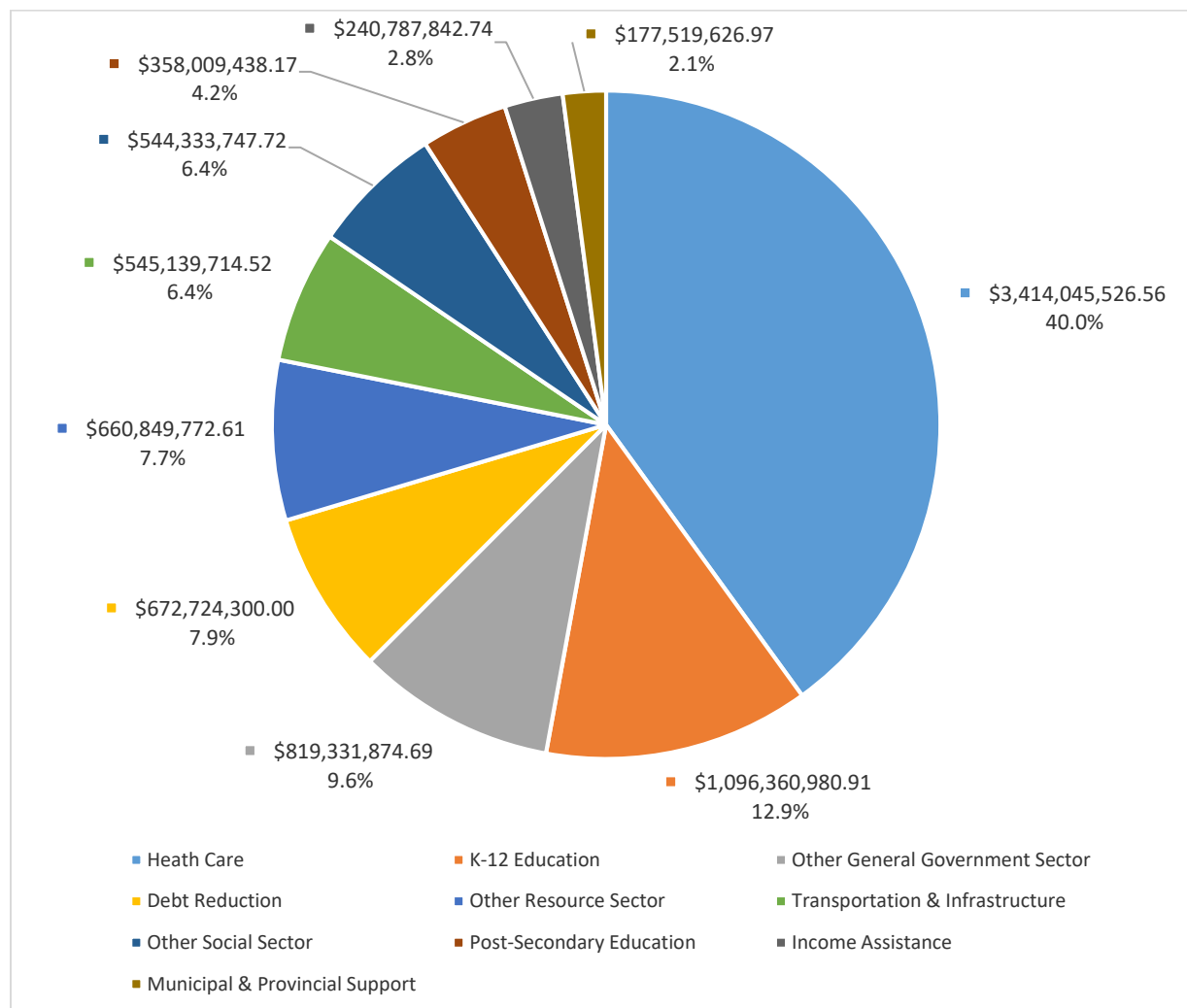
Interactive Budget Planner

The interactive budget planner allowed participants to select, using sliders, how they would increase or decrease spending in nine expenditure areas based on distributed funds for the 2022-23 fiscal year. This is the first time the Department of Finance has used this feature as part of the budget preparation process.

As indicated in Diagram One, health care was identified as the largest preferred expenditure area at 40 per cent, followed by Kindergarten to Grade 12 education at 12.9 per cent.

This closely resembled the actual expenditures for the 2022-23 fiscal year with 39.9 per cent for health care and 11.1 per cent for Kindergarten to Grade 12 education.

Diagram One: Respondents' Preferred Expenditure Areas for Budget 2023



Note: Debt servicing costs are a fixed expense in fiscal year 2022-2023. Participants were unable to change that amount in the interactive budget planner.

Summary Analysis

Improved access to and delivery of health care and mental health services, access to child care and lack of supports/funding in the Kindergarten to Grade 12 education system were major themes captured in the responses and comments submitted through the engageNL questionnaire.

There was a great deal of commentary around the need to reduce the size of the public service, as well as reduce employee/MHA salaries and government spending in general. There was also concern expressed about the cost of living, a need for a guaranteed basic income and calls for tax relief.

Appendix A - engageNL Questionnaire

Introduction:

Every year, the Government of Newfoundland and Labrador presents a budget which outlines its revenues and expenditures.

If government spends more than it makes in any given year, it is in a deficit position. The deficit from one year gets added to the deficit of the next year, which means deficits accumulated over time add to the province's overall debt. Government must borrow money to help pay down this debt.

In 2021-22, the Government of Newfoundland and Labrador had a deficit of \$400 million.

As of Budget 2022, government's projected deficit for 2022-23 was \$351 million, with projected revenue of \$9.1 billion and expenses of \$9.4 billion.

Net debt was anticipated to reach \$17.1 billion in 2022-23; with a projected borrowing requirement of \$2.7 billion.

A multi-year forecast puts government on track to a balanced budget in 2026-27:

2022-23	\$351 million deficit
2023-24	\$309 million deficit
2024-25	\$270 million deficit
2025-26	\$74 million deficit
2026-27	\$82 million surplus

1. We must find better ways to deliver programs and services if we are to achieve all that we hope for a strong, smart, self-sufficient, and sustainable Newfoundland and Labrador. There are many important things government can do to improve quality of life in the province. How much of a priority are each of the following for you?

MEASURES TO IMPROVE QUALITY OF LIFE	LEVEL OF PRIORITY FOR YOU			
	NOT A PRIORITY	LOW PRIORITY	MODERATE PRIORITY	HIGH PRIORITY
Strong fiscal management – Reducing deficit and debt	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A focus on job creation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for innovation and technology industry growth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regional economic development initiatives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Continue to improve health care services and outcomes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improve access to mental health services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supports for K-12 education system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
More opportunities in skills training and post-secondary education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for the mining industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for the oil and gas industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for renewable resource industries such as wind and hydrogen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support for newer industries such as film and television production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Support the transition to a cleaner economy and reduce GHG emissions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Affordable housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Access to child care	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase programs for Indigenous people, women, LGBTQ+, and people facing systemic barriers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anti-racism measures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Indigenous resources and reconciliation actions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Policing and courts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poverty reduction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improved roads and highways	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improved ferries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you have a priority not listed above, please include it here:

Please only answer Question Two below if you selected "High Priority" for four or more of the quality of life measures in the table above. If you selected "High Priority" for three or less measures in the above table, skip to the next question.

2. **Of course, government cannot address all priorities at one time. To help government focus its efforts, of the quality of life measures you determined to be a high priority in the previous question, please choose your top three. If you did not label at least four measures as high priority, you can proceed to the next question.**
 - a. Your highest priority measure:
 - b. Your second-highest priority measure:
 - c. Your third-highest priority measure:

3. **In order to meet the provincial government target of a budget surplus position by 2026-27, we must reduce spending, increase revenue, or a combination of both. Options to achieve this can include increasing taxes, reducing or eliminating funding to programs and services, selling government assets and borrowing. Please indicate whether you would be in support the following measures.**

MEASURES TO REDUCE DEBT/DEFICIT	WOULD YOU BE IN SUPPORT?	
	YES	NO
Increase personal income tax	<input type="radio"/>	<input type="radio"/>
Increase corporate income tax	<input type="radio"/>	<input type="radio"/>
Increase gasoline tax	<input type="radio"/>	<input type="radio"/>
Increase tobacco tax	<input type="radio"/>	<input type="radio"/>
Increase harmonized sales tax (HST)	<input type="radio"/>	<input type="radio"/>
Reduce healthcare spending	<input type="radio"/>	<input type="radio"/>
Reduce education spending (K-12)	<input type="radio"/>	<input type="radio"/>
Reduce funding to municipalities	<input type="radio"/>	<input type="radio"/>
Reduce funding to universities and colleges	<input type="radio"/>	<input type="radio"/>
Reduce infrastructure spending (fixing/building roads, bridges, hospitals, schools, etc.)	<input type="radio"/>	<input type="radio"/>
Reduce spending by modernizing provincial programs and services (moving services online, combining boards, etc.)	<input type="radio"/>	<input type="radio"/>
Reduce/sell government assets (land, buildings, etc.)	<input type="radio"/>	<input type="radio"/>

If you have a debt/deficit reduction measure not listed above, please include it here:

Please only answer Question Four below if you selected "Yes" for four or more of the measures in the table above. If you selected "Yes" for three or less measures in the above table, skip to the next question.

4. Of the debt/deficit reduction measures for which you indicated support by answering "Yes" in the previous question, please choose your top three. If you did not answer at least four measures with "Yes," you can proceed to the next question.

- a. Your most preferable measure:
- b. Your second-most preferable measure:
- c. Your third-most preferable measure:

5. Are there any particular financial areas that you are concerned about?

6. Please identify your postal code: _____

7. Which of the following age groups do you fall into?

- Under 18
- 18 to 24
- 25 to 34
- 35 to 44
- 45 to 54
- 55 to 64
- 65+

8. Which of the following categories best describes your total household income (the total income of all persons in your household combined, before taxes)?

- Under \$10,000
- \$10,000 to just under \$20,000
- \$20,000 to just under \$40,000
- \$40,000 to just under \$60,000
- \$60,000 to just under \$80,000
- \$80,000 to just under \$100,000
- \$100,000 to just under \$150,000
- \$150,000 to just under \$200,000
- \$200,000 and above
- Prefer not to answer

Appendix B - Questionnaire Results

Table One: Priorities of Respondents (Percentage)

How much of a priority are each of the following for you?	Not a Priority	Low Priority	Moderate Priority	High Priority	TOTAL
Strong fiscal management – Reducing deficit and debt	5.15%	12.74%	42.28%	39.84%	100.00%
A focus on job creation	5.21%	17.26%	47.12%	30.41%	100.00%
Support for innovation and technology industry growth	4.35%	25.54%	47.55%	22.55%	100.00%
Regional economic development initiatives	9.29%	30.60%	45.90%	14.21%	100.00%
Continue to improve health care services and outcomes	0.81%	1.89%	24.59%	72.70%	100.00%
Improve access to mental health services	2.16%	9.43%	35.31%	53.10%	100.00%
Supports for K-12 education system	2.16%	13.48%	42.05%	42.32%	100.00%
More opportunities in skills training and post-secondary education	4.88%	35.77%	40.38%	18.97%	100.00%
Support for the mining industry	20.75%	39.62%	28.57%	11.05%	100.00%
Support for the oil and gas industry	26.76%	34.86%	24.86%	13.51%	100.00%
Support for renewable resource industries such as wind and hydrogen	12.20%	26.29%	35.23%	26.29%	100.00%
Support for newer industries such as film and television production	25.95%	39.46%	28.11%	6.49%	100.00%
Support the transition to a cleaner economy and reduce greenhouse gas emissions	19.62%	29.97%	28.61%	21.80%	100.00%
Affordable housing	4.30%	22.85%	34.68%	38.17%	100.00%
Access to child care	14.21%	17.96%	27.35%	40.48%	100.00%
Increase programs for Indigenous people, women, 2SLGBTQQIA+, and people facing systemic barriers	27.42%	30.65%	25.81%	16.13%	100.00%
Anti-racism measures	24.05%	31.08%	28.65%	16.22%	100.00%
Indigenous resources and reconciliation actions	22.85%	36.29%	26.34%	14.52%	100.00%
Policing and courts	11.38%	31.98%	39.84%	16.80%	100.00%
Poverty reduction	4.86%	19.19%	40.00%	35.95%	100.00%
Improved roads and highways	2.96%	22.91%	46.90%	27.22%	100.00%
Improved ferries	35.60%	40.22%	19.02%	5.16%	100.00%

Table Two: Ranking of Highest Priorities

Your highest priority measure:	Number of Responses	Percentage
Strong fiscal management – Reducing deficit and debt	7	2.25%
A focus on job creation	23	7.40%
Support for innovation and technology industry growth	8	2.57%
Regional economic development initiatives	3	0.96%
Continue to improve health care services and outcomes	111	35.69%
Improve access to mental health services	15	4.82%
Supports for K-12 education system	30	9.65%
More opportunities in skills training and post-secondary education	1	0.32%
Support for the mining industry	1	0.32%
Support for the oil and gas industry	10	3.22%
Support for renewable resource industries	8	2.57%
Support for newer industries such as film and television	0	0.00%
Support the transition to a cleaner economy	9	2.89%
Affordable housing	11	3.54%
Access to child care	53	17.04%
Increase programs for Indigenous people, women, LGBTQ+, and people facing systemic barriers	1	0.32%
Anti-racism measures	0	0.00%
Indigenous resources and reconciliation actions	0	0.00%
Policing and courts	0	0.00%
Poverty reduction	12	3.86%
Improved roads and highways	8	2.57%
Improved ferries	0	0.00%
TOTAL	311	100.00%

Table Three: Ranking of Second Highest Priorities

Your second highest priority measure:	Number of Responses	Percentage
Strong fiscal management – Reducing deficit and debt	2	0.62%
A focus on job creation	13	4.05%
Support for innovation and technology industry growth	19	5.92%
Regional economic development initiatives	9	2.80%
Continue to improve health care services and outcomes	82	25.55%
Improve access to mental health services	37	11.53%
Supports for K-12 education system	37	11.53%
More opportunities in skills training and post-secondary education	8	2.49%
Support for the mining industry	5	1.56%
Support for the oil and gas industry	10	3.12%
Support for renewable resource industries such as wind and hydrogen	14	4.36%
Support for newer industries such as film and television production	2	0.62%
Support the transition to a cleaner economy and reduce GHG emissions	5	1.56%
Affordable housing	22	6.85%
Access to child care	17	5.30%
Increase programs for Indigenous people, women, LGBTQ+, and people facing systemic barriers	3	0.93%
Anti-racism measures	0	0.00%
Indigenous resources and reconciliation actions	2	0.62%
Policing and courts	8	2.49%
Poverty reduction	16	4.98%
Improved roads and highways	9	2.80%
Improved ferries	1	0.31%
TOTAL	321	100.00%

Table Four: Ranking of Third Highest Priorities

Your third highest priority measure:	Number of Responses	Percentage
Strong fiscal management	4	1.29%
A focus on job creation	18	5.83%
Support for innovation and technology industry growth	12	3.88%
Regional economic development initiatives	9	2.91%
Continue to improve health care services and outcomes	45	14.56%
Improve access to mental health services	26	8.41%
Supports for K-12 education system	29	9.39%
More opportunities in skills training and post-secondary education	9	2.91%
Support for the mining industry	5	1.62%
Support for the oil and gas industry	7	2.27%
Support for renewable resource industries	18	5.83%
Support for newer industries such as film and television	2	0.65%
Support the transition to a cleaner economy	14	4.53%
Affordable housing	26	8.41%
Access to child care	14	4.53%
Increase programs for Indigenous people, women, LGBTQ+, and people facing systemic barriers	7	2.27%
Anti-racism measures	2	0.65%
Indigenous resources and reconciliation actions	5	1.62%
Policing and courts	12	3.88%
Poverty reduction	22	7.12%
Improved roads and highways	23	7.44%
Improved ferries	0	0.00%
TOTAL	309	100.00%

Table Five: Support of Measures to Meet Target of Budget Surplus Position

Please indicate whether you would be in support the following measures to meet target of budget surplus position by 2026-27.	Yes	No	Total	Yes	No	Total
Increase personal income tax	42	324	366	11.48%	88.52%	100.00%
Increase corporate income tax	286	80	366	78.14%	21.86%	100.00%
Increase gasoline tax	44	323	367	11.99%	88.01%	100.00%
Increase tobacco tax	302	64	366	82.51%	17.49%	100.00%
Increase Harmonized Sales Tax (HST)	35	330	365	9.59%	90.41%	100.00%
Reduce healthcare spending	80	286	366	21.86%	78.14%	100.00%
Reduce education spending (K-12)	69	294	363	19.01%	80.99%	100.00%
Reduce funding to municipalities	193	169	362	53.31%	46.69%	100.00%
Reduce funding to universities and colleges	216	151	367	58.86%	41.14%	100.00%
Reduce infrastructure spending	90	271	361	24.93%	75.07%	100.00%
Reduce spending by modernizing provincial programs and services	301	68	369	81.57%	18.43%	100.00%
Reduce/sell government assets	296	73	369	80.22%	19.78%	100.00%

Table Six: Preferred Measure to Meet Target of Budget Surplus Position

Your most preferable measure:	Number of Responses	Percentage
Increase personal income tax	4	1.26%
Increase corporate income tax	115	36.16%
Increase gasoline tax	2	0.63%
Increase tobacco tax	44	13.84%
Increase Harmonized Sales Tax (HST)	2	0.63%
Reduce healthcare spending	11	3.46%
Reduce education spending (K-12)	0	0.00%
Reduce funding to municipalities	7	2.20%
Reduce funding to universities and colleges	12	3.77%
Reduce infrastructure spending (fixing/building roads, bridges, hospitals, schools, etc.)	3	0.94%
Reduce spending by modernizing provincial programs and services (moving services online, combining boards, etc.)	64	20.13%
Reduce/sell government assets (land, buildings, etc.)	54	16.98%
TOTAL	318	100.00%

Table Seven: Second Most Preferred Measure to Meet Target of Budget Surplus Position

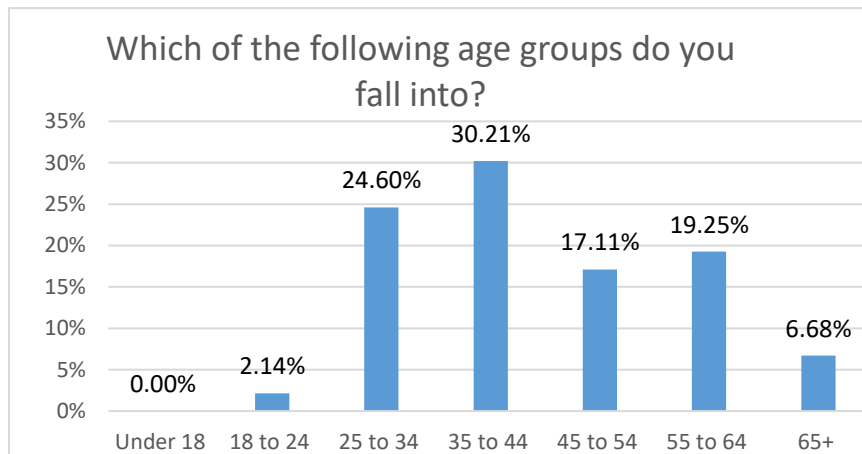
Your second highest priority measure:	Number of Responses	Percentage
Increase personal income tax	8	2.46%
Increase corporate income tax	38	11.69%
Increase gasoline tax	7	2.15%
Increase tobacco tax	66	20.31%
Increase Harmonized Sales Tax (HST)	3	0.92%
Reduce healthcare spending	5	1.54%
Reduce education spending (K-12)	7	2.15%
Reduce funding to municipalities	18	5.54%
Reduce funding to universities and colleges	27	8.31%
Reduce infrastructure spending (fixing/building roads, bridges, hospitals, schools, etc.)	4	1.23%
Reduce spending by modernizing provincial programs and services (moving services online, combining boards, etc.)	75	23.08%
Reduce/sell government assets (land, buildings, etc.)	67	20.62%
TOTAL	325	100.00%

Table Eight: Third Most Preferred Measure to Meet Target of Budget Surplus Position

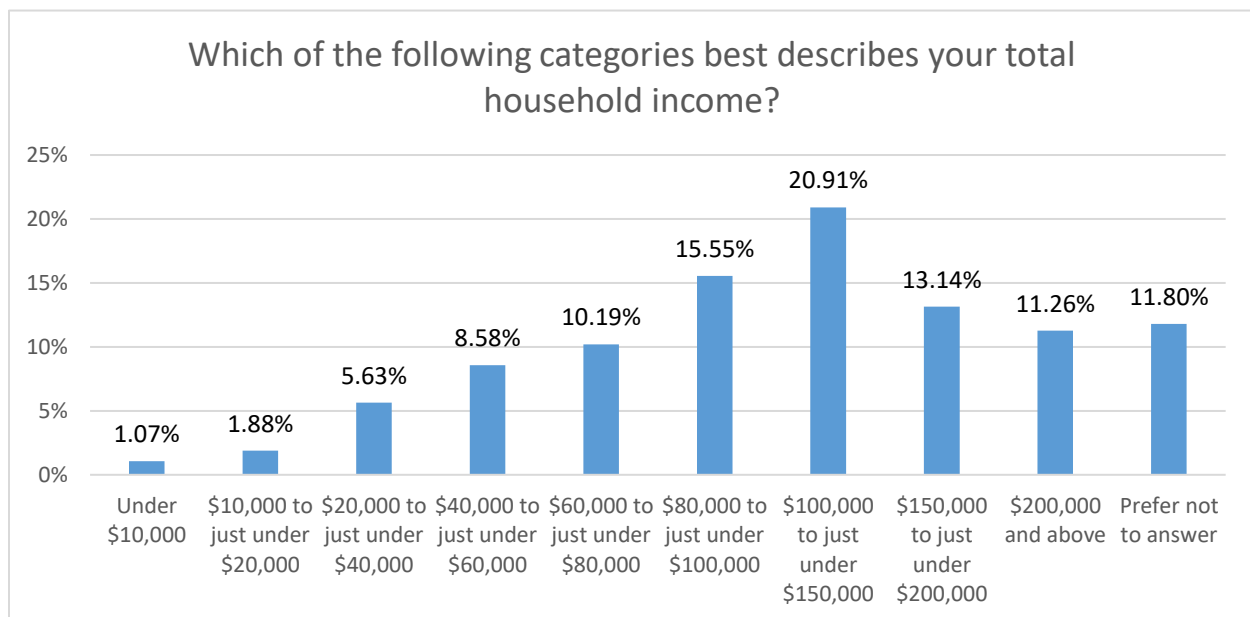
Your third most preferable measure:	Number of Responses	Percentage
Increase personal income tax	6	1.92%
Increase corporate income tax	39	12.46%
Increase gasoline tax	5	1.60%
Increase tobacco tax	47	15.02%
Increase Harmonized Sales Tax (HST)	8	2.56%
Reduce healthcare spending	9	2.88%
Reduce education spending (K-12)	10	3.19%
Reduce funding to municipalities	31	9.90%
Reduce funding to universities and colleges	38	12.14%
Reduce infrastructure spending (fixing/building roads, bridges, hospitals, schools, etc.)	12	3.83%
Reduce spending by modernizing provincial programs and services (moving services online, combining boards, etc.)	50	15.97%
Reduce/sell government assets (land, buildings, etc.)	58	18.53%
TOTAL	313	100.00%

Appendix C - Overview of Participants

In the questionnaire, respondents were asked to identify which age group they fell into. The majority of those who completed the questionnaire were between the ages of 35 and 44 (30.21 per cent) and 25 to 34 (24.60 per cent). See the graph below for full demographic breakdown.



Respondents were asked which category best described their total combined household income. For those who responded to the question, 20.91 per cent indicated their total household income was between \$100,000 to just under \$150,000, 15.55 per cent indicated \$80,000 to just under \$100,000 and 13.14 per cent indicated \$150,000 to just under \$200,000. See the graph below for full demographic breakdown.



Of the total 374 questionnaires that were completed, 182 respondents provided locational information depicted on the map below.

