**2019 Budget In-Person Consultation and Online Submissions**

Each year, the provincial budget sets out government’s priorities for the coming year. The budget sets anticipated spending, expected revenues and provides an update on the provincial economy.

At the beginning of the budget process, the Department of Finance engages with people and organizations throughout Newfoundland and Labrador to help identify government spending priorities, and how to strike a balance between the province’s financial situation and the need to deliver programs and services.

The following is a summary of the results from the combined in-person consultations and online feedback.

* People indicated that:
  + Government should continue investing in high-growth industries to support job growth, as well as in education and infrastructure as supporters and stimulators of economic activity.
  + Efforts to start moving toward renewable energy would be welcome.
  + Government should maintain investments in government programs, but reduce red tape for businesses and individuals and simplify regulations.
  + Across most sectors, they are satisfied with maintaining spending at current levels, except in education where it was strongly felt that new investments must be made in resources (K-12), notably teacher allocations and support services, and aligning with labour market need/helping people acquire the necessary skills and knowledge for employment (post-secondary).
  + Within health care, the focus should be on addressing mental health issues and illness prevention to drive down costs.
* Both people and businesses feel they have been bearing a substantial tax burden and would welcome efforts to introduce relief or review tax structures.
* There is a general acknowledgment that the province’s demographic make-up (e.g., aging and dispersed population) presents social and economic challenges and that some efforts to alleviate these (e.g. investments in immigration or examining municipal structures) are welcome.
* Even though “maintain” was the most common response on sector-specific spending questions, there were general comments to the effect that government must control/reduce its spending and the size of the public service.

**Results from the In-Person and Online Consultations**

Below is a summary of the results from the in-person consultations and the online questionnaires. Questions are listed (italicized and in green font) with results and sample responses from what was heard.

**The questions focused on:**

* **industries/sectors with growth potential**
* **conditions for economic growth**
* **spending in relation to various sectors**
* **improving the lives of the residents of NL**

**Industries/Sectors with Growth Potential**

***Government has focused on improving conditions for economic development in industries such as oil and gas, mining, aquaculture, agriculture, and forestry as well as sectors such as technology and tourism. Government also recognizes that there are small-yet-economically important industries with significant room to grow like the craft beverage industry.***

***What other industries/sectors with growth potential should government focus its efforts upon?***

* **Frequent responses included:**
  + Transportation and infrastructure
  + Education, including post-secondary
  + Renewable energy (i.e. wind energy)
  + Small business
  + Arts and culture

Notes:

* + Education was the most common response
  + Some of the sectors provided in the information preceding the question (i.e., oil and gas, mining, aquaculture, agriculture, forestry, technology, tourism) were also mentioned.

**Conditions for Economic Growth**

***Please identify what you believe government should do to create conditions for economic growth:*** *(Select top 3 in no particular order)*

* + *Provide tax cuts and invest in certain businesses to stimulate growth and jobs*
  + *Reduce red tape and lessen regulations where possible*
  + *Put a focus on increasing immigration*
  + *Offer incentives for those who want to train or retrain to enter important workforces for this province*
  + *Offer incentives for post-secondary institutions to develop programs that focus on high-priority sectors for the province*
  + *Other (specify)*
* **In-person sessions (most common responses):**
  1. Reduce red tape and lessen regulations where possible (20%)
  2. **Provide tax cuts and invest in certain businesses to stimulate growth and jobs (19%)**
  3. **Offer incentives for those who want to train or retrain to enter important workforces for this province (19%)**
* **Online questionnaires (most common responses)**
  1. Offer incentives for post-secondary institutions to develop programs that focus on high-priority sectors for the province (24%)
  2. **Offer incentives for those who want to train or retrain to enter important workforces for this province (22%)**
  3. **Provide tax cuts and invest in certain businesses to stimulate growth and jobs (21%)**

Note: those bolded were common among the top three responses between the in-person sessions and online questionnaires. Also, the response to offer incentives for those who want to train or retrain was a more frequent response in the in-person sessions in some rural areas, specifically Labrador West and Marystown.

In follow-up to the previous question, attendees of the in-person sessions were asked:

1. ***What are your thoughts on the conditions for economic growth listed in the polling question?***
2. ***Do you have any other ideas on what government should do when it comes to creating the conditions necessary for economic growth?***

* **Common responses included:**
  + Reduce red tape and streamline regulations and government programs.
  + Create the appropriate fiscal/taxation environment for individuals, families and businesses.
  + Invest in education and training.
  + Leverage the potential of immigration.

**Spending**

***For each of the following, please indicate whether you believe spending should be increased, maintained at current levels or reduced.***

* + *Health Care*
  + *Education Sector (K-12 and post-secondary)*
  + *Transportation and Works*
  + *Municipal Support*
  + *Other General Sector*
    - *Finance; Service NL; Executive Council; Pensions*
  + *Other Social Sector*
    - *Children, Seniors and Social Development; Justice and Public Safety; NL Housing*
  + *Resource Sector*
    - *Fisheries and Land Resources; Natural Resources; Tourism, Culture, Industry and Innovation*
* **Results:**
  + Across the sectors people indicated that they would like to see spending maintained or increased, with the exception of the in-person responses relating to the “Other General Sector” which were to reduce or maintain. The highest responses in each of the categories are listed below, noting the similarities and differences between the in-person and online responses.
* Similarities:
  + Transportation and Works – maintain
  + Municipal Support – maintain

* + Differences:
    - Health Care – maintain (in-person) vs. increase or maintain (online)
    - Education Sector – increase or maintain (in-person) vs. increase (online)
    - Other General Sector – reduce or maintain (in-person) vs. maintain (online)
    - Other Social Sector – increase or maintain (in-person) vs. maintain (online)
    - Resource Sector – maintain or increase (in-person) vs. maintain (online)

Note: 82% of the online questionnaire respondents indicated that they would like to see an increase in spending on education. This emphasis on education was also reflected in the responses to the open ended questions on the online questionnaire.

In follow up to the previous question, during the in-person sessions participants were asked to:

***Please explain, or give examples, within the spending categories identified how/why spending could be increased, maintained at current levels or reduced.***

Most of the responses focused on education and health care.Below are some of the responses:

* + Health Care
    - Focus on healthy living and health promotion and prevention.
    - Increase spending on mental health.
    - Reduce wait times and spending on administration.
    - Reduce over time and reliance on casual/call-in.
    - Increase shared services and use of technology.
  + Education Sector
    - Explore distance learning and private education.
    - Rationalize class sizes and increase allocation of teachers and assistants.
    - There are not enough school boards.
    - Spend more on teaching resources and professional development.
    - Conduct earlier testing for literacy problems.
    - Support teachers in dealing with mental health issues.
  + Other Social Sector
    - Senior care subsidy is not enough to help with costs.
    - Focus on aging in place – keep seniors in their communities.
    - Children that are in foster care or part of the justice system need to be a focus.
    - Stigma of affordable housing is a problem; more subsidies needed; too many limitations and thresholds.
  + Transportation and Works
    - Increase spending on roads, less on ferries.
    - Get rid of unused buildings.
    - Invest in public transit, especially on Northeast Avalon.
  + Municipal Support
    - Make Local Service Districts pay their share.
    - Reduce duplication of services and explore amalgamation.
    - Examine municipal tax system (e.g., income vs. assessment-based).
  + Resource Sector
    - Diversify away from oil and gas.
    - Invest in renewable energy.
    - Do more to ensure projects benefit the province.
  + Other General Sector
    - Run the province more like a business.
    - Ensure more fairness in taxation.

**How can Government improve my life?**

***As a citizen of the province, the most important things that government can do in Budget 2019 to improve my life are: (Select top 3 in no particular order)***

* + *Maintain spending on services I rely on*
  + *Reduce spending/the net debt*
  + *Reduce my current financial burden (reduce taxes and fees)*
  + *Support me as I train/retain for a new career*
  + *Make investments in programs to encourage job creation*
  + *Make investments in infrastructure*
  + *Continue to support high-growth industries*
  + *Other*
* **The in-person responses (most common responses):**
  1. **Make investments in programs to encourage job creation (average 18.5%)**
  2. **Reduce my current financial burden (average 17%)**
  3. Reduce spending/the net debt (average 16.5%)
* **The online responses (most common responses):**
  1. **Reduce my current financial burden (23%)**
  2. Maintain spending on services I rely on (21%)
  3. **Make investments in programs to encourage job creation (14.5%)**

Among the top three responses, the commonalities between the in-person and online responses are bolded.

The participants of the in person sessions were asked:

***What are your thoughts on the things government can focus on in Budget 2019 (as listed in the previous question)?***

* **Sample responses:**
  + Invest in programs (jobs, education) that help us keep our children here.
  + Explore areas where private sector can deliver services more efficiently.
  + Invest in technology and infrastructure, including public transit.
  + Review personal, corporate and other taxes.
  + Improve navigation within the health care system.
  + Make new investments (notably re. infrastructure and high-growth industries).
  + Review workplace cultures that exacerbate spending.
  + Review the Municipalities Act.
  + Reduce red tape across government programs.

The participants of the in person sessions were asked:

***Do you have any other ideas on what the provincial government should do in Budget 2019 to improve the lives of the residents of NL?***

* **Sample responses:**
  + Lead by example by showing residents how to live within their means.
  + Adopt physical fitness as public policy.
  + Ensure gender equity in income.
  + Ensure there is enough power for industrial growth/economic development.
  + Give attention to issues like homelessness and social supports.
  + Reduce or ban the use of plastics.
  + Make proactive decisions that have an impact into the future.

The final question in the in-person consultations and online questionnaire was:

***Do you have any other comments you would like to share regarding government's approach/focus to Budget 2019?***

* **Results from the in-person sessions:**
* There was a wide variety of responses to this question.
* One of the areas that was focused on was taxation and fiscal policy and in particular, reducing taxes, red tape and debt.
* Healthcare, transportation and infrastructure were also areas participants felt necessary for government to concentrate efforts to improve services while also creating cost efficiencies.
* **Results from the online questionnaire:**
* The responses to this question were largely focused on education which was consistent with the other open-ended question and the question related to spending. The responses focused on decreasing class sizes, increasing resources including teacher allocation and special services.
* Other responses focused on:
  + reducing the tax burden
  + reducing/controlling Government spending and the size of the public service