



Consultation on the Premier's Economic Recovery Team's Report, The Big Reset

What We Heard

December 2021



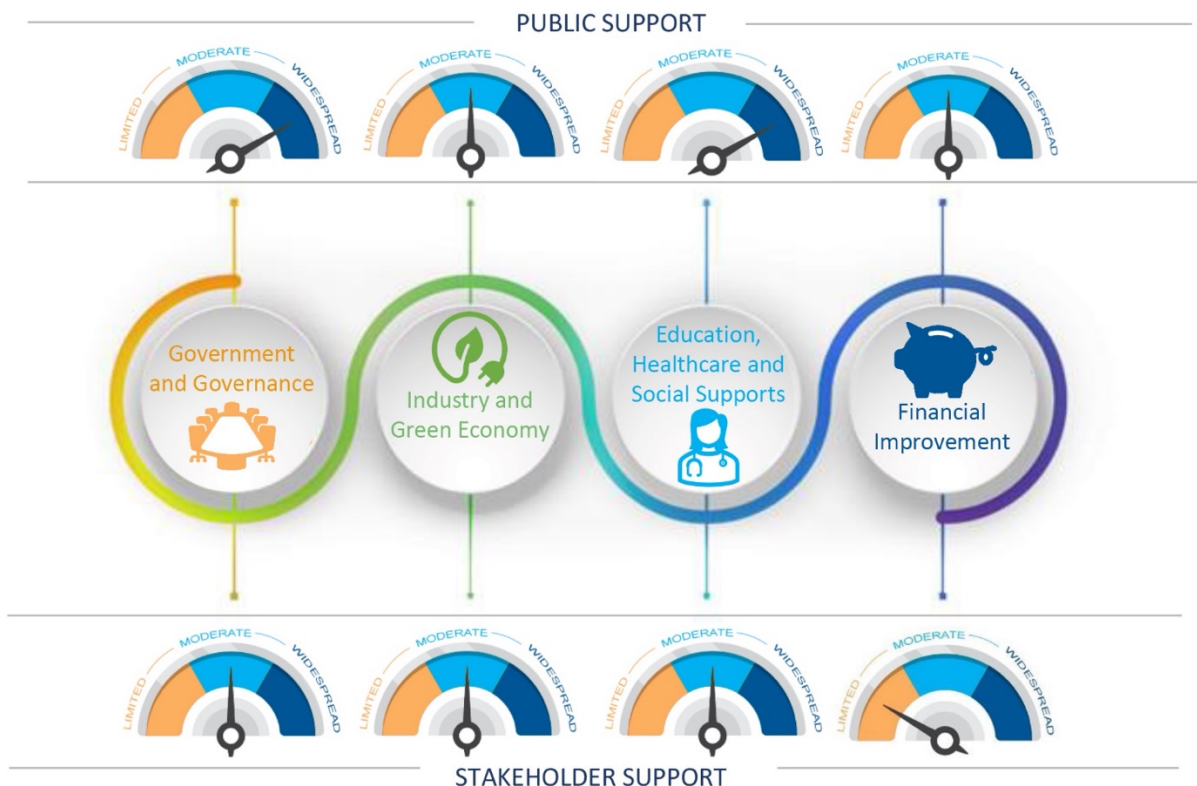
EXECUTIVE SUMMARY

“The Big Reset” was released by the Premier’s Economic Recovery Task Force, chaired by Dame Moya Greene, in May 2021. The report included a comprehensive review of the province’s economic, demographic and social states of affairs, a deep dive into the state of the province’s financial affairs, and four key areas of strategic focus and action with corresponding recommendations:

1. Government and governance - improving accountability and transparency in decision-making.
2. Developing industry and transitioning to a green economy - building a greener, technologically advanced economy.
3. Refocusing the social compact (education, healthcare, and social supports).
4. Implementing a solid fiscal plan.

Within those four key areas, the PERT report identifies 79 recommendations for the government to consider.

The Government of Newfoundland and Labrador conducted public and stakeholder consultation to gain feedback and input on the recommendations included in the PERT report. In general, the recommendations received moderate to widespread support. The following graphic illustrates the range of support reported for the recommendations in each section.



Support for the recommendations in each section was summarized based on feedback from a variety of sources. The public and stakeholder groups provided feedback through online surveys (completed by 1,576 members of the public and 36 stakeholder groups), virtual consultation sessions (5 public sessions were attended by 154 members of the public, 6 stakeholder sessions were attended by 31 stakeholder groups), and written submissions and phone calls (41 documents/letters, 2 emails and 11 phone calls were received).

Recommendations related to Government and Governance received widespread public support and moderate support from stakeholders.

Ninety-six percent (96%) of public survey respondents either *somewhat* (85%) or *strongly* (11%) support increased accountability and transparency within government.

Overall, survey results and town hall feedback were aligned, with most participants expressing support for the recommendations in this category and particularly strong agreement around recommendations to: establish oversight standards for major projects; increase consistency in agencies, boards and commissions; improve service delivery; implement program evaluation; and not allow MHAs to hold multiple public service pensions.

Some opposition was noted among public and stakeholder feedback regarding recommendations to review union contracts, enact a balanced budget legislation and launch a public education campaign about the cost of providing government services.

Adopting a mandatory reporting framework and ensuring salary transparency across all of government, including unions and non-profit organizations, were two recommendations that were supported by most of the public but did receive some stakeholder opposition.

Based on feedback from the public survey, most of the recommendations related to Government and Governance received widespread public support. All the recommendations were supported by between 68% - 96% of respondents.

Recommendations related to Industry and Green Economy received moderate support from both the public and stakeholder groups.

Eight in ten respondents to the public survey (79%) either *somewhat* (37%) or *strongly* (42%) support the transition to a green economy.

Some stakeholder groups expressed concern related to ensuring competitive oil and gas regulation, developing and implementing a green energy transition strategy funded by oil and gas tax revenues, and encouraging low-carbon mining and low-emission offshore oil and gas activity. Some stakeholder groups also expressed concern related to streamlining aquaculture licenses and approvals, promoting investment in forestry and focusing on environmentally sound fisheries management; however, most stakeholder groups were aligned with the public

in expressing moderate support for most of the recommendations related to industry and green economy.

Specific recommendations related to industry and green economy were supported by between 51% and 89% of public survey respondents, indicating a moderate level of support for this section.

Recommendations related to Education, Healthcare and Social Supports received moderate support among stakeholder groups and widespread support from the public.

Eight in ten respondents to the public survey (82%) either *somewhat* (24%) or *strongly* (58%) support the realignment of education, healthcare, and social safety nets.

Although the public showed widespread support for most of the recommendations in relation to education, healthcare and social supports, stakeholder support was more moderate.

Some concern from public and stakeholder groups was expressed in relation to recommendations to deliver more efficient health care services (i.e., consolidating the regional health authorities), streamlining the K-12 administrative structure (i.e., eliminating the two school districts), bringing consistency to nursing skills (i.e., one nursing school for the province), promoting social procurement with a focus on underrepresented minority groups and updating the Memorial University Act.

Among members of the public who provided feedback on the specific recommendations related to education, healthcare, and social supports, recommendations were supported by between 58% and 89% of respondents, indicating a widespread level of support among the public for this section.

Recommendations related to Financial Improvement received moderate support from both the public and stakeholder groups.

Nine in ten respondents to the public survey (87%) support addressing the province's financial challenges through reductions in spending. Seven in ten respondents (68%) support addressing the province's financial challenges through selling assets, and five in ten support (47%) tax increases to address current financial challenges.

Some concern was expressed by the public and stakeholder groups related to recommendations around personal tax increases, reducing operating grants (cuts), reconfiguring assets, and other tax increases. Stakeholder groups also expressed concern about recommendations focused on increases in fees and reductions in spending.

Despite concerns, many recommendations related to financial improvement were supported by the public, indicating an overall moderate level of support. Eighteen of the twenty-seven

recommendations received moderate to high support from public survey respondents. There was a widest range of support among this section of the report, however, with recommendations receiving public support between 36% and 89%.

Overall, although specific concerns related to recommendations in the PERT report were raised, most of the recommendations received moderate to widespread public support. Specific public concerns and feedback is provided in more detail in the full report.

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INTRODUCTION

This report summarizes what was heard from residents of Newfoundland and Labrador during the consultations on the Premier's Economic Recovery Task Force (PERT) Report.

Background: The PERT Report

"The Big Reset" was released by the Premier's Economic Recovery Task Force, chaired by Dame Moya Greene, in May 2021. The report included a comprehensive review of the province's economic, demographic and social states of affairs, as well as deep dives into the state of the province's financial affairs, and four key areas of strategic focus and action, with corresponding recommendations.

1. Government and governance - improving accountability and transparency in decision-making.
2. Developing industry and transitioning to a green economy - building a greener, technologically advanced economy.
3. Refocusing the social compact (education, healthcare, and social supports).
4. Implementing a solid fiscal plan.



Government and Governance
• 15 recommendations

Industry and the Green Economy
• 20 recommendations



Social Compact: Education, Healthcare, and Social Supports
• 17 recommendations

Financial Improvements
• 27 recommendations



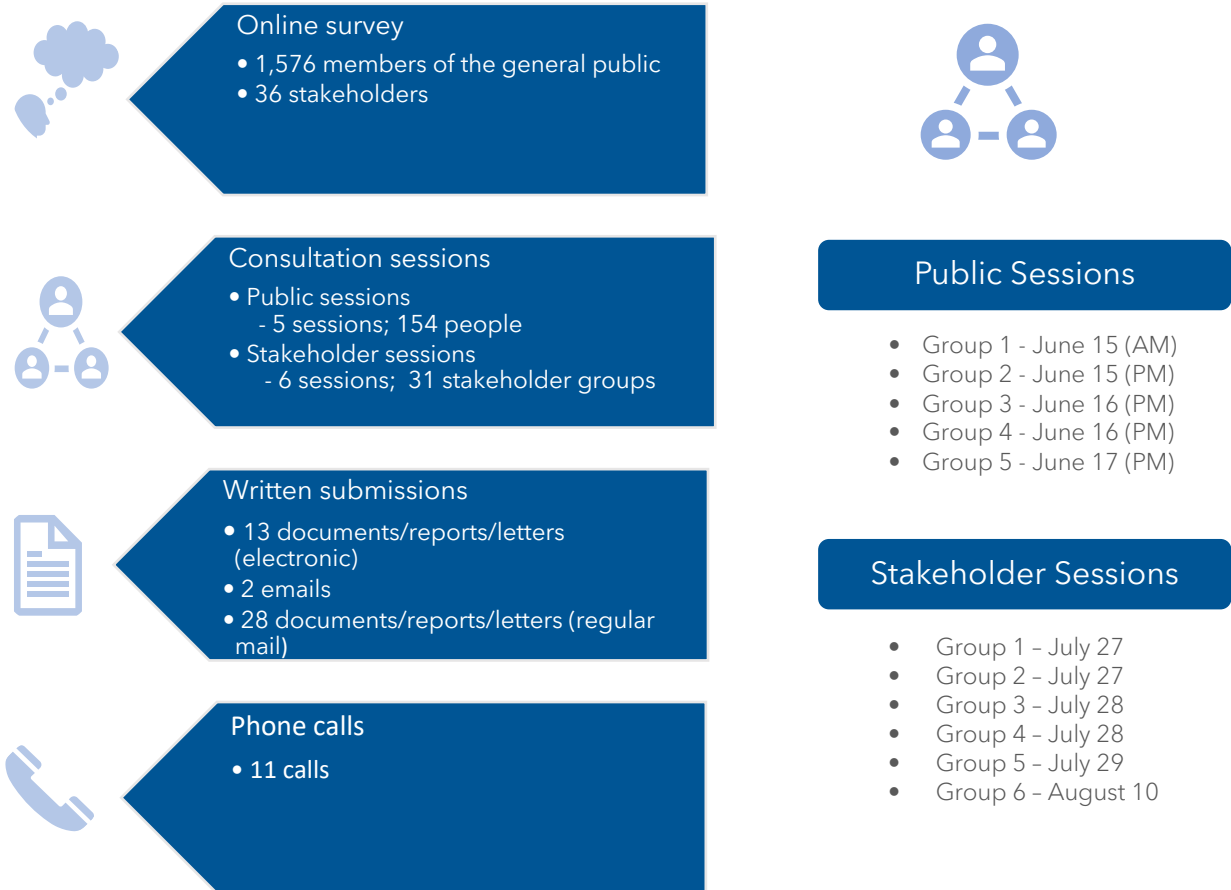
Within those four key areas, the PERT report identifies 79 recommendations for the government to consider. These recommendations are summarized by key area of focus.

Consultation Overview

The Government of Newfoundland and Labrador conducted public and stakeholder consultation sessions to gain feedback and input on the recommendations included in the PERT report. The consultation was open to both the general public and stakeholder groups. There were opportunities to provide feedback through:

- Online surveys (public and stakeholder version).
- Virtual consultation sessions (public and stakeholder version).
- Written submissions (including submitting documents, emails, and regular mail).
- Phone calls.

The following summary provides an overview of the number of individuals who provided feedback and the submissions that were reviewed in the preparation of this report.



Current Report

Feedback from the general public (online survey and public town hall sessions) are presented together, followed by feedback from the stakeholder sessions. The information is organized by key area of focus: government and governance; industry and green economy; education, health and social supports; and financial improvement.

Interpretation

The barometer gauge indicating overall level of support for the recommendations by key area of focus is a qualitative measure of support that incorporates level of support as indicated by the public survey, that is adjusted by level of support and/or opposition expressed from other data sources.



Limited: Across all recommendations, midpoint of support is <50% in public survey



Moderate: Across all recommendations, midpoint of support is 50-69% in public survey



Widespread: Across all recommendations, midpoint of support is 70% or higher in public survey

Throughout this report a combination of text, tables and figures are used to display the feedback gathered through all aspects of this consultation. Data labels to identify the percentage providing a specific response are displayed in all figures when the percentage is at least 3% of respondents.

Feedback is discussed by degree of support, however recommendations with at least 10% opposition in the public survey are discussed separately.

Overview of Public Survey Respondents

A total of n=1576 individuals provided feedback on the PERT report through an online survey that was available on the EngageNL website. The survey was open for any individual who wanted to provide feedback, from May 28th to July 1st.

It should be noted that individuals who opted to provide feedback via the online survey were not randomly selected. The survey represented one way that residents of Newfoundland and Labrador could provide feedback on the recommendations of the PERT report, but it should not be assumed that the results are representative of the views of the general population.

Overview of Public 'Town Hall' Sessions

Five public consultation sessions (town halls) were conducted in June, with 13 to 42 individuals registering for each session. A total of 154 individuals participated in the town hall sessions.

Each session included an introduction and brief background and context on the PERT report, followed by breakout sessions where participants were split into smaller groups to facilitate discussion. The bulk of the town halls consisted of facilitated discussion on each of the four topic areas (government and governance, transition to the green economy, realignment of education, healthcare and social safety nets, and financial improvements), with discussion of recommendations. Each recommendation was reviewed, and participants were asked if they agreed or disagreed with each (and why). Participants also had the opportunity to provide other comments and alternative recommendations or solutions where they did not agree. Following the smaller group discussions, participants were brought back to the larger group where the lead facilitator provided a summary of key themes discussed in the breakout rooms.

Overview of Stakeholder Consultation Sessions

Six stakeholder sessions were conducted in July and August, with three to nine stakeholder groups in each session. A total of 31 stakeholder groups participated in the consultation sessions. As with the stakeholder survey, stakeholders participating in the consultation sessions included representatives from unions, industry associations, post-secondary institutions, political parties, non-profits, community groups, federations and councils, municipal governments, other advocacy groups, and private employers.

In each session stakeholders were provided an opportunity to deliver a five-minute presentation or outline key discussion points on behalf of their organization. Following opening remarks by each stakeholder group, the remainder of the session was focussed on discussion of recommendations from stakeholders' point of view.

Stakeholders included representatives from unions, industry associations, post-secondary institutions, political parties, non-profits, community groups, federations and councils, municipal governments, other advocacy groups, and private employers. A total of 36 stakeholders completed the survey, some of whom also completed the consultation sessions and/or provided written submissions.

Overview of Other Submissions

In addition to the surveys and consultation sessions, there were also written submissions (documents, emails, etc.) and phone calls received as part of the consultation process.

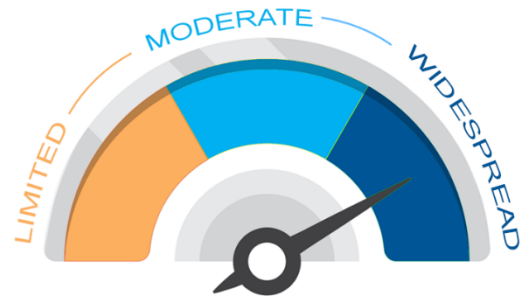
Feedback from Public Survey and Town Hall Sessions



Government and Governance

Overall, recommendations related to Government and Governance received widespread support.

Among members of the public who provided feedback on the specific recommendations related to government and governance (n=573), recommendations were supported by 68% - 96% of respondents, indicating widespread support for the majority of recommendations related to government and governance.



Over one-third of survey respondents (36%) had feedback on specific recommendations related to government and governance. These respondents (n=573) were asked to indicate their level of support for each recommendation that was put forward in the Government and Governance section of the PERT report and explain their opposition to any recommendation that they were not in favour of.

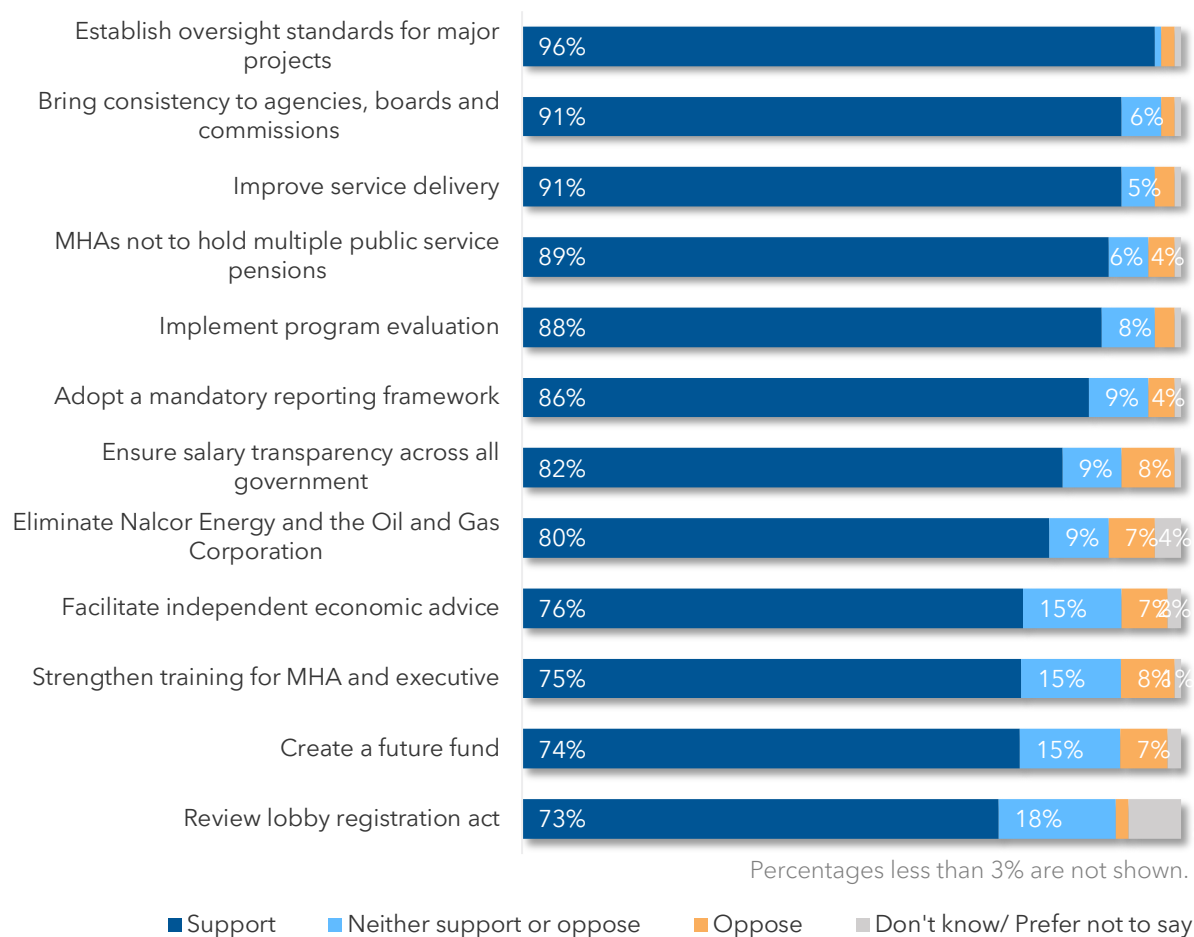
Based on feedback from the public survey, most of the recommendations related to Government and Governance received widespread public support. All the recommendations were supported by between 68% - 96% of respondents. Ninety-six percent (96%) of public survey respondents either *somewhat* (85%) or *strongly* (11%) support increased accountability and transparency within government.

Overall, survey results and town hall feedback were aligned with most participants expressing support for the recommendations in this category with particularly strong agreement around recommendations to establish oversight standards for major projects; increase consistency in agencies, boards and commissions; improve service delivery; not allow MHAs to hold multiple public service pensions and implement program evaluation.

Opposition from more than 10% of survey respondents was noted regarding recommendations to: review union contracts, enact balanced budget legislation and launch a public education campaign about the cost of providing government services.

Twelve of the fifteen recommendations related to government and governance received widespread public support; that is, support from 70% or more of survey respondents. Recommendations that received widespread support are shown in Figure 2.

Figure 2: Government and Governance Recommendations with Widespread Public Support



Recommendations to **establish oversight standards for major projects** (96%), **increase consistency in agencies, boards and commissions** (91%), **adopt a mandatory reporting framework** (86%) and **ensure salary transparency across government** (82%) received widespread support within the survey and in feedback from town hall participants. Although some town hall participants questioned the value of salary transparency, feedback from the town hall was generally supportive of transparency and accountability in government, from salary transparency to support for a public education campaign around the cost of government services.

"Standing Committees have important roles in oversight."

"I'm all about consistency in boards and commissions but Newfoundland and Labrador is a huge area...we do not all have the same way of working/thinking."

"I hope they do follow up. In particular, with advice on mandatory frameworks, consistency with boards."

Quotes from town hall participants

Recommendations to **improve service delivery** and **implement program evaluations** were also widely supported by the survey and town hall participants. Participants in the town hall sessions raised questions about how service delivery would be improved and stressed the need for feedback from users in making changes. Some participants shared concerns that other recommended cuts would make it challenging to improve services, but most agreed that improving services and incorporating program evaluation was needed. The survey showed widespread public survey support for both improving service delivery (91%) and implementing program evaluation (88%).

"Agree with others with on improving service delivery... New technology never gets used. Many inefficiencies. Bottom needs to have voice."

"Agree with program evaluation but would like to know more about how it works and who would do it. Whoever does it should have a program evaluation background."

Quotes from town hall participants

Support for the recommendation that **MHAs should not hold multiple public service pensions** was widely supported in the public survey (89%). The recommendation to **strengthen training for MHAs and the executive** was also widely supported (75%).

"Training side of recommendations are excellent."

"Agree with strengthen training for MHAs."

"Agree, MHAs not to hold multiple public service pensions. No one should hold anymore than one public service pension."

Quotes from town hall participants

Although **eliminating the Nalcor Energy and the Oil and Gas Corporation** received widespread public support in the online survey (80%), feedback from town hall participants was mixed. Most participants agreed with the recommendation to eliminate Nalcor, some wanted additional information on the benefit of carrying out the elimination of Nalcor or additional details on how the recommendation would be carried out.

“Disagree on eliminating Nalcor - for a province that relies on energy sector, eliminating Nalcor would be a big deal for people who work in this sector.”

“Get rid of Nalcor. We will get stuck with cleaning up the Oil and Gas situation.”

Quotes from town hall participants

The public survey showed widespread support for **facilitating independent economic advice** (76%), **reviewing the lobbyist registration act** (73%) and **creating a Future Fund** (74%). Town hall feedback was generally in favour of all three of these recommendations. Some town hall participants did voice concerns regarding the Future Fund, that although supportive of the idea, now might not be the time.

“Agree that Future Fund is an excellent idea.”

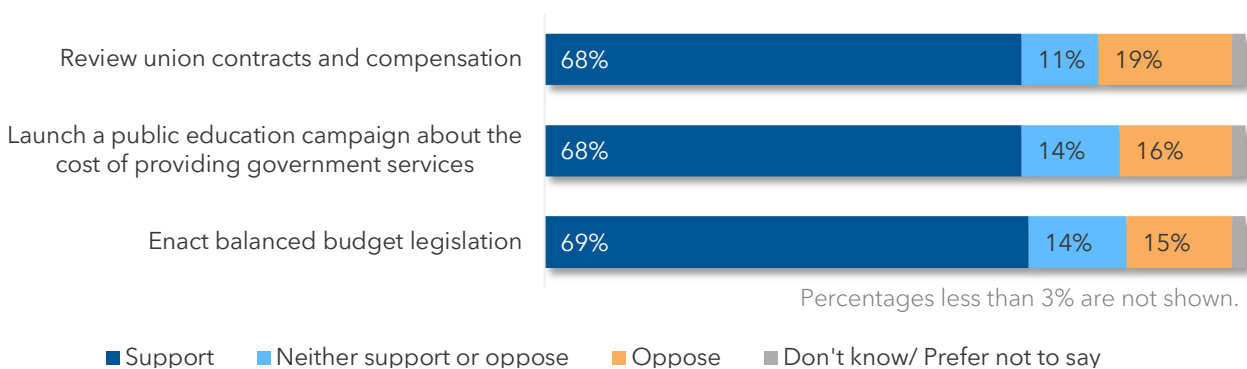
“Future fund is good idea but not at the expense of the people.”

“Agree to have a future fund but the timing is not right. We need to get other things in order before we look at this.”

Quotes from town hall participants

Three of the fifteen recommendations related to government and governance received moderate public support, that is, support from between 50% and 69% of survey respondents. Recommendations that received moderate support are shown in Figure 3.

Figure 3: Government and Governance Recommendations with Moderate Public Support



The recommendation to **enact a balanced budget legislation** received moderate support in the public survey (69%). Feedback from town hall participants was mixed with some agreement that balanced budget legislation was necessary and many expressing concerns that the legislation could be problematic during bad economic periods or when spending might be necessary.

"There are times when spending is necessary on behalf of government."

"I'm concerned about balanced budget legislation because it would tie governments hands. Unless it had a transparent way to balance budgets inline with economic swings."

Quotes from town hall participants

Although the recommendation to **launch a public education campaign about the cost of providing government services** received moderate support in the public survey (68%), the recommendation was supported in the town hall sessions. Some commented about the cost of a campaign but most feedback cited the importance of awareness of costs of services.

"I've been saying for years we should educate the public on the cost of "no shows" in the health care system."

"Public Education Campaign - concerns what the costs will be."

"...I think it would be good to show the actual cost of the services."

Quotes from town hall participants

Although some participants in the town hall sessions did agree with the recommendation to **review union contracts and compensation**, the majority of the feedback from town hall participants was not in favour of the recommendation. Many of those who shared concerns felt that a review would be an attempt to roll back wages and benefits and that it should be left to the bargaining process. The public survey showed moderate public support for the recommendation to review union contracts and compensation with 68% of respondents in support of the recommendation.

Recommendations with **more than 10% public opposition** were explored further to determine the reasoning behind the opposition. Within the government and governance section, these included:

1. **Review union contracts** (19% public opposition, including 10% who *strongly oppose*).

Public survey respondents who opposed this recommendation stated that contracts are binding (56%) and pensions help incentivize public service (15%). They also felt that a more nuanced or detailed approach is needed (11%) and there are more important issues to deal with (8%).

2. **Launch a public education campaign about the cost of providing government services** (16% public opposition, including 7% who *strongly oppose*).

Public survey respondents felt this recommendation would be wasteful; specifically, a waste of resources, time, and money (79%). They also expressed that there are more important issues to deal with and problems to solve (8%).

3. **Enact a balanced budget legislation** (15% public opposition, including 7% who *strongly oppose*).

A large portion of public survey respondents opposing believe that this is not a practical solution (44%) and it may reduce flexibility (21%). They also expressed that a deficit can sometimes be positive (20%) and a balanced budget is not always best (11%).

Additional Recommendations

Survey respondents were asked if they had any other recommendations related to government and governance that did not appear in the report.

Public survey: Almost three-quarters of respondents did not provide any recommendations (73%). Top suggestions included:

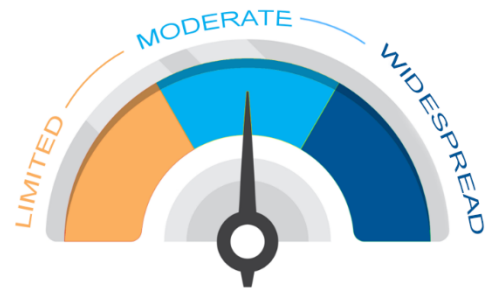
- Reducing government size (9%).
- Improved/forced accountability (7%).
- Greater transparency (3%).
- Reducing the number of MHAs and salaries (3%).
- Pension reform (2%).
- Meritocratic hiring practices (2%).
- Plebiscite/public vote on major spending/projects (1%).
- Electoral reform (1%).
- Consulting frontline employees/private industry about savings (1%).
- Balanced budget legislation (1%).



Summary of Public Response to recommendations related to Industry and Green Economy

Specific recommendations related to industry and green economy were supported by between 51% and 89% of public survey respondents, indicating a moderate level of support for this section.

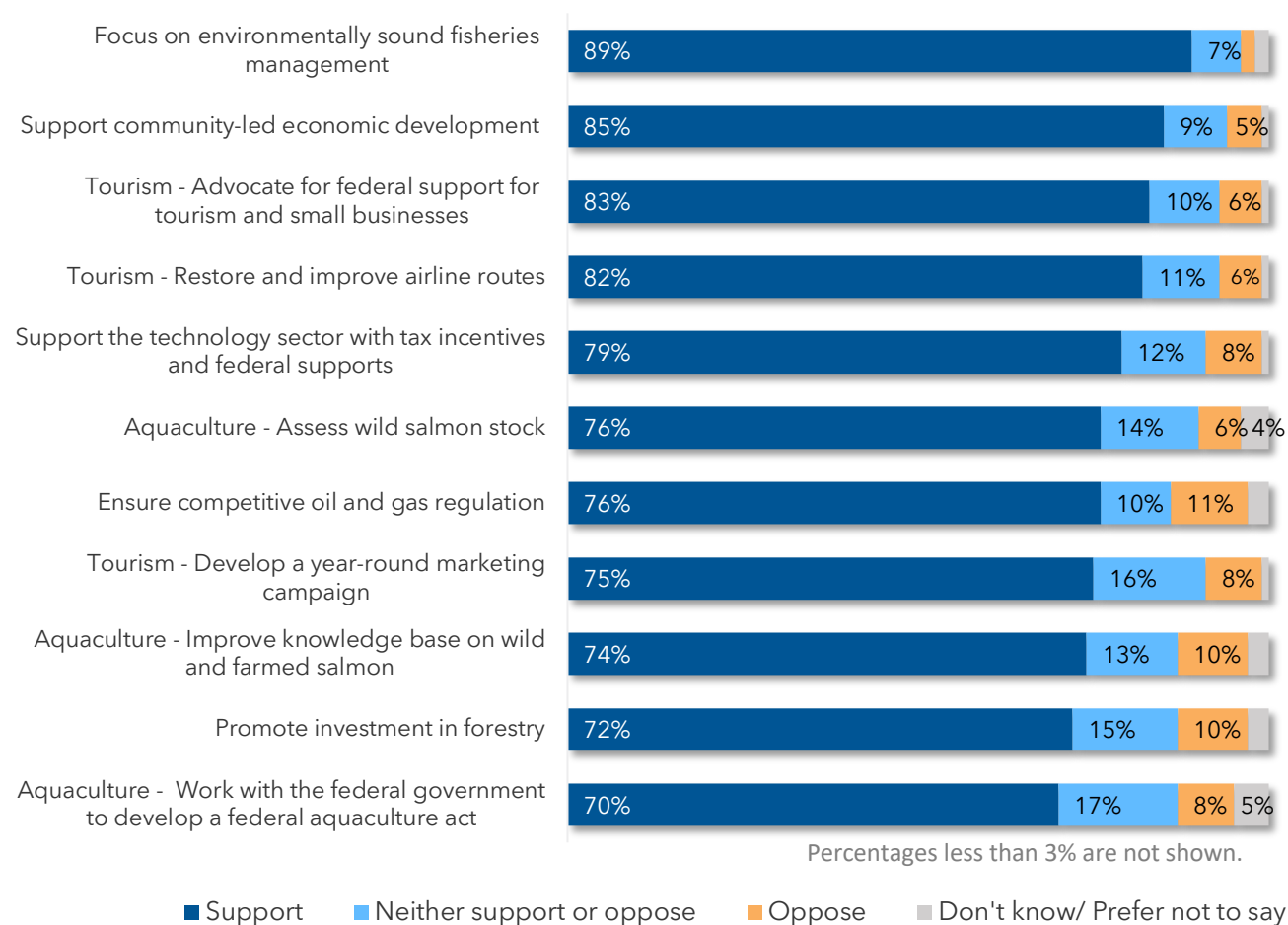
Eight in ten respondents to the public survey (79%) either strongly (42%) or somewhat (37%) support the transition to a green economy.



One-third of survey respondents (33%) had feedback on specific recommendations related to industry and the green economy. These respondents (n=525) were asked to indicate their level of support for each recommendation in this section and explain their opposition to any recommendation that they opposed.

Eleven of the twenty recommendations related to industry and the green economy received widespread public support; that is, support from 70% or more of survey respondents. Recommendations that received widespread support are shown in Figure 4.

Figure 4: Industry and Green Economy Recommendations with Widespread Public Support



Recommendations to **focus on environmentally sound fisheries management** (89%), received widespread support within the survey and in feedback from town hall participants.

“Agree with environmentally sound fisheries management, [the recommendation] is great and needed”.

Quotes from town hall participants

The online survey also showed widespread support for **community-led economic development** (85%). Participants who shared feedback around community-led economic development were seeking additional information on what supports would be available and what "community-led" would mean, but were generally supportive of the recommendation.

"Agree that supporting community-led economic development is one of the wisest ways to develop an economy."

"Community-led economic development is rather vague, support how? What is exactly meant by community-led? What supports will be available...?"

Quotes from town hall participants

The online survey showed widespread support for the recommendations around strengthening tourism in the province. Feedback from the town hall sessions and the survey showed support to **advocate for federal support for tourism and small businesses** (83%), **restore and improve airline routes** (82%) and **develop a year-round marketing campaign** (75%). Town hall participants stressed the importance of Newfoundland and Labrador's scenery and natural beauty, potential connections between fisheries and tourism and the importance of not losing sight of rural communities.

"Agree with recommendation to develop a year-round tourism campaign. Tourism suffered immensely last year due to COVID, we need to promote it and get behind tourism especially in smaller areas."

"Agree that tourism is the most important recommendation. There needs to be more effort to bring people into the province to support the industry."

"Rural Newfoundland and Labrador has much potential...any tourism plan must have a focus on scenic rural Newfoundland and Labrador."

Quotes from town hall participants

The survey also showed widespread support for the recommendation to **support the technology sector with tax incentives and federal aid** (79%). Feedback from the town hall participants was mixed with some disagreeing with the recommendation and others citing the importance of investment in the technology sector. When the recommendation to support the technology sector was raised in the town hall sessions, many of the comments focused on the lack of broadband internet in rural communities.

"Disagree with supporting technology with tax incentives. Don't have an issue with "getting a leg up" but not to large corporations. Not while tax rates are going up."

"Need to invest in broadband for rural communities. This is lacking in the report."

"Investment in MUN with regards to technology is crucial."

"We need to be on top of technology and become a leader in technology"

Quotes from town hall participants

The public survey showed widespread support for the recommendation to **assess wild salmon stock** (76%). Some comments shared in the town hall session focussed on opinions around the negative impact of aquaculture or concern for wild salmon stock; but most were supportive of requiring aquaculture operators, anglers, and outfitters to participate in stock assessments and aquaculture operators to fund river monitoring in areas adjacent to fish farms.

Feedback from the town hall sessions and the public survey indicated widespread support for **ensuring competitive oil and gas regulation** (76%), and moderate support for **encouraging low-emission offshore oil and gas activity** (68%). Although most town hall participants agreed with the recommendations, some felt that low-emission oil and gas was not possible or shared comments questioning the ability to transition to a green economy while supporting oil and gas.

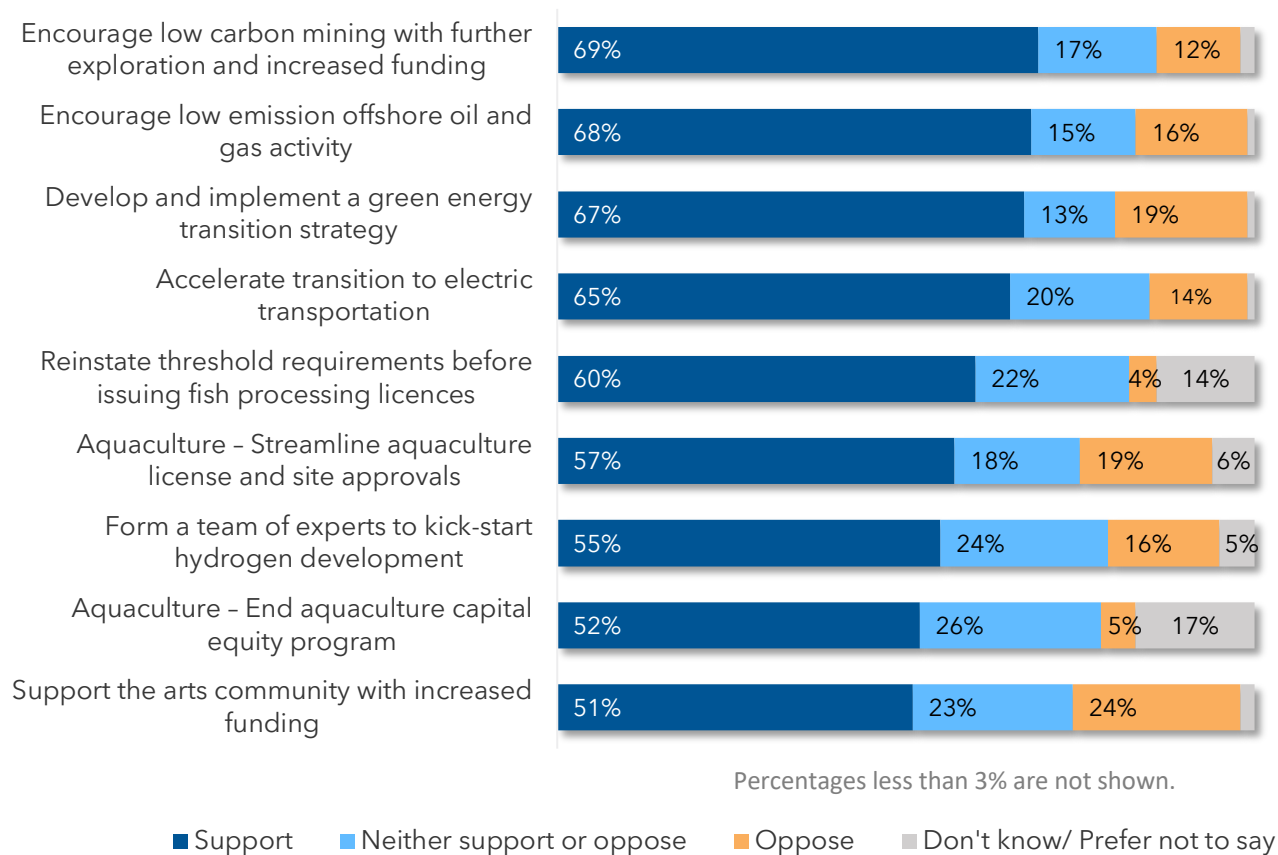
"Agree with everything. There is no question. But there is no such thing as low emission of oil and gas."

"Oil and gas is a dying industry and shouldn't be investing more money into it. Support [is needed] for workers out of this industry."

Quotes from town hall participants

The recommendation to **encourage low-emission offshore oil and gas activity** was one of the nine recommendations related to industry and the green economy that received moderate public support; that is, support from between 50% and 69% of survey respondents. Recommendations that received moderate support are shown in Figure 5.

Figure 5: Industry and Green Economy Recommendations with Moderate Public Support



Developing and implementing a green energy transition strategy (67%) and accelerating the transition to electric transportation (65%) received moderate public support. Feedback from town hall participation suggested general support for both recommendations with some comments questioning the feasibility of a transition to electric transportation and citing a need for more detail on what implementing both recommendations would look like.

"Agree with accelerating transition to electric transportation but need more detail on how that would be implemented."

"We need to ramp up and be more aggressive with our transition to greener energy."

"Electric transportation might not be feasible in Labrador with cold weather."

Quotes from town hall participants

The public survey showed moderate support for **reinstating threshold requirements before issuing fish processing licenses** (60%) and **streamlining license and site approvals** (57%).

The public survey also found moderate support for **forming a team of experts to kick-start the hydrogen development** (55%), **ending the aquaculture capital equity program** (52%), and **supporting the arts community with increased funding**. Feedback from the town hall sessions was favourable toward the recommendation to support the arts community with increased funding, however some participants cited a need for strong fiscal management and a belief that funding for the arts community should generate a return.

"Arts is vital to sustainability."

"Agree with supporting arts community. Within last 15 months, we've seen how much we depend on the arts for our mental health in an uncertain time. Supporting arts community with increased funding is a good idea, increases quality of life."

"Tourism and the arts are revenue producers. Anything we can do to encourage them is important."

Quotes from town hall participants

Recommendations with **more than 10% public opposition** were explored further to determine the reasoning behind the opposition. Within the industry and green economy section, these included:

1. **Support the arts community with increased funding** (24% public opposition).

The top reason for public opposition to this recommendation was that arts should not be prioritized in the current economy (61%). Public survey respondents also felt that funding of the arts should remain at current levels (25%) and that arts funding should be a federal responsibility (1%).

2. **Develop and implement a green energy transition strategy, funded by oil and gas and tax revenues from the Future Fund** (19% public opposition).

Public survey respondents expressed that any additional revenues should be used to pay down debts (34%). Some also hope that the government will reduce oil and gas drilling and mining (20%) and feel that this recommendation would be wasteful (15%).

3. **Aquaculture - Streamline aquaculture license and site approvals** (19% public opposition).

Respondents to the public survey expressed that aquaculture is bad for the environment (45%) and that making an industry competitive or streamlining often results in deregulation (30%). Some respondents also hope the government will phase out/stop aquaculture (21%) or state that they prefer land-based aquaculture (21%).

4. **Encourage low-emission offshore oil and gas activity** (16% public opposition).

Public survey respondents expressed that they hope government will reduce oil and gas drilling and mining (38%) and that oil and gas is never clean and always comes with emissions and pollution (36%). They also feel that government should not support private industry (8%).

5. **Form a team of experts to kick-start hydrogen development** (16% public opposition).

The majority of respondents from the public felt that this recommendation would be wasteful; specifically, a waste of time, money, and resources (60%). Respondents also feel we cannot afford the expense (13%) and that government should not support private industry (11%).

6. **Accelerate transition to electric transportation** (14% public opposition).

The top reasons for public opposition to this recommendation were that electric vehicles (EVs) require new infrastructure (e.g., charging stations) (29%) and that EV technology needs further development (20%). Respondents also felt we can't afford the expense (20%) and that it would be wasteful (13%).

7. **Encourage low carbon mining with further exploration and increased funding** (12% public opposition).

Public survey respondents expressed that the government is not in a position to support private industry (31%) and that oil and gas is never clean and always comes with emissions

and pollution (20%). Some respondents also hope the government will reduce oil and gas drilling and mining (15%) and feel we cannot afford the expense (9%).

8. **Ensure competitive oil and gas regulation** (11% public opposition).

The top reason for public opposition to this recommendation was that making an industry competitive or streamlining often results in deregulation (52%). Some respondents also hope government will reduce oil and gas drilling and mining (29%), and feel the government is not in a position to support private industry (16%).

Additional Recommendations

Public survey respondents were asked if they had any other recommendations related to the green economy and industry that did not appear in the report. One-quarter of respondents (25%; n=390) provided additional recommendations. These recommendations are shown in Table 2.

Table 2: Additional Recommendations from the Public on the Industry and Green Economy (n=390)

Recommendation	% Support
Green energy investment/incentives	24%
Emphasis on local/homegrown businesses/products	11%
Increase role of private industry/investment in green tech/infrastructure	6%
Develop wind power	6%
Aquaculture development/regulation	6%
Enforce/increase environmental protections	5%
Ease restrictions on personal green energy generation (e.g., solar panels, wind turbines)	4%
Revamp/support/invest in tourism industry	3%
Invest in electrical vehicle infrastructure across province	3%
Better use of hydro projects	2%
Invest in public transit/active transport	2%

The most commonly cited additional recommendations were investments and incentives for green energy (24%) and a greater emphasis on local businesses/products (11%). Respondents also cited an increased role of the private industry in tech/infrastructure (6%), development of wind power (6%) and aquaculture development/regulation (6%).

Less commonly cited recommendations included increased support/investment in the tourism industry (3%), electrical vehicle infrastructure (3%), better use of hydro projects (2%) and an increased investment in public transit/active transport (2%).

Education, Healthcare, and Social Supports

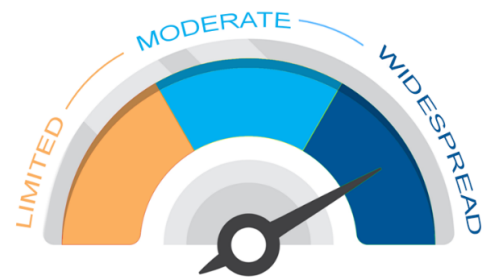


Overall, support for the PERT recommendations related to Education, Healthcare and Social Supports was widespread.

Eight in ten respondents to the public survey (82%) either strongly (58%) or somewhat (24%) support the realignment of education, healthcare, and social safety nets.

Over half of survey respondents (51%) had feedback on specific recommendations related to education, healthcare, and social supports. These respondents (n=805) were asked to indicate their level of support for each recommendation in this section and explain their opposition to any recommendation that they opposed.

Among members of the public who provided feedback on the specific recommendations related to education, healthcare, and social supports (n=805), recommendations were supported by between 58% and 89% of public survey respondents, indicating a widespread level of support for this section.

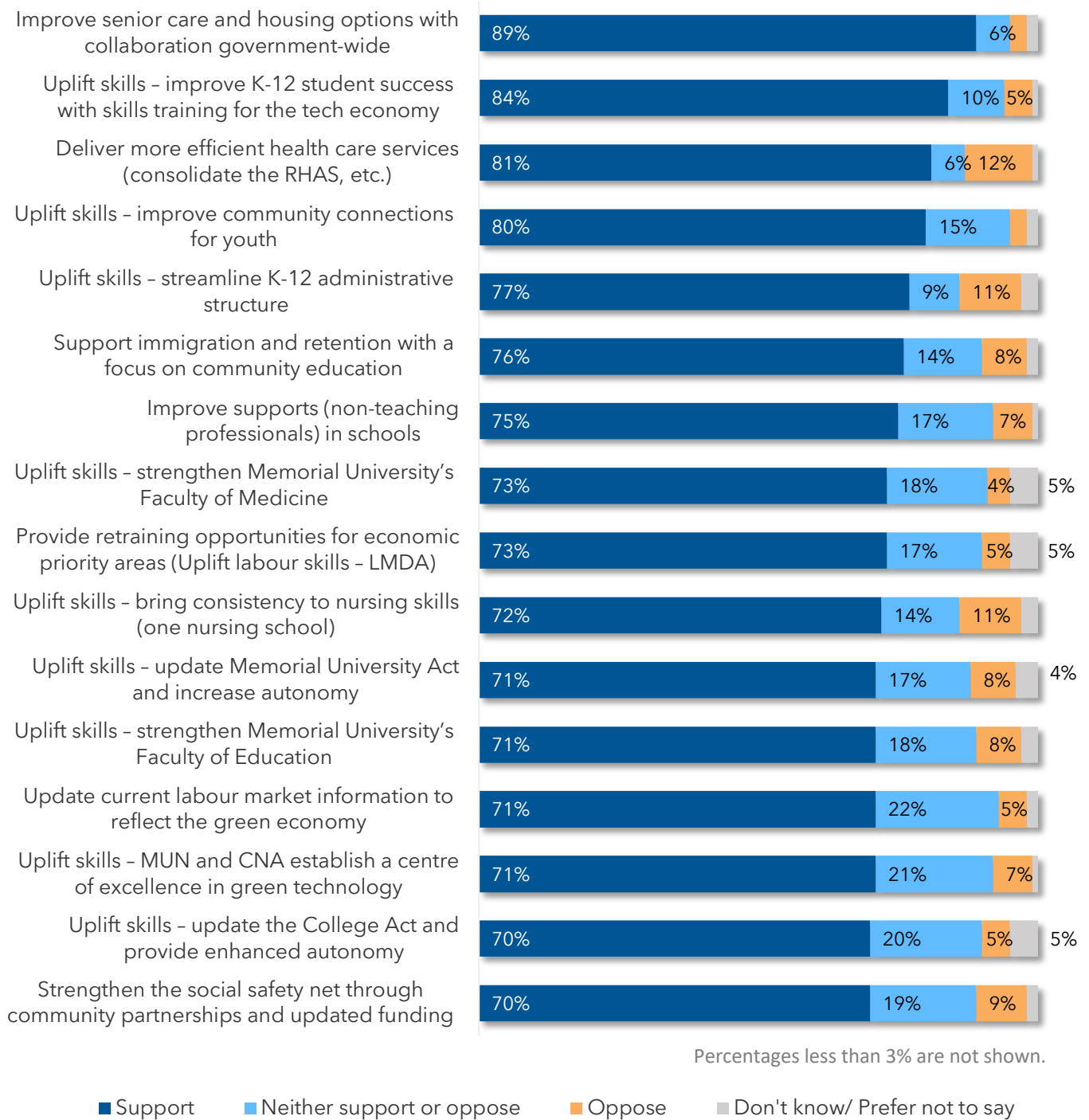


Town hall participants expressed support for most of the recommendations in this section, however some opposition was noted for consolidating the regional health authorities and implementing changes to education.

Only four recommendations were received with opposition by more than 10% of public survey respondents. These included delivering more efficient health care services (i.e., consolidating the regional health authorities), streamlining the K-12 administrative structure (i.e., eliminating the two school districts), bringing consistency to nursing skills (i.e., one nursing school for the province), and promoting social procurement with a focus on underrepresented minority groups.

Sixteen of the seventeen recommendations related to education, healthcare and social supports received widespread public support, that is, support from 70% or more of survey respondents. Recommendations that received widespread support are shown in Figure 6.

Figure 6: Education, Healthcare and Social Supports Recommendations with Widespread Support



Recommendations to **improve senior care and housing options through government-wide collaboration** (89%), **uplift skills in the K-12 education system through skills training for the tech economy** (84%), **deliver more efficient health care services (including consolidating the regional health authorities and expanding technology)** (81%), and **improve community connections for youth** (80%) received widespread support within the survey and in feedback from town hall participants.

Feedback on improving senior care received extensive support in the town hall sessions, however participants questioned if there were enough human resources to accomplish this. Specifically, it will require a comprehensive human resource strategy as well as the development of standards across the board. Town hall participants also supported increased technology training for youth.

"Standards for senior care are sadly lacking."

"Education is the backbone from the economy. Education sector needs to be strong [and] of high quality. This will help develop [the] economy."

"K-12 is essential to get students interested in technology. This needs to happen early."

Quotes from town hall participants

There was support for more efficient healthcare services (including consolidating the regional health authorities) in the public town hall sessions. Participants believe one health authority could save money, effort, and put our limited resources to better use. However, some participants expressed concern that we have not yet fully transitioned from past sharing of healthcare services. In contrast, other participants opposed the consolidation of health authorities, stating that there are already staff shortages in acute and long-term care and some communities are in crisis mode; reducing healthcare services to one single authority could further exacerbate these issues.

"Agree with consolidation of health authorities. However, we haven't fully streamlined from past integration of health shared services."

"I agree with one health care board to save money, effort, and use better use of our resources."

"Putting all Regional Health Authorities together is a nightmare. No one to do the jobs. We cannot even get people to do the jobs. If we have no worker bees on the floor there will be no one to use the technology."

Quotes from town hall participants

Recommendations to streamline the K-12 administrative structure (eliminate the two school districts and other administrative changes) (77%), improve immigration and retention services (76%), and increase the number of non-teaching professionals in schools (75%) also received widespread support. The public also supported strengthening the Faculty of Medicine through administrative efficiency (73%), providing retraining opportunities for economic priority areas (labour market development agreement) (73%), and uplifting skills in specific occupations, including bringing consistency to nursing skills (one nursing school for the province) (72%), updating the Memorial University Act (71%) and College Act (70%), and strengthening the Faculty of Education (71%).

A portion of participants in the town hall sessions were supportive of recommendations related to changes to education. They expressed that we should re-evaluate our spending on education to ensure we are not expending resources where they are not needed. Some also stated it has been too long since the Memorial University and College Acts have been reviewed so this update is overdue. In contrast, other participants felt there was a lack of evidence to support the education recommendations and questioned if education experts were consulted in the writing of the PERT report. They also feel we should view education as an investment, not an expenditure.

"I agree we need to make sure we are spending money for education in the right way."

"I agree with updating MUN and College of the North Atlantic acts and bringing them in line with reality."

"I disagree with recommendations regarding education - there is a lack of evidence and support for any of the recommendations regarding education."

Quotes from town hall participants

Finally, recommendations to update the current labor market information to reflect the green economy and technology changes (71%), create a partnership between MUN and CNA to establish a centre of excellence in green technology (71%), and strengthen the social safety net through community partnerships and updated funding programs (70%) also received widespread public support.

There was strong support for updating current labor market information to reflect the green economy and technology changes in the town hall sessions. Participants expressed that people need to be trained for these jobs, and if we are investing in training, we need to ensure the economic priority areas meet with emerging needs. There was also support in the sessions for a centre of excellence in green technology, however some participants stated this was contradictory to the recommendation to reduce operating grants for the university.

Participants in the town hall sessions also supported strengthening the social safety net, however there was concern that the implementation of this recommendation was unclear, and few concrete solutions were offered.

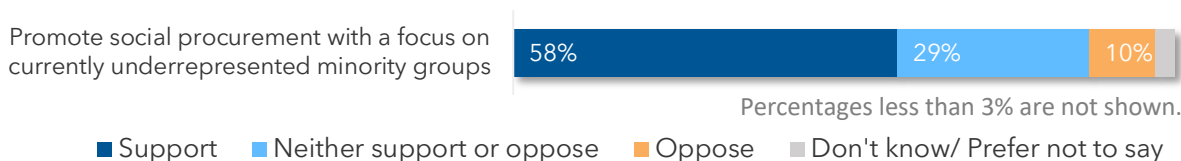
“Labour market training and information - agree, make sure we train people for these jobs. Getting consultation from the folks that understand the labor market is really important. Talk to workers and employers to find out what kind of training is needed, especially when it comes to transitioning to a greener labour market.”

“The recommendation to establish a centre of excellence in green technology seems in contradiction to the recommendation to reduce MUN’s operating grant.”

— Quotes from town hall participants

Just one recommendation in this section received moderate public support (58%) - promoting social procurement with a focus on currently underrepresented minority groups.

Figure 7: Education, Healthcare and Social Supports Recommendations with Moderate Support



Recommendations with **more than 10% public opposition** were explored further to determine the reasoning behind the opposition. Within the education, healthcare, and social supports section, these included:

1. **Deliver more efficient health care services by consolidating the regional health authorities and expanding technology** (12% public opposition).

Although 81% of respondents to the public survey supported this recommendation, it did receive 12% opposition. Public survey respondents expressed that different regions have different needs (40%) and RHAs should not be consolidated as a result of cuts (34%). Some also felt that health services are already heavily concentrated on the Avalon (17%), and that this recommendation is not likely to increase efficiency/reduce costs (6%).

2. **Uplift skills - Streamline K-12 administrative structure (including eliminating the two school districts and other administrative changes)** (11% public opposition).

Public survey respondents who were opposed to this recommendation stated that implementation is not likely to benefit NL education (28%), and that English and French

education are and should be separate streams (14%). Respondents also feel this recommendation is not likely to increase efficiency or reduce costs (13%) and highlight that the French language is constitutionally protected (13%).

3. Uplift skills - Bring consistency to nursing skills (including one nursing school for the province) (11% public opposition).

The top reasons for public opposition to this recommendation were that one school would not reflect the diversity of NL (39%) and that nursing schools on the East and West coasts would be better (27%). Some respondents also expressed that they would not want this school to be located in St. John's (10%) and that BN studies are already consistent with the rest of Canada (10%).

4. Promote social procurement with a focus on currently underrepresented minority groups (10% public opposition).

Public survey respondents opposed this recommendation due to meritocracy, or a belief that certain groups should not be prioritized (36%). Some also felt that this would be a waste of resources, time, and money (8%), and that reducing debt should be the priority (5%).

Financial Improvement

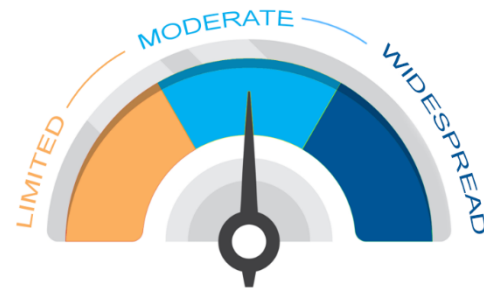


Summary of Public Response to recommendations related to Financial Improvement

Specific recommendations related to financial improvement were supported by between 36% and 89% of public survey respondents, indicating a moderate level of support for this section.

Just under one half of survey respondents (47%) had feedback on specific recommendations related to financial improvement. These respondents (n=748)

were asked to indicate their level of support for each recommendation in this section and explain their opposition to any recommendation that they opposed.

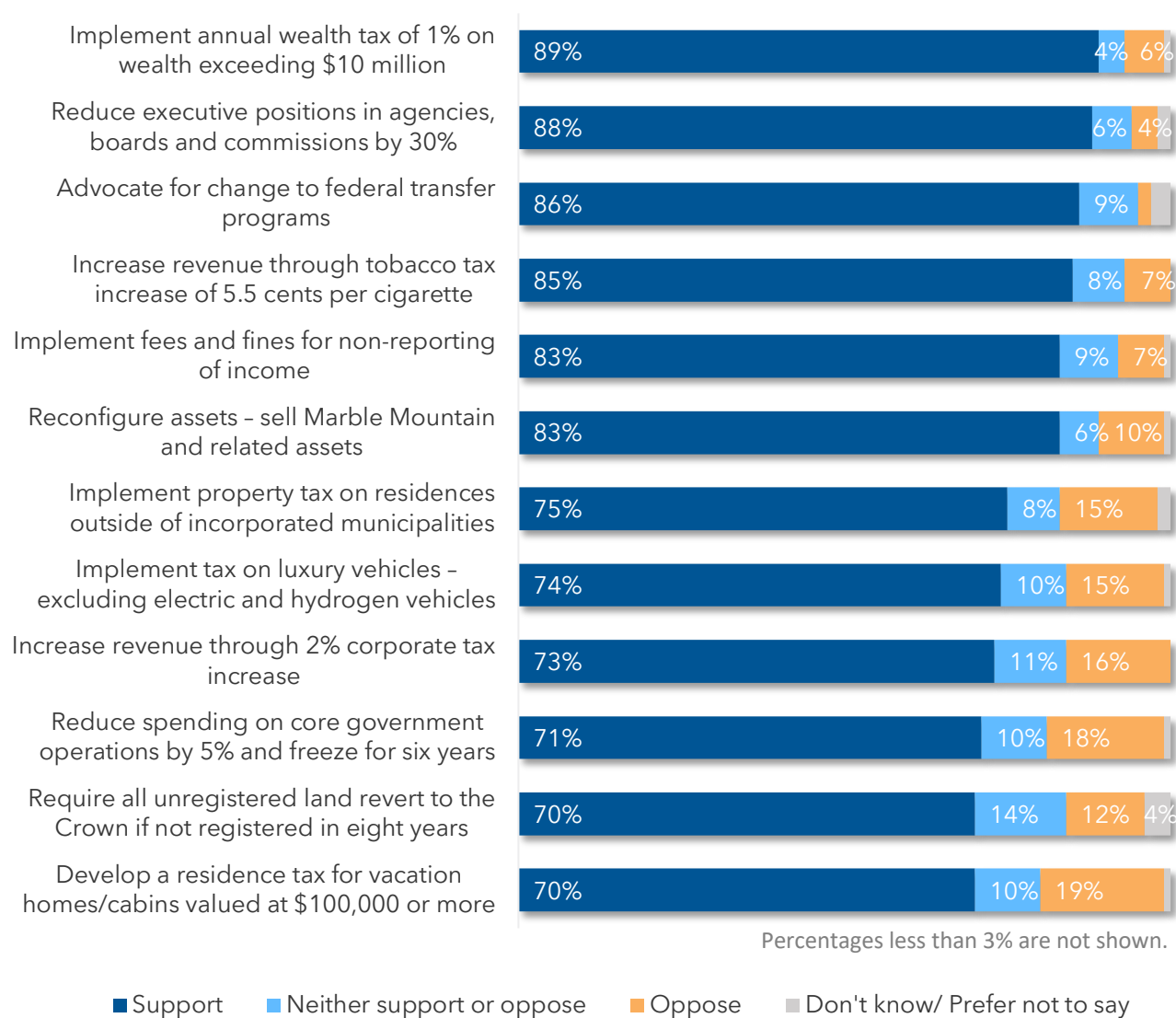


Nine in ten respondents to the public survey (87%) support addressing the province's financial challenges through reductions in spending. Seven in ten respondents (68%) support addressing the province's financial challenges through selling assets and five in ten support (47%) tax increases to address current financial challenges.

A total of twenty-one recommendations were received with opposition by more than 10% of public survey respondents. These can be divided into four categories: personal tax increases, reducing operating grants (cuts), reconfiguring assets, and other/additional tax increases.

Twelve of the twenty-seven recommendations related to financial improvement received widespread public support, that is, support from 70% or more of survey respondents. Recommendations that received widespread support are shown in Figure 8.

Figure 8: Financial Improvement Recommendations with High Public Support



Recommendations related to financial improvement that received widespread public support included **implementing an annual wealth tax of 1% on wealth exceeding \$10 million** (89%) a **recommended tobacco tax increase** (85%) and **increasing revenue through a 2% corporate tax increase** (73%). Town hall participant feedback was consistent with the survey sentiment for the recommended increases to corporate and tobacco taxes and for the introduction of a **1% tax on wealth exceeding \$10 million**.

"The wealth tax feels like a progressive recommendation. Don't wait for the Federal Government, we can take the lead in this."

"Not just putting taxes on cigarettes but more programs and education to encourage and support quitting and thus bettering health."

Quotes from town hall participants

The public survey showed for the recommendation to reduce executive positions in agencies, boards and commissions by 30% (88%). Feedback from town hall participants was generally in favour of reducing executive positions in agencies, boards and commissions; although not all were in favour, some participants shared comments that reduction was not enough, and that the focus should be on efficiency.

"Disagree with reduction with Agencies, Boards and Commissions. Need to be more focused on what would work better as one board."

"Merely say 30% cut to Agencies, Boards and Commissions is not effective."

"Reduce executive positions in Agencies, Boards and Commissions by 30% yes! Great idea. Overpaid there."

Quotes from town hall participants

The recommendation to advocate for change to federal transfer programs (86%) and implementing fees and fines for non-reporting of income (83%) also received widespread support in the public survey. Feedback from the town hall participants was generally in line with the survey respondents for these recommendations.

Widespread support was shown in the public survey and town hall sessions for the recommendation to sell Marble Mountain and related assets (83%).

"Agree with selling Marble Mountain and assets. Consensus that government should have gotten rid of it years ago - this is for private industry."

Quotes from town hall participants

Feedback from town hall participations and the public survey showed widespread support for implementing property tax on residences outside of corporate municipalities (75%) and implementing a tax on luxury vehicles (74%).

“People from outside should pay fair share of property tax outside of unincorporated areas, and also on luxury vehicles.”

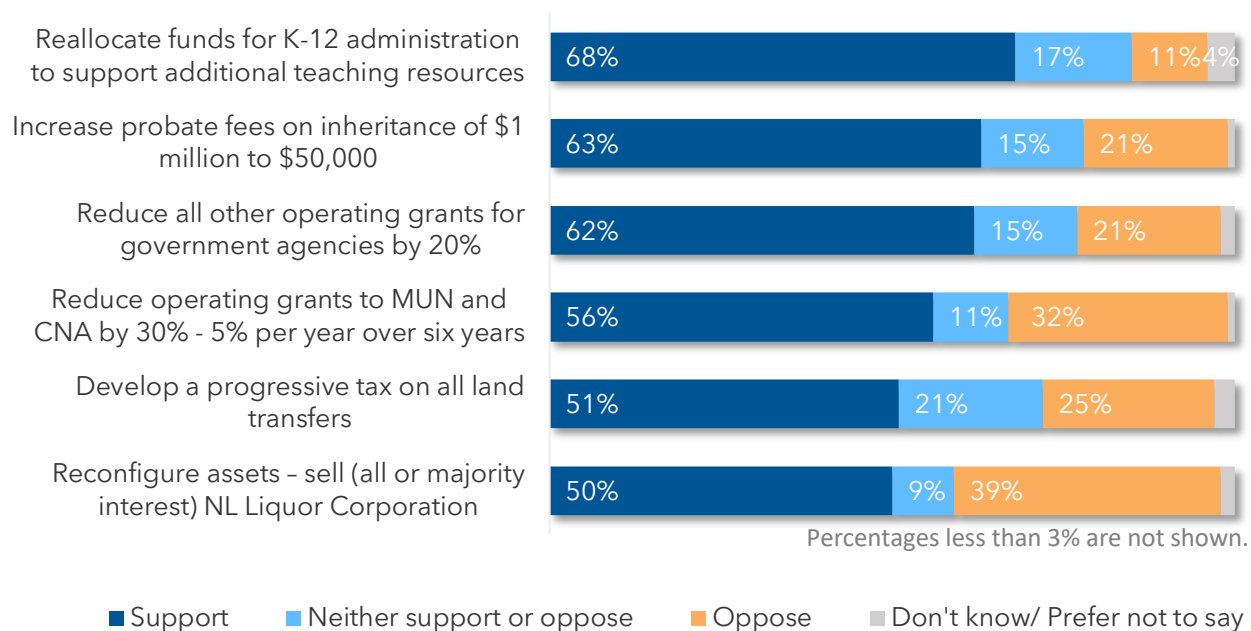
“Implement tax on luxury vehicles - excluding electric and hydrogen vehicles.”

“Agree with property tax outside municipalities. But it should go to rural areas and not central. To provide development and economic services.”

Quotes from town hall participants

Six of the twenty-seven recommendations related to financial improvement received moderate public support, that is, support from between 50% and 69% of survey respondents. Recommendations that received widespread support are shown in Figure 9.

Figure 9: Financial Improvement Recommendations with Moderate Public Support



Public support was moderate for reallocating funds for K-12 administration to support additional teaching resources (68%). Although feedback from town hall sessions showed some support, some participants cited concerns with how this recommendation would be executed.

"Disagree with reallocating funds for K-12 administration to support additional teaching resources - how would this look? Recommendation is unclear."

"Good to see - the intent to redirect back to K-12. But I question whether collapsing system administration is a proven approach."

— Quotes from town hall participants

The public survey showed moderate support for recommendations to increase probate fees on inheritance from \$1 million to \$50,000 (63%), and recommendations to reducing operating grants to government agencies by 20% (62%).

Moderate support was also shown in the public survey around the recommendation to reduce operating grants to MUN and CNA by 30% (56%) over 6 years. Some participants in the town hall sessions shared concerns over the impact of the recommended reduction to youth and students in the province.

"Reducing operating grants to MUN will impact students and the youth of Newfoundland and Labrador. We are trying to keep people in the province."

"Disagree with reducing operating grant for MUN if it means increased tuition. This will further marginalize people, especially women."

— Quotes from town hall participants

Public survey participants also showed moderate support for developing a progressive tax on all land transfers (51%) and for selling the NL Liquor Corporation (51%). Feedback from town hall participants was generally against selling the NL Liquor Corporation if it is an asset that makes the province money.

"Disagree with selling of Liquor Corporation, why sell an asset that is making money? We need to be careful about what we are selling off to look at long term impacts."

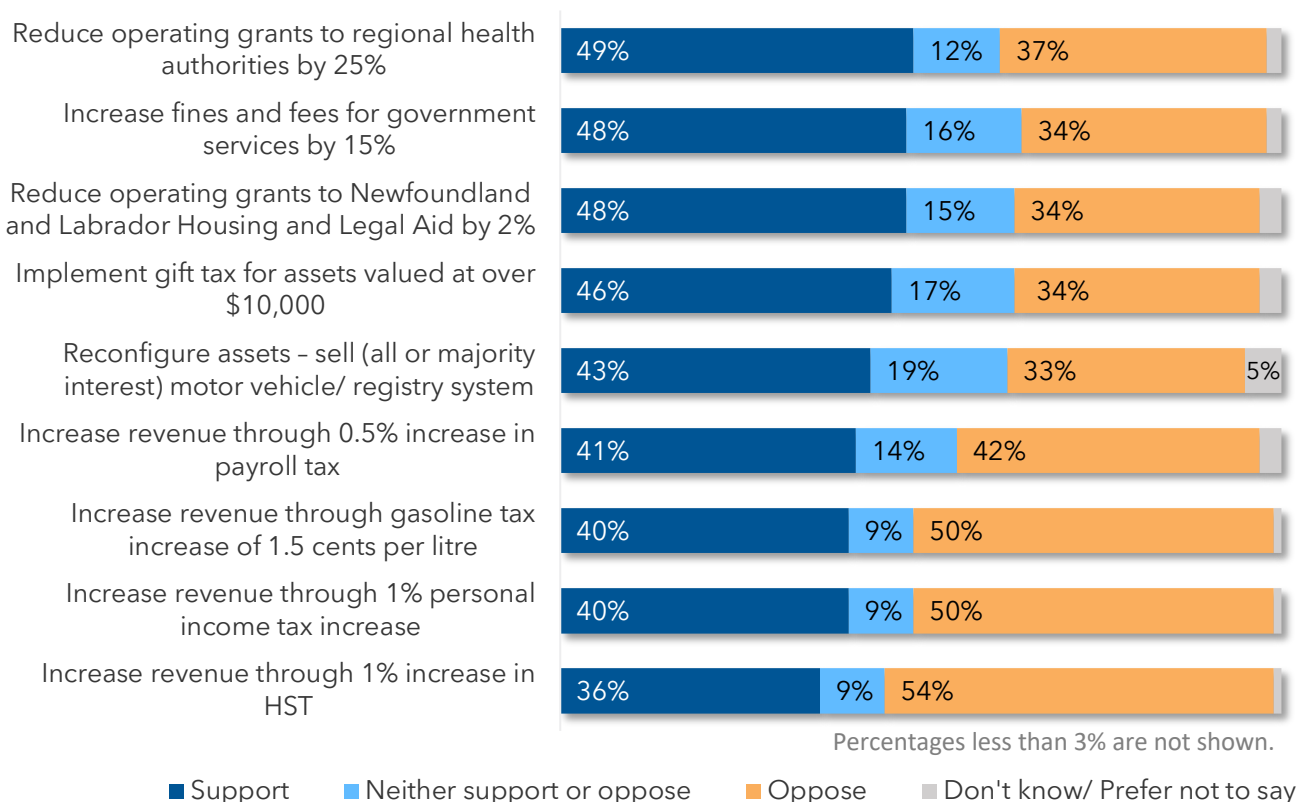
"I agree we should not be in the liquor business but we should review this."

"Disagree with selling Newfoundland Labrador Liquor Corporation. Sell it if we see shortfalls forever. Newfoundland Labrador Liquor Corporation has good paying jobs."

— Quotes from town hall participants

Ten of the twenty-seven recommendations related to financial improvement received limited public support, that is, support from fewer than 50% of survey respondents. Recommendations that received widespread support are shown in Figure 10.

Figure 10: Financial Improvement Recommendations with Low Public Support



The recommendation to reduce operating grants to regional health authorities by 25% (49%) was met with limited support in the public survey and concern in the town hall sessions. Town hall feedback on the recommendation to reduce operating grants for the regional health authorities focused on anticipated negative impacts to services, in particular rural health care services. Participants also frequently cited the need for more frontline staff.

“Any reduction to healthcare is a reduction in service.”

“Disagree with reducing health authorities’ operating grants - they are willing to pay thousands in overtime for health care but won’t increase staff. There are ways of streamlining to get rid of bureaucracy...”

“How can you come out with better outcomes by reducing healthcare by 25%?”

Quotes from town hall participants

There was limited public survey support for a recommended 0.5% increase in payroll tax (41%). Those who provided feedback in town hall sessions felt that the tax would have a negative impact on employment outcomes.

"Disagree - an increase in payroll tax impedes employment. Bad idea."

"They suggest raising the payroll tax - surely it should be junked! A tax that actively discourages additional hiring makes no sense. Roll it into general corporate tax instead."

Quotes from town hall participants

The recommendation for a gasoline tax increase of 1.5 cents per litre (40%) received limited support in the public survey. Town hall feedback was generally not in favour of the gasoline tax increase; however, some felt the tax should be higher.

"No more gas tax please!!! We pay enough. I do not support any tax increase at all."

"Disagree with higher gas tax, which will affect everyone's daily lives."

"I can't understand why the report doesn't recommend raising the gas tax much higher. We have been cutting gas tax to ensure the carbon tax doesn't actually have an effect. We should at least restore the tax, but I'd go further."

Quotes from town hall participants

Support for the recommendation to increase personal income tax by 1% was met with limited support in the public survey (40%). Feedback from participants in the town hall sessions was also mixed with many expressing disagreements with the recommendation, and some sharing feedback that they were in favour. Many cited doubt that tax increases would help the economy; concern was also expressed over the impact of the increase to lower- and middle-class families.

"Increasing personal income tax will not help in welcoming people to the province."

"Huge gaps in personal income taxes between the Atlantic Provinces (New Brunswick and Nova Scotia). You could increase by 2% for \$150,000 and be on par."

"Disagree generally with these tax increases. Will make it too expensive to live in the province."

Quotes from town hall participants

The recommendation related to financial improvement that received the lowest public support was the recommended 1% increase in HST (36%). Town hall feedback was aligned with survey findings in that most participants that shared feedback did not agree with this recommendation.

Recommendations with **more than 10% public opposition** were explored further to determine the reasoning behind the opposition. Within the financial improvement section, a total of twenty-one recommendations can be divided into four categories:

1. Personal Tax Increases

Four recommendations in the PERT report proposed increasing personal taxes for all residents of the province. These included increasing revenue through:

- A. **1% increase in HST** (54% public opposition).
- B. **1% personal income tax increase** (50% public opposition).
- C. **Gasoline tax increase of 1.5 cents per litre** (50% public opposition).
- D. **0.5% increase in payroll tax** (42% public opposition).

Public survey respondents who were opposed to these recommendations stated that tax rates are already high enough, government overspending is the problem, and out-migration from the province would increase. Respondents also stated that these tax increases would affect low-income or vulnerable people the most, and there would be an adverse affect on businesses which would result in reduced wages and job losses.

2. Reducing Operating Grants (Cuts)

Five recommendations in the PERT report proposed reducing operating grants to public services and agencies. These included:

- A. **Reduce operating grants to regional health authorities by 25% - 4.15% per year over six years** (37% public opposition).

Public survey respondents stated that the implementation of this recommendation was unclear and unrealistic (47%). They also felt that wait times will increase and services will decrease (30%), management or top-heavy positions should be reduced first (19%), and that the proposed reduction of funding is too high (15%).

- B. Reduce operating grants to Memorial University and College of the North Atlantic by 30% - 5% per year over six years (32% public opposition).**

The top reasons for public opposition to this recommendation were that education is important to economic growth (57%) and the proposed reduction in funding is too high (27%). Public survey respondents also feel that Memorial University attracts people to the province (16%) and that out-migration would increase (9%).

- C. Reduce operating grants to Newfoundland and Labrador Housing and Legal Aid by 2% (34% public opposition).**
- D. Reduce all other operating grants for government agencies by 20% (21% public opposition).**
- E. Reallocate funds for K-12 administration to support additional teaching resources (11% public opposition).**

Public survey respondents who opposed these cuts stated that implementation is unclear and unrealistic. They also expressed that these recommendations would affect low income or vulnerable populations the most, and that management or top-heavy positions should first be reduced.

3. Reconfiguring Assets

Three recommendations in the PERT report proposed reconfiguring assets by selling all or a majority interest of government-owned corporations. These included:

- A. Sell (all or majority interest) NL Liquor Corporation (39% public opposition).**
- B. Sell (all or majority interest) motor vehicle and registry of deeds system (33% public opposition).**
- C. Sell Marble Mountain and related assets (10% public opposition).**

Public survey respondents that were opposed to these recommendations stated it would be more profitable to keep the assets, and privatization would cause more problems such as increased fees and reduced services. They also stated that management and top-heavy positions within these corporations should first be reduced, and implementation of these recommendations is unclear and unrealistic.

4. Other/Additional Tax Increases

Ten more recommendations in the financial improvement section received more than 10% opposition from public survey respondents. These included:

- A. Increase fines and fees for government services by 15% (34% public opposition).
- B. Implement gift tax for assets valued at over \$10,000 (34% public opposition).
- C. Develop a progressive tax on all land transfers (25% public opposition).
- D. Increase probate fees on inheritances of \$1 million to \$50,000 (21% public opposition).
- E. Develop a residence tax for vacation homes/cabins valued at \$100,000 or more (19% public opposition).
- F. Reduce spending on core government operations by 5% and freeze for six years (18% public opposition).
- G. Increase revenue through 2% corporate tax increase (16% public opposition).
- H. Implement property tax on residences outside of incorporated municipalities (15% public opposition).
- I. Implement tax on luxury vehicles excluding electric and hydrogen vehicles (15% public opposition).
- J. Require all unregistered land revert to the Crown if not registered in eight years (12% public opposition).

Main reasons for public opposition to these recommendations were that tax rates, fees and fines are high enough, their money has already been taxed and shouldn't be taxed more than once, and that government overspending is the problem. Meanwhile, some public survey respondents agreed with some of these recommendations but expressed that implementation should not be too aggressive.

Additional Recommendations

Public survey respondents were asked if they had any other recommendations related to financial improvement that did not appear in the report. Four in ten respondents (40%; n=634) provided additional recommendations. These recommendations are shown in Table 4.

Table 4: Additional Recommendations from the Public on Financial Improvement (n=634)

Recommendation	% Support
Reduce government expenditure	43%
Diversify revenue streams/interests	18%
Tax reform	13%
Reduce number of public servants/government workers	10%
Wealth tax	7%
Cut public services	7%
Reduce/restructure ferry services	6%
Reduce number of MHAs	3%
Dissolve Nalcor	3%
Regionalization	2%
Social assistance reform	2%
Increase minimum wage	1%

The most commonly cited additional recommendation was reducing government expenditure (43%). Public survey respondents also expressed support for diversifying revenue streams/interests (18%), tax reform (13%) and reducing the number of public service/government workers (10%).

Less commonly cited recommendations included reducing the number of MHAs (3%), dissolving Nalcor (3%), resettlement (2%), welfare/social assistance reform (2%) and increasing minimum wage (1%).

Feedback from Stakeholder Consultations



Government and Governance

Overall, stakeholder support for the PERT recommendations related to Government and Governance was moderate.

Stakeholders expressed moderate support for many of the recommendations in this section. There was limited opposition with reviewing union contracts and enacting a balanced budget legislation. Other contentious recommendations include launching a public education campaign about the cost of providing government services, adopting a mandatory reporting framework, and ensuring salary transparency across all of government, including unions and non-profit organizations.

As in the public survey, most stakeholders were generally supportive of the goal of increased accountability and transparency within government (86%). However, a larger proportion of stakeholders had feedback on specific recommendations related to government and governance (71%, or 25 of 35 stakeholders). Across all recommendations, opposition was higher among this small group of stakeholders compared to the public survey results.

Recommendations with highest opposition include:

1. **Review union contracts and compensation** (36% oppose, all 36% *strongly oppose*).

Stakeholders noted that collective agreements are contracts. This recommendation was viewed as contravening specific laws and international agreements about rights to collective bargaining. There was also opposition to converting pensions to a collective defined contribution plan.

2. **Enact balanced budget legislation** (32% oppose, all 32% *strongly oppose*).

Stakeholders advised against arbitrary mandates to balance the budget. One stakeholder claimed that most economists would argue it is risky way to tackle debt. The consensus amongst stakeholders is that balanced budget requirements would make it difficult to respond to crisis, including economic crisis or other emergencies, and can lead to poor decision making.

3. **Adopt a mandatory reporting framework** (32% oppose, including 16% who *strongly oppose*).

Stakeholders expressed concern about using a one-size-fits-all approach, including whether the global reporting initiative standards are the appropriate standards for unions, non-government organizations, and others. Others expressed concern with operating

government like a business, increasing administrative burden at the expense of service delivery.

4. **Ensure salary transparency across all of government, including unions and non-profit organizations** (28% oppose, including 24% who *strongly oppose*).

Stakeholders cited government overreach as unions and non-profits are independent of government. While there was some agreement that salary transparency can be beneficial, there was concern as well. There were concerns about how that information may be used against the public service and unions. One stakeholder noted that salaries for positions, not people, should be transparent. Another noted that government should focus on pay equity instead of pay transparency.

5. **Launch a public education campaign about the cost of providing government services** (28% oppose, including 20% who *strongly oppose*).

Much of the opposition to this recommendation was that it is one-sided, focused on costs of providing government services, not the benefit of the services or what the costs (including non-financial) would be if those services were not provided.

Other recommendations with moderate 10-25% opposition include¹:

- Improve service delivery - 25% oppose (13% *strongly oppose*).
- Bring consistency to agencies, boards and commissions - 24% oppose (12% *strongly oppose*).
- MHAs not to hold multiple public service pensions - 20% oppose (0% *strongly oppose*).
- Eliminate Nalcor Energy and the Oil and Gas Corporation - 16% oppose (4% *strongly oppose*).
- Implement program evaluation - 17% oppose (0% *strongly oppose*).
- Establish oversight standards for major projects - 12% oppose (0% *strongly oppose*).
- Facilitate economic advice independent from any one government department - 12% oppose (0% *strongly oppose*).
- Review lobbyist registration act - 12% oppose (0% *strongly oppose*).

¹ Recommendations with less than 10% opposition were not included.

Feedback from the stakeholder consultation sessions largely mirrored the opposition with specific recommendations identified in the stakeholder survey. As with the public consultation sessions, much of the discussion focused on recommendations that stakeholders opposed, as well as criticisms of the report generally, comments about insufficient detail in the report, questions about assumptions, and other considerations. Key takeaways from the stakeholder consultation sessions that are directly related to the recommendations under government and governance include:

- Support for more/better oversight for major projects.
- Consider best practices when implementing evaluation of programs and services.
- Support for more transparency.

Stakeholder Session Feedback

“We are willing to work with government to address the challenges our province faces, and we look forward to contributing to that process today, and in the coming months and years, but it has to be true consultation process”.

Many of the stakeholders indicated a willingness to work with the government to address the province's challenges, provided that it is a collaborative process.

Additional Recommendations

Stakeholder survey: About half of respondents provided additional recommendations related to government and governance. Suggestions include:

- Code of conduct education/training regarding serving public and not private interests.
- Transparency and full disclosure of government contracts with private companies.
- EngageNL to be re-vamped and maintained at arm's length of government.
- Hold HR and managers responsible for overtime in their departments.
- Citizen's assembly on electoral reform.
- Consider how services may be impacted if recommendation is implemented.
- Review entire procure-to-pay cycle.
- Improve senior care and housing options.
- Guaranteed basic income.
- Raise minimum wage to \$15/hr, increase with inflation.
- Ensure government services are underpinned with good jobs strategy.
- Develop a provincial climate action plan.
- Support for research and development for social innovation.
- Review of Corporations Act.

Industry and Green Economy



Overall, stakeholder support for the PERT recommendations related to Industry and Green Economy was moderate.

Stakeholders expressed moderate support for many of the recommendations in this section. There was opposition to ensuring competitive oil and gas regulation, developing and implementing a green energy transition strategy funded by oil and gas tax revenues, and encouraging low carbon mining and low-emission offshore oil and gas activity. Stakeholders also opposed streamlining aquaculture licenses and approvals, promoting investment in forestry and focusing on environmentally sound fisheries management.

Stakeholders were more moderate in their support of the transition to a green economy (64% strongly or somewhat support). About half of stakeholders had feedback on specific recommendations related to industry and the green economy (51%, or 17 of 33 stakeholders). Across all recommendations, opposition was higher among this small group of stakeholders compared to the public survey results.

Recommendations with highest opposition include:

1. **Ensure competitive oil and gas regulation** (47% oppose, including 24% who *strongly oppose*).

Stakeholders expressed concern for regulation, identifying it as an obstacle that would prohibit the growth of the oil and gas industry. To attract investment, stakeholders recommend that international companies should be made aware of Newfoundland's resource potential.

Other stakeholders echoed their support for the removal of barriers to industry development, stating that: "If the government wants to reduce spending and cultivate a good environment for businesses to thrive, tackling red tape is important".

In contrast, other stakeholders expressed that the government "should not spend public dollars subsidizing multinational oil companies", and these companies can and should "pay their own way". Furthermore, oil and gas exploration and production produce a wide range of negative environmental impacts that result in significant costs to the public and future generations. Stakeholders feel this recommendation does not support the government's carbon neutral target and should be reconsidered.

Stakeholder Session Feedback

"Red tape doesn't live in a vacuum; it affects so many businesses. Red tape is a major hurdle when it comes to environment for business to succeed".

2. **Develop and implement a green energy transition strategy, funded by oil and gas and tax revenues from the Future Fund** (35% oppose, including 18% who *strongly oppose*).

Stakeholders who opposed an energy transition funded by oil and gas were concerned with its unsustainability as an industry. They emphasized that reliance on oil and gas for revenue is unviable in the long-term. They also supported a green energy transition, highlighting that Newfoundland and Labrador is one of the highest emitters of greenhouse gas in the world.

Stakeholder Session Feedback

"Our current fiscal situation and climate situation is existential for the province, specifically our reliance on oil as an unsustainable revenue".

Others expressed that the oil and gas industry receives subsidies and it is not their role to pay for a green transition. Furthermore, oil and gas are finite resources that are diminishing at a fast rate, both nationally and internationally. Other stakeholders expressed that Newfoundland and Labrador already produces "some of the cleanest oil in the world" and the implementation of a green energy transition would "hinder our ability to produce and get this valuable resource to the market".

In contrast, there was a considerable amount of support for this recommendation. Several stakeholders agreed that an energy revolution is necessary and that viewing economic recovery through the lens of clean growth is beneficial. Some even proposed to support the government of Newfoundland and Labrador in the development and implementation of an energy transition.

3. **Encourage low carbon mining with further exploration and increased funding** (35% oppose, including 6% who *strongly oppose*).

Stakeholders expressed that mineral exploration can be a destructive process, and government should not invest in private sector business. Specifically, "exploration companies should take their own risks and cover their own costs", especially if government is proposing cuts to education and healthcare. Furthermore, stakeholders felt that mining companies should be required to construct facilities that operate with a greenhouse gas perspective in mind, and these facilities should be monitored by regulators, not industry.

4. **Encourage low-emission offshore oil and gas activity** (35% oppose, including 6% who *strongly oppose*).

Stakeholders who opposed this recommendation cited that offshore oil and gas activity poses a risk to marine species, their habitat, and the environment. Exploration also contributes to fossil fuel emissions which Canada is committed to lowering. Some stakeholders expressed that they are opposed to any new development of offshore oil, and this recommendation will result in more financial support to oil and gas corporations, with "zero commitment to anything green in exchange".

Very little feedback was provided for this recommendation in the stakeholder consultation sessions. Stakeholders who replied in the affirmative emphasized that offshore oil and gas revenues contribute heavily to the provinces' recovery, citing a commissioned economic impact

study that indicated the Newfoundland oil and gas industry can provide the province over 100 billion dollars in revenue by 2045.

The investment tax credit was the most common recommendation from stakeholders in support of this proposition; they suggested the possibility of using a portion of their revenue to focus on lowering carbon emissions.

5. **Aquaculture – Streamline aquaculture license and site approvals** (35% oppose, including 6% who *strongly oppose*).

Several themes were emphasized by stakeholders concerning aquaculture, including corporate concentration, dismissal of the fishing industry as a valuable generator for economic growth, collective bargaining, and licensing.

Corporate concentration was the most significant concern for stakeholders. They stated it will polarize the rural and urban population of Newfoundland and Labrador by reducing the independence of fish harvesters to the benefit of corporations. They also emphasized that it would accelerate the trend of disappearance of work in rural areas.

Other stakeholders underlined their concern for corporate concentration, which will systematically stifle the ability of harvesters to seek new buyers and undermine the collective bargaining process. There is a need for collective bargaining and competition in the fishing industry to drive the value of fish.

Stakeholders were adamant to reinforce the notion that the fishing industry is an invaluable driver for regional economic growth, and that the PERT report undermines the value of the fishing industry. Others, including the Fish Food & Allied Workers Union, supported this claim: "The PERT report is incorrect about the value of inshore fisheries. It describes that the fisheries are struggling, but this is wrong. In 2021, the fishery will be the most valuable than it has ever been in Newfoundland, most coming from the inshore harvesters".

Other themes from stakeholder sessions were suggestions for multi-species fish plants to provide labor security when fish are out of season as "single-species fish plants cause plants to shut down and leave people without an income". The fish processing licensing was declared as a major barrier, and stakeholders feel regulations inhibit the industry when it could be serving as an economic driver.

Finally, other stakeholders feel aquaculture is not a viable industry at all. They cited the Cohen report on aquaculture in British Columbia, which indicated that the industry puts wild salmon stocks and other species of fish at risk of extinction. A potential solution would be converting to land-based aquaculture, that "has been proven to produce better species of fish with no impact on the environment".

Stakeholder Session Feedback

"If any of the PERT recommendations regarding fisheries are implemented, it would destroy the owner-operator model that is key to maintaining the value of fishery in our communities. It would just be gone".

"We need to make sure that the people of the province are getting the fair share of this resource."

6. **Promote investment in forestry** (29% oppose, including 6% who *strongly oppose*).

Stakeholders expressed that forestry cutting is a destructive and environmentally unsound practice that contributes significantly to carbon emissions. They feel this recommendation promotes financial support for the forestry industry, at the same time the PERT report is recommending cuts to education and healthcare. Large, for-profit corporations "can pay their own way and should not receive financial support from the public".

7. **Focus on environmentally sound fisheries management** (29% oppose).

Stakeholders felt that this recommendation is misleading because fisheries management is a federal, not provincial, responsibility. They also stated it would require ongoing consultation with fish harvesters and the Fish Food & Allied Workers Union.

Other recommendations with moderate 10-25% opposition include²:

- Reinstatement of threshold requirements before issuing fish processing licenses - 24% oppose (12% *strongly oppose*).
- Support the technology sector with tax incentives and federal supports - 19% oppose (0% *strongly oppose*).
- Form a team of experts to kick-start hydrogen development - 18% oppose (6% *strongly oppose*).
- Accelerate transition to electric transportation - 12% oppose (0% *strongly oppose*).
- Aquaculture - Work with federal government to develop a federal aquaculture act - 12% oppose (0% *strongly oppose*).
- Aquaculture - Improve knowledge base on wild and farmed salmon - 12% oppose (0% *strongly oppose*).
- Aquaculture - Assess wild salmon stock - 18% oppose (0% *strongly oppose*).

² Recommendations with less than 10% opposition were not included.

Additional Recommendations

Survey respondents were asked if they had any other recommendations related to industry and green economy that did not appear in the report.

Stakeholder survey: Over half of respondents provided additional recommendations related to industry and green economy. Suggestions include:

- Develop plans to rapidly transition economies and labor markets to create and use clean energy, improve energy efficiency, expand green public transit, and adopt sustainable solutions for the planet.
- Ensure that workers and the public interest are at the centre of policies to steer the economy in a green direction.
- Establish a targeted energy industry support program and a funding mechanism for green retrofit projects.
- Leverage Canada’s strength in green and lightweight materials for greener infrastructure.
- Reorient employment support systems and accreditations towards green jobs.
- Immediately introduce a multi-stakeholder task force to develop a fulsome plan to develop a green energy industry that considers the effect on people currently working in the industry.
- Institute a tripartite model for advisory groups and oversight bodies in relation to green transition and climate issues.
- Center Indigenous and marginalized voices in green energy decisions.

Stakeholder Session Feedback

“Everything isn’t about economics. Communities are made up of people, neighbours. Non-profits are proud to be an economic generator —but we are also telling cultural stories and preserving culture. Work itself is based on that. Communities are made up of people and ideas and places and culture, that must be a factor. There is intrinsic value in people, it’s not all about cuts to spending”.

Education, Healthcare, and Social Supports



Overall, stakeholder support for the PERT recommendations related to Education, Healthcare, and Social Supports was moderate.

Stakeholders expressed moderate support for many of the recommendations in this section. There was opposition with streamlining the K-12 administrative structure (including eliminating the two school districts), delivering more efficient healthcare services (including consolidating the regional health authorities), and updating the Memorial University Act and increasing autonomy.

Stakeholders showed low levels of support for the realignment of education, health care, and social safety nets (53% support). The majority of stakeholders had feedback on specific

recommendations related to education, health care and social supports (71%, or 24 of 34 stakeholders). Across all recommendations, opposition was higher among this small group of stakeholders compared to the public survey results.

Recommendations with highest opposition include:

1. **Uplift skills - Streamline K-12 administrative structure (including eliminating the two school districts and other administrative changes)** (42% opposition, including 17% who *strongly oppose*).

The Fédération des Francophones de Terre-Neuve et du Labrador (CSFP) expressed strong opposition to this recommendation. They stated that enrollment in the French district has actually been increasing over the past few years, and implementation may infringe on the constitutional rights for the French-speaking minority community (i.e., Section 23 of the Charter of Rights). They argued that no research was done on the Constitution, and a solution is to maintain the CSFP as its own entity to provide a high standard of French education. A separate district will also ensure that the linguistic and cultural needs of the Francophone population are met.

Stakeholder Session Feedback

“Minority groups have not been abolished because of Section 23 of the Charter of Rights. Provincial court decisions have won the rights to education and equal rights for the francophone minority group.”

The Newfoundland and Labrador Teachers Association (NLTA) support the principle that savings realized through streamlining administrative structure could be invested directly at the school level. However, they do not support offloading of administrative responsibility onto teachers, and they strongly oppose the removal of school administrators from their membership.

Other stakeholders expressed that eliminating the school districts should only be done after consultation with the Newfoundland and Labrador Teachers Association and teachers themselves. They also suggest the completion of an independent analysis that determines whether costs will actually be saved by consolidating the school districts.

2. **Deliver more efficient health care services by consolidating the regional health authorities and expanding technology** (33% opposition, including 17% who *strongly oppose*).

Stakeholders in the industry strongly opposed this recommendation. Concern was shared that decisions are being made without consulting frontline workers. They also stated that consolidation could negatively impact rural communities, and changes such as consolidation would require infrastructure improvements, for example improved broadband service for expanding virtual healthcare.

Other stakeholders feel that the PERT report does not make a solid case for consolidation; they stated that even if the health authorities are consolidated, the same amount of work will need to be done and patients cared for. Furthermore, the four regional health authorities already share services and purchasing orders, and they don't need to merge to accomplish this. Others expressed that they already have trouble accessing information and communicating with one regional health authority and feel such issues would only be exacerbated through consolidation.

Stakeholder Session Feedback

"The Big Reset will create a division between people who live in rural settings and urban settings, and a division between the public and private sector."

"The current state of healthcare in this province is not good. If we are doing virtual healthcare, we need broadband internet cellular services."

3. Uplift skills - update Memorial University Act and increase autonomy (30% opposition, including 17% who *strongly oppose*).

Stakeholders expressed that Memorial University does not need more autonomy - it needs more oversight. The university is already very top-heavy in terms of management positions and salaries. Increasing autonomy would actually increase costs for students and decrease funding for research and development. Other stakeholders support increased autonomy in terms of university affairs but do not support drastic cuts to the MUN budget. Furthermore, any amendments to the Memorial University and College Act should ensure that the boards are diverse and include equal representation from the public and not-for-profit sector.

Other recommendations with moderate 10-25% opposition include³:

- Uplift skills - update the College Act and provide enhanced autonomy - 24% oppose (14% *strongly oppose*).
- Uplift skills - strength Memorial University's Faculty of Medicine with administrative efficiency - 21% oppose (0% *strongly oppose*).
- Strengthen the social safety net through community partnerships and updated funding programs - 20% oppose (16% *strongly oppose*).

³ Recommendations with less than 10% opposition were not included.

- Provide retraining opportunities for economic priority areas - 17% oppose (0% *strongly oppose*).
- Improve senior care and housing options with collaboration government-wide - 16% oppose (4% *strongly oppose*).
- Uplift skills - improve community connections for youth with alternatives outside the classroom - 16% oppose (12% *strongly oppose*).
- Uplift skills - bring consistency to nursing skills (one nursing school for the province) - 13% oppose (0% *strongly oppose*).
- Uplift skills - improve K-12 student success with skills training for the tech economy (focus on the changing labour market and on technology) - 13% oppose (4% *strongly oppose*).
- Improve supports (non-teaching professionals) in schools - 12% oppose (0% *strongly oppose*).

A large portion of the stakeholder feedback for this section was not related to specific recommendations, but rather implications for the sector as a whole. Multiple stakeholder groups expressed concern over the proposition that public sector pensions be converted to a collective defined contribution plan over three years. They expressed that the majority of workers or retirees are already near or below the poverty level, and pensions are sustainable for the future. They also stated that pensions themselves contribute to the provincial economy and although a defined contribution plan might be appealing to the government, employees will only receive the amount the investments are worthwhile pensions build in value each year. Overall, stakeholders feel the government should recognize the continued contribution of public sector employees and not place the consequences of the provincial economic burden on them.

Stakeholder Session Feedback

“The public workers built this province; built the road, built the bridges. Pensions should honour their contribution.”

Stakeholders also expressed concern over proposed cuts to the public sector, including consolidating the regional health authorities. They stated that economic recovery requires government to invest in a strong public sector with quality public services. A main concern is that the population of Newfoundland and Labrador is aging, and cuts to public service will exacerbate the issue. Overall, expenditure cuts are not viable without first strengthening the social safety net under vulnerable citizens to ensure they are not left worse off.

Stakeholder Session Feedback

"A lot of sweeping comments about the community sector in the report which we didn't feel were thoroughly presented, leaving the impression we have to do a lot more homework in this area."

Finally, although the PERT report did underscore the importance of the community sector, stakeholders were concerned about the lack of government funding in community organizations. They suggested the development of a working group to build a long-term plan to strengthen the community sector so it can play a bigger role in the progress of the province. In short, government must be sensitive to that fact that the vast majority of community and non-profit organizations operate with "limited to no budget, no or few employees, insecure employment, and low wages if they do have employees."

Additional Recommendations

Survey respondents were asked if they had any other recommendations related to education, healthcare and social supports that did not appear in the report.

Stakeholder survey: Over half of respondents provided additional recommendations related to education, healthcare and social supports. Suggestions include:

- Develop a Human Resources strategy for health so the healthcare system is adequately resourced.
- Raise adequate revenues from fair taxation to maintain and improve education, healthcare and social supports.
- Maintain the tuition freeze and work toward free tuition.
- Extend health care to include pharmacare, dental care and optical care.
- Tap into federal infrastructure funding to improve the aging infrastructure at MUN.
- The development of an Environmental, Social and Governance Model.
- Implement new social and education policy initiatives, including universal childcare, pharmacare, long-term and post-secondary education.
- Review the K-12 curriculum as it pertains to social determinants of health and ensure adequate continued learning for K-12 teachers.

Financial Improvement



Overall, stakeholder support for the PERT recommendations related to Education, Healthcare, and Social Supports was low.

Stakeholders indicated low support for many of the recommendations in this section. Recommendations with the highest opposition can be divided into four categories: personal tax increases, reducing operating grants (cuts), reconfiguring assets, and increases in fees and reductions in spending.

Stakeholders showed low levels of support for the actions to address the province's financial challenges, with one-half supporting tax increases, less than half supporting reductions in spending (47%) and one-quarter supporting selling assets (26%).

More than half of stakeholders had feedback on specific recommendations related to financial improvement (62%, or 21 of 34 stakeholders). Across all recommendations, opposition was higher among this small group of stakeholders compared to the public survey results.

Recommendations with the highest opposition can be divided into four categories:

1. Personal Tax Increases

Four recommendations in the PERT report proposed increasing personal taxes for all residents of the province. These included increasing revenue through:

- A. **1% increase in HST** (67% opposition, including 10% who *strongly oppose*).
- B. **1% personal income tax increase** (57% opposition, including 14% who *strongly oppose*).
- C. **0.5% increase in payroll tax** (38% opposition, including 5% who *strongly oppose*).
- D. **Gasoline tax increase of 1.5 cents per litre** (29% opposition, all 29% *oppose*).

Stakeholders strongly opposed personal tax increases. They expressed that taxation is not an effective way to grow the economy, and it will actually lead to a reduction in economic growth. Some cited that the government's attempt at increasing taxes in the past did not work and emphasized the negative impact on small businesses. Overall, capital investment has been declining, and stakeholders feel this problem cannot be solved by increasing taxation. A proposed solution is an investment tax credit which would be cyclical;

Stakeholder Session Feedback

"Increase in taxation will put a damper on economic growth."

"Ensuring small businesses have a healthy environment to grow would benefit everybody".

businesses that invest would receive the tax credit and money would be reinvested, continuing the cycle.

Stakeholders also stated that although regressive taxes can help generate revenue for the province, they do little in the long run to raise enough revenue to meet our current fiscal challenges. To achieve the greatest impact, the government should implement tax reforms including a higher minimum corporate tax, higher upper-income taxes, a higher royalty tax on oil and mineral multi-nationals, and a new carbon tax.

Some stakeholders recommend that personal income tax increases should be implemented on a progressive basis, with those in higher income brackets paying an increase of more than 1%, and those in lower income brackets paying an increase of less than 1%.

2. Reducing Operating Grants (Cuts)

Five recommendations in the PERT report proposed reducing operating grants to public services and agencies. These included:

- A. **Reduce operating grants to regional health authorities by 25% - 4.15% per year over six years**
(57% opposition, including 38% who strongly oppose).

This recommendation was met with strong opposition in the stakeholder sessions. Unions, including the Newfoundland and Labrador Association of Public and Private Employees (NAPE) and the Registered Nursing Union of Newfoundland and Labrador (RNUNL), stressed that we are experiencing a healthcare crisis in the province, and that frontline workers are exhausted and understaffed. The nursing shortage and global pandemic have led to a sharp decline in working conditions, and the RNUNL are seeing nurses deny jobs as a result. They emphasized that nurses are tired, overwhelmed, frustrated, and mostly invisible.

Stakeholder Session Feedback

“There are not enough paramedics, there are not enough nurses, there is not enough staff, patients are waiting lying on the floor in emergencies.”

Stakeholder Session Feedback

“I have worked on the front line for over 31 years, and I can’t stress this enough, this is the worst it has ever been.”

Stakeholders also proposed that if this recommendation is implemented, it will have direct impacts on the healthcare of the general population, resulting in longer wait times, major declines in services and the closure of hospitals. They also feel these cuts will erode workers’ rights and break collective agreements. Overall, stakeholders stress that the 25% proposed cut to

healthcare contradicts the needs of healthcare workers in the current healthcare crisis.

Furthermore, stakeholders from the general population emphasized that registered nurses are worried about their patients, and every week they are seeing stories in the media about the negative impact staffing shortages are having on patient care. Overall, if implemented, these would be “the most severe healthcare cuts ever undertaken by a Canadian province”.

- B. Reduce operating grants to Memorial University and College of the North Atlantic by 30% - 5% per year over six years (52% opposition, including 29% who *strongly oppose*).

Stakeholders expressed that both Memorial University and the College of the North Atlantic are critical institutions in the province for research, education, the economy, and job opportunities. Cuts of 30% to post-secondary education will mean the layoff of hundreds of faculty and staff at both MUN and CNA, as well as the closure of a large number of programs.

Stakeholder Session Feedback

“An investment in our university is an investment in our people and, thus, in our economy”.

Stakeholders also feel that young people would be “driven out” of the province if this recommendation is implemented. They emphasized there is a strong need to educate young people in our society, and the creation of massive student loan debts won’t recruit or retain workers in the trades and professions we need to improve the economy. Finally, the Newfoundland and Labrador Teachers Association (NLTA) opposes “blanket cuts to expenditures without detailed analysis on the impact to students”. Overall, stakeholders do not support cuts that increase barriers and reduce access to post-secondary education.

- C. Reduce operating grants to Newfoundland and Labrador Housing and Legal Aid by 2% (62% opposition, including 42% who *strongly oppose*).
- D. Reduce all other operating grants for government agencies by 20% (50% opposition, including 35% who *strongly oppose*).
- E. Reallocate funds for K-12 administration to support additional teaching resources (25% opposition, all 25% *oppose*).

Stakeholder Session Feedback

“We can’t cut our way to a better economy, but we can grow our way to a better economy”.

Many stakeholders suggest that we should focus on increasing revenues, not making cuts. Specifically, the highest income Newfoundlanders and Labradorians should be paying additional taxes to contribute “fairly” to our economy.

Unifor stated that the PERT report has proposed to cut nearly \$900 million dollars a year from the provincial budget by 2026, and if all the recommendations are implemented “it would result in at least 9000 fewer jobs in the province”. They felt leaving those calculations out of the report is a “huge oversight”. Other stakeholders expressed that any potential cuts should not focus on frontline workers; instead, they propose looking at management positions and how they can be reduced to reallocate funds to where they are needed most.

In terms of specific cuts such as those to Newfoundland and Labrador Housing and Legal Aid, stakeholders feel that agencies such as these, which serve the most disadvantaged, are already struggling with funding. These cuts will disproportionately affect people who already cannot afford these services.

Stakeholder Session Feedback

“Do not cut on the backs of the most vulnerable!”

Overall, stakeholders feel that “reducing operating grants without evaluating need or quality of service is misguided and misplaced”, and “blanket cuts do not ensure funds are used to the best capacity”.

3. Reconfiguring Assets

Three recommendations in the PERT report proposed reconfiguring assets by selling all or a majority interest of government-owned corporations. These included:

- A. **Sell (all or majority interest) NL Liquor Corporation** (57% opposition, including 38% who *strongly oppose*).
- B. **Sell (all or majority interest) motor vehicle and registry of deeds system** (52% opposition, including 43% who *strongly oppose*).
- C. **Sell Marble Mountain and related assets** (24% opposition, including 14% who *strongly oppose*).

Stakeholders including the Newfoundland and Labrador Association of Public and Private Employees (NAPE) stated that privatization of valuable provincial assets will deprive the province of large amounts of revenue, and these funds could be used to improve public services such as healthcare and education. Furthermore, stakeholders pointed to other provinces such as Alberta and Saskatchewan where privatization has led to “reduced quality of service, higher fees, and significant revenue loss”.

Stakeholder Session Feedback

“This is a sell-off of valuable provincial assets and will deprive the province of billions of dollars in revenue.”

Stakeholders also stated that if these assets aren’t generating sufficient revenue there should be a focus on reducing top-heavy management positions and increasing oversight.

Furthermore, any privatization of government services should not occur without first consulting stakeholders and conducting a detailed analysis on the impact to citizens.

4. Increases in Fees and Reductions in Spending

Five more recommendations in the PERT report proposed increases in fees and reductions in spending. These included:

- A. **Increase fines and fees for government services by 15%** (67% opposition, including 14% who *strongly oppose*).
- B. **Reduce all other operating grants for government agencies by 20%** (50% opposition, including 35% who *strongly oppose*).
- C. **Reduce spending on core government operations by 5% and freeze for six years** (38% opposition, including 24% who *strongly oppose*).
- D. **Reduce executive positions in agencies, boards and commissions by 30%** (30% opposition, including 15% who *strongly oppose*).
- E. **Implement gift tax for assets valued at over \$10,000** (29% opposition, including 5% who *strongly oppose*).

Stakeholders expressed that regressive measures would disproportionately impact lower-income residents at risk of food insecurity. Instead, they propose a progressive increase to fines and fees that is based on income. Furthermore, large expenditure cuts to government agencies will result in major layoffs in “dozens of government agencies - agencies that do everything from protect the rights of citizens on and off the job to ensure basic democratic standards are upheld”. Thus, such cuts will result in less protection for citizens and the weakening of institutions that ensure government accountability.

Stakeholders also feel that a “one-size-fits-all approach” to reductions in spending across government agencies is unrealistic; needs vary greatly across government agencies, and these should be considered separately. Overall, stakeholders are opposed to “broad sweeping cuts of the same amount” without first reviewing or considering the impact on government operations and the ability to deliver services.

Other recommendations with moderate 10-25% opposition include⁴:

- Implement fees and fines for non-reporting of income – 24% oppose (0% strongly oppose).
- Increase revenue through 2% corporate tax increase – 19% oppose (0% strongly oppose).
- Develop a residence tax for vacation homes/cabins valued at \$100,000 or more – 14% oppose (10% *strongly oppose*).
- Implement annual wealth tax of 1% on wealth exceeding \$10 million – 14% oppose (5% *strongly oppose*).
- Increase probate fees on inheritance of \$1 million to \$50,000 – 14% oppose (5% *strongly oppose*).
- Require all unregistered land revert to the Crown if not registered in eight years – 14% oppose (5% *strongly oppose*).
- Develop a progressive tax on all land transfers – 10% oppose (5% *strongly oppose*).

Overall, the general sentiment from stakeholders on financial improvement is that cutting wages, services, and benefits to citizens and public service workers is not the way forward. Instead, stakeholders propose looking at all recommendations with two lenses: first, is there an economic benefit, and second, does it improve the system for the people of the province? The proposed recommendations in the PERT report will serve to increase inequality and poverty, and there are “fairer and more sustainable ways to promote economic growth”. Suggestions include strategic investments in programs and services that Newfoundlanders and Labradorians rely on, including healthcare, education and food security, and a job creation program that creates sustainable employment to recruit and retain working professionals in the province.

Stakeholders also emphasized that we are currently only listening to one group (the PERT team), and we should explore alternative options for economic recovery through increased consultation with stakeholders. The Newfoundland and Labrador Federation of Labour stated that “investing in an equal and fair economy must ensure we are all beneficiaries, because the economy belongs to all of us in the province.” Meanwhile, some stakeholders such as Take Action NL were supportive of the financial improvement recommendations and stated, “we need radical change like what the government is proposing.”

⁴ Recommendations with less than 10% opposition were not included.

Additional Recommendations

Survey respondents were asked if they had any other recommendations related to financial improvement that did not appear in the report.

Stakeholder survey: About half of respondents provided additional recommendations related to financial improvement. Suggestions include:

- Introduce a progressive tax system that implements higher taxes on the rich, while leaving tax rates unchanged for the majority of income earners.
- Implement more tax brackets for upper-income earners with incomes over \$135,000 as well as progressive increases of 3%, 4% and 5% for those earning more than \$500,000, \$1,000,000 and \$2,000,0000, respectively.
- Look at historic spending and develop a plan to recover overpayment to vendors and improve contract language for all procurement in the province.
- Reduce elected officials' salaries by 40%.
- Implement more upstream interventions to reduce poverty.
- Examine multi-year supports for fiscally responsible agencies who are in partnership with government.