Public Consultations on Regional Government

What We Heard

December 2017

Newfoundland Labrador

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Newfoundland and Labrador's local government system is at a crossroads. Our government has heard from residents and local government leaders about the need to implement changes to local governance structures to ensure fair local representation and enable the delivery of more efficient and affordable municipal services.

As a government, we are committed to supporting the municipal sector to ensure safe and sustainable communities and regions. This means finding ways to structure communities so residents have strong, democratic local governments, and receive the modern, standardized services that they need and expect.

To deliver on our commitment, government stated in the "Way Forward: Realizing Our Potential", our intention to implement regional government and/or service sharing pilot(s), as appropriate, by 2019. These pilot(s) will explore how services can be delivered more efficiently at a broader scale and enhanced governance structures can be established to ensure all residents have a voice.

To support pilot development, on August 22, 2017, the Provincial Government launched public consultations on regional government.

This document provides an update to residents on the input received through this process.
Over 700 residents participated in 22 in-person consultation sessions from September to October 2017. In-person consultations, online submissions, mailed submissions, emailed submissions, and telephone discussions generated over 6,000 individual ideas and comments. All these ideas and concerns will be considered by our government in determining how regional governance and/or service sharing pilot(s) may be implemented.

I wish to thank all those who took the time to participate in this important conversation. Your feedback is essential to move this initiative forward and achieve the best possible results for residents of this province.

Eddie Joyce

Honourable Eddie Joyce
Minister of Municipal Affairs and Environment

Introduction

Newfoundland and Labrador is facing significant demographic change, which will have implications for the province's local government system. Lower and aging populations, particularly in rural regions, are already creating a shrinking pool of candidates to run local governments, putting critical decision making at risk. Over time, as population size continues to decline and infrastructure ages, the cost to deliver modern, standardized municipal services will be shared among fewer people and result in increased costs to each resident.

Government recognizes that it is time to explore ways to address these issues and find a governance structure that brings communities together to enhance, broaden and standardize local government and service delivery for all residents of the province.

It is evident that stakeholders and members of the public feel the same way. During the Government Renewal Initiative public engagement process one of the strongest emerging themes was regionalization. We heard from residents about the need to explore regional or county governance structures and shared services models.

In response to calls for action, as part of "The Way Forward: Realizing Our Potential", government committed to implementing regional governance and/or service sharing pilot(s) by 2019. Government can use information obtained through these pilot(s) to make further determinations about a broader implementation of regional government or regional service sharing.

To gain insight and evidence on where and how such pilot(s) could be implemented, throughout fall 2017, Municipal Affairs and Environment conducted a three month engagement process to determine what regional model(s) could work best in Newfoundland and Labrador.

Regional government can occur in many different forms. A wide spectrum of different regional models, from a service sharing board model to a formal government structure, have been implemented across Canada. Generally, a more formal structure refers to a level of government that is responsible for a large geographic area, including existing local governments. The aim of this type of regional model is to provide representation for all residents and allow residents to receive the more complex or costly services that are needed but are more difficult to deliver when small communities are working independently of one another.

This document summarizes some of the key themes heard over the course of consultations. Twenty-two in-person sessions, resulting in nearly 6,000 comments, 71 online questionnaires, and many online and mail submissions, provided a wide variety of thoughts on regional government from residents all across Newfoundland and Labrador.

Recognizing that feedback and key themes varied by region due to the unique circumstances of different areas of the province, a short synopsis of the key themes from each session/region has been included in a separate regional theme document available at www.engagenl.ca/engagement-initiatives/

Additionally, Municipal Affairs and Environment committed to releasing all raw data from the 22 in-person consultation sessions and the online questionnaires. This data is also available for review at www.EngageNL.ca

Engagement Process

On August 22, 2017, Municipal Affairs and Environment launched public consultations via www.EngageNL.ca, a website facilitated by the Public Engagement Division of the Government of Newfoundland and Labrador, which hosts Provincial Government consultations. On this site, residents were able to review the various methods by which they could engage in regional government consultations. Consultation questions were also made public on this platform to ensure residents had time to review and reflect on their possible responses prior to attending an in-person session. A "Discussion Guide for Consultations on Regional Government" was also released and made available from the EngageNL website.

A comprehensive engagement approach was implemented using the following tools:
- **In-Person Consultations:** Twenty-two in-person consultations were held between September 6 and October 26, 2017. The in-person consultation sessions combined engagement techniques of small group discussions with interactive keypad polling. Through nine discussion questions and three polling questions participants were asked their opinions on regional government. Group discussions were supported and recorded by a neutral, volunteer table facilitator. The process ensured participants could share their ideas freely and openly.

During each session, participants were first presented with an overview of the current state of local government, jurisdictional examples of regional government, and an overview of an independent proposal of regional government in the province. The independent proposal was prepared by an advisory group composed of representatives from key stakeholder groups, such as municipal, academic, and industrial groups.

- **Online Questionnaire:** The online questionnaire mirrored the questions asked in the in-person engagement sessions, and included a number of multiple choice and open-ended questions to capture the ideas of participants that did not wish to or could not attend the in-person sessions.

- **Mail/E-mail/Phone:** Participants were also encouraged to submit general responses via traditional mail, email through a dedicated email address, or by leaving a phone message.

- **Guide to Hosting Your Own Discussion:** A guide was developed to assist residents who wished to host their own consultation sessions. This engagement tool was intended to allow residents the opportunity to meet in their community with their neighbours or colleagues to discuss regional government outside the in-person government-led sessions. Residents were asked to collect all feedback received and submit to the department.

Participation and Response

| In-Person Session Locations	
St. John's	Carbonear
Ferryland	Placentia
Clarenville	Bonavista
Marystown	Twillingate
Baie Verte	Grand Falls-Windsor
Harbour Breton	Gander
New-Wes-Valley	Lewisporte
Port aux Basques	Corner Brook
Stephenville	Rocky Harbour
St. Anthony	L'Anse au Loup
Happy Valley-Goose Bay	Labrador City

Regional Government Consultations: By the Numbers

22
Regional Sessions

Nearly 6,000
In-Person Comments

Over 700
Participants

71
Online Questionnaires

Participants by Community Type

22.2%

3.0%
4.0%

70.7%
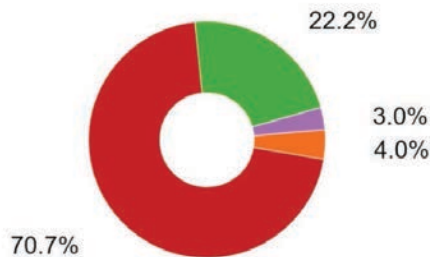
- City
- Local Service District
- Municipality
- Unincorporated Area

Participants by Community Size

11.0%
5.0%

19.0%

10.0%

15.0%

40.0%
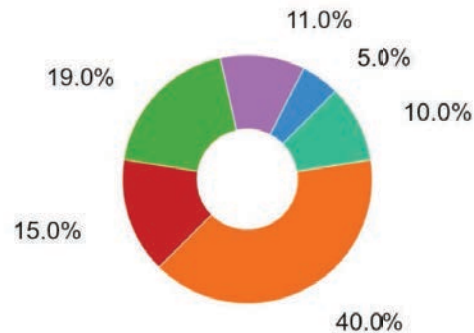
- Less Than 500
- 1001-3000
- 7001-10,000
- 500-1000
- 3001-7000
- 10,001+

Methodology

Consultation data was collected using the engagement tools described in the previous section on the engagement process. This document includes information that emerged from in-person consultation sessions; online questionnaire results; and phone, mail, email and one individual session hosted by residents of a community.

The analysis process included reading individual in-person session notes from recorders and all individual submissions. A "coding team" of public service employees from the province's Public Engagement Division, as well as Municipal Affairs and Environment was assembled to use NVivo, a qualitative data analysis program, to identify recurring ideas, comments, topics and words to identify trends in the data. Common or similar comments were grouped together into identifiable categories or themes.

What We Heard

This summary sets out key themes from data collected at all sessions, online questionnaires and individually submitted responses. It is important to note that simply because a theme has been identified, this does not mean that support for the ideas within that theme was universal or that dissenting opinions or ideas were not expressed.

Each region and community faces its own unique set of challenges and opportunities. It is important to note that while the Provincial Government has committed to a regional government and/or service sharing pilot(s) by 2019, some regions were more receptive to the idea than others. Some felt that a regional government would potentially be of great benefit to them, while others voiced strong opposition to the idea.

It would indeed be surprising for there to be a clear consensus across the province on such an important and complex topic. The themes below represent the common ideas heard in response to the questions that were asked. In regions where the idea of regional government was strongly opposed, that input has been captured as well. For a more detailed picture of what was said in each region, please see the regional analysis available at www.engagenl.ca/engagement-initiatives/regional-government. If you would like to see each individual comment from the in-person consultations, the raw data for every session can be found on the same webpage.

Advantages/Disadvantages of Regional Government

Participants were asked what they thought the advantages and disadvantages would be of a regional government model. Participants were specifically asked to reflect on whether all community types (municipalities, local service districts, and unincorporated areas) should be part of a regional government model. The following represents the most prominent responses.

Advantages:

Cost savings and efficiencies
- Participants stated that one of the potential advantages of regional government is that services could be delivered more effectively and efficiently, as there would likely be more opportunities to share services and equipment, which could lead to cost savings.

- It was also noted that increased service sharing would reduce the duplication of service delivery that exists in some areas.

Higher quality services/access to professionals
- We heard that regional government could potentially offer communities greater access to experts/professionals (such as land use planners) and lead to improved/higher quality services.

Access to new services
- Participants noted that regional government could lead to additional services being available to residents, particularly for smaller communities (e.g. animal control, recreation, waste management, etc.)

> "If every single part of this province (had) regional governments, delivering basic civic services and meeting provincial/federal government standards (would) be much easier due to greater tax revenue and economies of scale."

Standardized services/paying a fair share
- It was noted that services would likely be more consistent and standardized across regions in a regional government system and that everyone within the region would "pay their fair share" for services.

Increased participation
- Participants noted that regional government may potentially increase democratic participation among residents and provide access to a larger pool of electoral nominees.

Increased pool of volunteers
- We heard that a regional government system may offer potential for increased volunteerism and a greater pool of volunteers to draw upon.

Stronger regional voice
- Some participants felt that acting as a region would provide communities with a stronger voice and increased strength when advocating for the needs of the region.

Disadvantages:

Increased costs
- The greatest concern expressed by participants was that regional government may lead to increased costs. Concerns included things such as the possibility of paying more for services, Local Service Districts/Unincorporated Areas paying taxes they currently do not pay, fears of additional taxation and the duplication of administration.

Additional layer of government
- Many participants noted concerns over the creation of an additional level or tier of government, with some stating that regional government would make things less efficient/more expensive.

> **I'm concerned that a regional government will become another layer of government control and taxation.**

Unfair cost distribution/unequal service quality
- Participants noted concerns regarding cost distribution and varying levels of service delivery across a region. There were concerns that communities would start getting or paying for services they do not need, that large towns would take an unfair share of service delivery, that needs vary across communities based on their size and geography, and that there could be a disproportionate distribution of benefits and costs across a region.

Identity/loss of autonomy
- Participants expressed concerns around the potential loss of community autonomy and identity. Some felt smaller communities would lose their voice, that a sense of community would be lost, and that larger communities may have a disproportionate influence over smaller ones.

Discord amongst communities
- We heard that some communities in a region may not work well together, and generally, that there are concerns about conflict amongst communities.

Impacts of "Opting-Out" of a Regional Government System

Participants were asked whether communities should have the option of "opting-out" of a regional government system. Participants were asked to consider whether the efficiency and cost of service delivery would be impacted if communities were given this opportunity. The following represent the most common responses we heard:

No, communities should not be able to opt-out

- The vast majority of participants stated that if a regional government system were implemented, that communities should not be permitted to opt-out. Statements were frequently made noting that all communities need to participate/be involved in order for regional government to work.

- Participants stressed that an option to opt-out would weaken any regional government system and would impact service delivery.

> Inclusive is the key word. If regionalization is going to work, everyone needs to be represented in some way. There can be no opting-out and it has to include everyone.

Yes, communities should be able to opt-out

- Some participants stated that they felt it should be up to the individual community to determine whether or not they wished to participate in a regional government system.

- It was noted by some that larger communities and those that are economically viable should be permitted to opt-out, while others felt that every municipality should be provided with the choice to opt-out.

Communities should be able to opt out of some aspects but not others (conditional opt-out)

- We heard from some participants that communities should be able to opt-out of certain aspects of a regional government system. For example, communities should be able to choose which regional services they receive.

Criteria for determining whether communities are governed at the local level by a regional government

There are many communities with small and decreasing populations that are struggling to meet legislative requirements and deliver services. To address this issue, it is possible a regional government could act as the sole level of local government for these communities. Participants were asked to identify what criteria, if any, should be used to determine whether communities are governed at the local level by a regional government. The following responses represent the key themes we heard regarding this topic:

Financial viability/stability

- Participants noted that the financial standing of a community should be considered as a determining criterion. It was largely felt that communities which are not financially sustainable would benefit most from participating in a regional government structure.

Geography

- Participants frequently stated that they felt geography should be a determining criterion for regional government (e.g. proximity to other communities, size of a region, and distances for service delivery).

Ability to provide basic services

- We heard that a community's ability to deliver basic services should be considered as a criterion. Some participants felt that if a community was not able to adequately deliver basic or essential services, then it should be part of a regional government system.

Ability to meet legislative requirements

- It was noted by many participants that the ability of a community to meet its legislative requirements should be considered when determining criteria for joining a regional government system. Many felt that those communities who are not able to satisfy their legislative requirements would be the most appropriate participants in a regional model.

Population

- Participants' views were mixed on whether or not population should be considered as a criterion for participation in a regional government system. Some felt that smaller communities under a certain population threshold should be compelled to participate; while others felt that population size should not be a determining factor with regards to participation in such a system.

Democratic strength

- We frequently heard from participants that democratic strength should be considered as a criterion for participation. It was largely felt that if a community has been struggling to fill a full slate of electoral candidates and/or achieve a full complement of councillors, it should consider joining a regional government.

How services should be delivered in a regional government system

Under a regional government model, regionally appropriate services, or those that are often too complex or costly to be provided by smaller government units, can be provided. Regional service sharing could reduce duplication of existing services and administration and create opportunities for a larger number of services to be delivered, as resources are pooled. We asked participants how services should be delivered in a regional government system. The following key themes emerged:

Hybrid system

- The vast majority of participants felt that, if a regional government system was introduced some services should be mandated (legislatively required), while others could be optional. Some services such as fire/emergency services, land use planning and waste management were seen as core services, while others such as recreation were seen as ones that could be optional.

Pay-per-use system

- We heard from some participants that they felt services should be provided and paid for on the basis of the particular needs of individual communities within a region.

Regional government's role in economic development

Economic development generally refers to activities and initiatives that grow the municipal tax base and focus on making communities more attractive for development, leading to an improved standard of living, job creation and retention. At present, many municipalities in this province do not have sufficient resources or capacity to deliver dedicated economic development services and planning. Under a regional model, communities could collaborate on this issue and ensure greater regional economic benefits. We asked participants if a regional government should play a role in economic development. The following key themes emerged:

Yes, regional government should have a role
- Some participants suggested that combining the resources of many communities would benefit the region by providing a service that could not be afforded at the individual community level, such as hiring an economic development officer.

> **Regional government leading economic development could provide a vision for the region.**

- Other participants felt that under a regional government system, increased cooperation/decreased competition amongst communities would allow for the entire region to benefit from common goals, leading to enhanced development.

No, regional government should not have a role
- Some participants felt that there are other groups that should lead economic development efforts (e.g. private sector, provincial/federal governments, community groups, individual communities, etc.)

- Other participants felt that attempting to manage the economic development needs of larger versus smaller communities would be difficult, with a fear that larger centers would receive disproportionate benefits from a regional approach to economic development.

How should a regional government pay for services?

A mechanism for raising revenue is required for any regional government structure to deliver adequate local and regional services. We asked participants about how they thought a regional government should raise revenue to pay for the services it provides. The following key themes emerged:

Property tax
- There was no clear consensus on whether or not property tax would be an ideal form of revenue generation. Some participants felt that it would be a good approach, while others felt that a regional government should not generate revenue via property taxes. For example, some felt that the current property tax structure is ineffective and inequitable. Others felt that property tax could work as a revenue generation mechanism if calculated fairly.

> **Regional governments should be able to charge a residential property (tax) to all residents... there may have to be different tax rates for different regions until services are equal through the whole region.**

Provincial government
- Some participants thought that the Provincial Government should provide at least some funding or subsidies to support regional governments (e.g. a portion of gas tax, operating grants, etc.).

Other taxes
- A number of other taxes were suggested, including: income-based taxation, poll tax, consumption taxes, service fees, corporate taxes, and receiving a portion of the HST/gas tax.

Other
- Some participants felt that there should be no additional taxes or redistribution of current arrangements. Others noted that the approach to raising revenue for regional government must be fair and equitable and that taxes or fees should be collected in a fair manner.

How should a regional government council/board be composed and regional representatives selected?

To determine a way to ensure residents are democratically represented at the regional level, we asked participants how they felt a regional government council/board should be composed and how representatives should be selected. The following are the key themes that emerged:

Population
- There was little consensus as to the role which population should play when determining representation in any regional government model. We heard from some that population should be a key consideration, while others felt that representation should not be based on population size as it may "drown out" the voices of smaller communities.

Appointments
- There was also little consensus with regards to whether or not a regional government should have appointees as representatives. Some felt that elected municipal representatives should automatically be appointed to a type of regional government council, with other areas (Local Service Districts and Unincorporated Areas) electing representatives.

> " If representation is population based, larger towns will have more representation. A ward system may need to be community based rather than population based. "

- Other participants felt that any regional government council should be fully elected and that there should be no appointees whatsoever.

Ward system
- We heard from some participants that a ward system would be an appropriate way to elect representatives to a regional government council. Others felt that such a system may disproportionately benefit larger communities over smaller ones.

- Concerns were noted with respect to whether a representative would advocate more on behalf of their own individual community rather than the region as a whole.

Size of council
- Some participants felt that all communities within a region should be represented on any regional government council. However, it was often noted that an overly large council would likely be ineffective and unwieldly.

- We frequently heard that regional councils should likely be comprised of approximately nine to 12 representatives.

Review of hypothetical regional government maps

Municipal Affairs and Environment developed 22 hypothetical regional maps intended to stimulate discussion during consultations. These maps were preliminary and were used to start a discussion around what participants felt regions should look like. Participants were asked to consider whether the preliminary boundaries were appropriate from a service provision and/or governance perspective. The department received a significant amount of regionally specific suggestions on how to amend the preliminary boundaries; however, the following feedback represents the key ideas we heard emerge across all sessions:

Maps are too large
- The vast majority of participants told us that the 22 regions presented were far too large. Often, we heard that people thought that each region should be divided into three or four regions.

Maps are appropriate
- While it was clear that participants in most regions felt the maps were too large, there were some that felt the maps/regions, as presented, were appropriate.

Criteria
- While population size was an oft-cited criterion, many participants stated that criteria other than population should be considered when determining regional boundaries. These included things such as geography, necessary services, willingness to cooperate, culture, and watersheds, amongst others.

Other Comments

We asked participants to provide any additional thoughts or comments regarding regional government. We saw the following themes emerge:

More information/education required:
- We heard that participants would like more information/ education about what regional government involves, how it could look, and what it looks like in other provinces.

> **I'm not saying no to regional governance. If something could be better than what we have, I would be for it. I need to see the clear options.**

We need regional government
- We heard from some participants that the Provincial Government needs to move forward with some form of regional government.

> **We have to move forward with some form of regional government. We can't survive on our own.**

We do not need regional government
- We heard from other participants that they believed communities are doing fine and do not wish to see regional government introduced.

- Some participants felt that simply increasing inter-municipal cooperation and enhancing service sharing would suffice, rather than the implementation of a formal regional government structure.

Costs & additional layer of government
- Many participants noted their concerns over costs and the possibility of increased taxation if a regional government system were to be introduced.

- These thoughts were often cited in conjunction with concerns around the possible creation of an additional layer of government.

Loss of autonomy
- Some participants expressed concerns that their authority to make decisions would be reduced.

Conclusion and Next Steps

All input from in-person engagement sessions, online questionnaires and other submissions will be carefully considered as the department works toward the development and implementation of regional governance and/or service sharing pilot(s) in 2019.

If you have any questions or comments on this document or data collected please feel free to contact us via email at regionalgovernment@gov.nl.ca.

Thank you for taking the time to participate in consultations on regional government.
Please visit www.EngageNL.ca for further updates on this initiative.

If you have any questions about this consultation process,
or would like to access any of the materials in alternative
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or email regionalgovernment@gov.nl.ca

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