

Tough Critical Choices

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Government of Newfoundland and Labrador



Governance History

- Representative Government: 1832-1855
- Responsible Government: 1855-1934
- Commission of Government: February 16, 1934
- Canada Joins Newfoundland: March 31, 1949

Current Reality in Historic Context

“Clearly the financial position of the province at any point in time is not simply the result of the budgetary decisions in any one year. In many respects it is an amalgam of a vast array of public policy decisions integrated with the evolution of the federal/provincial fiscal frameworks over a long period of time. The budget is, however, critically important in providing an up to date perspective on government’s own assessment of its economic and financial position, its financial strategy, its financial plans and outlook, and its approach to fiscal management.”

**Royal Commission Reviewing & Strengthening our Place in Canada June 2003*

Decisions



Considerations

- Vast geography
- Unique regional priorities
- Varied regional growth potential
- Rapid depopulation of rural areas
- Protection of vulnerable populations

Conflicting Demands

- Attract and retain well educated youth
- Create employment through stimulus spending



- Tax high wage earners
- Cut cost of government

Conflicting Demands

- Reduce size of government
- Hold healthcare cost in line with national benchmarks



- Expand public services
- Improve access, hire more doctors, nurses etc.

Conflicting Demands

- Attract business investment

- Tax large corporations



Demands Continue

- Reduce poverty
- Address homelessness
- Increase funding to the arts
- Improve connectivity (cell phone coverage and internet)

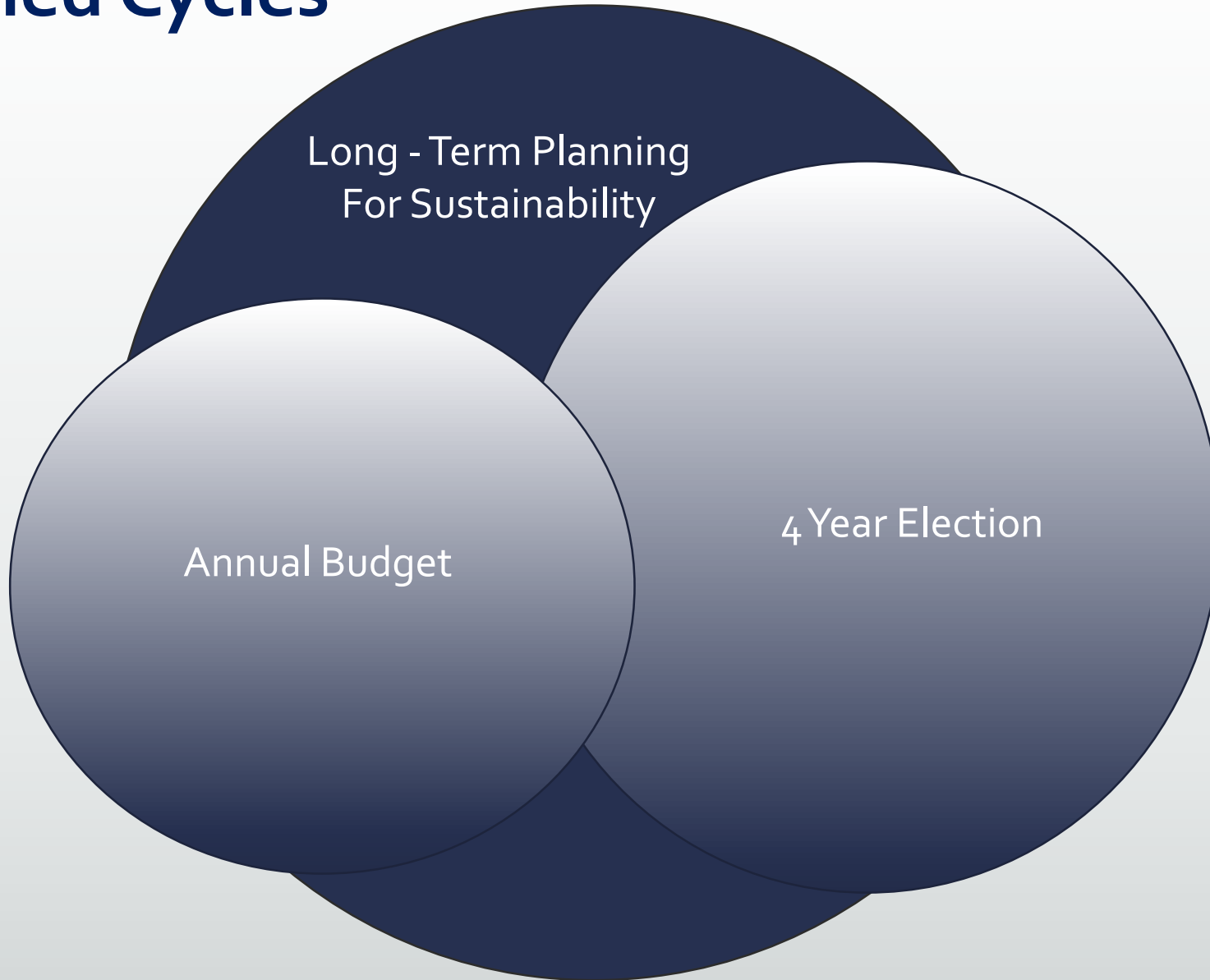
Demands Continue

- Reduce class size K-12
- Hire more teachers
- Hire more student assistants
- Continue with tuition freeze

Current Fiscal Position - Symptom or Problem?

- Declining and aging population
- Rural/urban demographic dynamic
- Vast geography
- Resource based economy
- Decision making processes

Misaligned Cycles

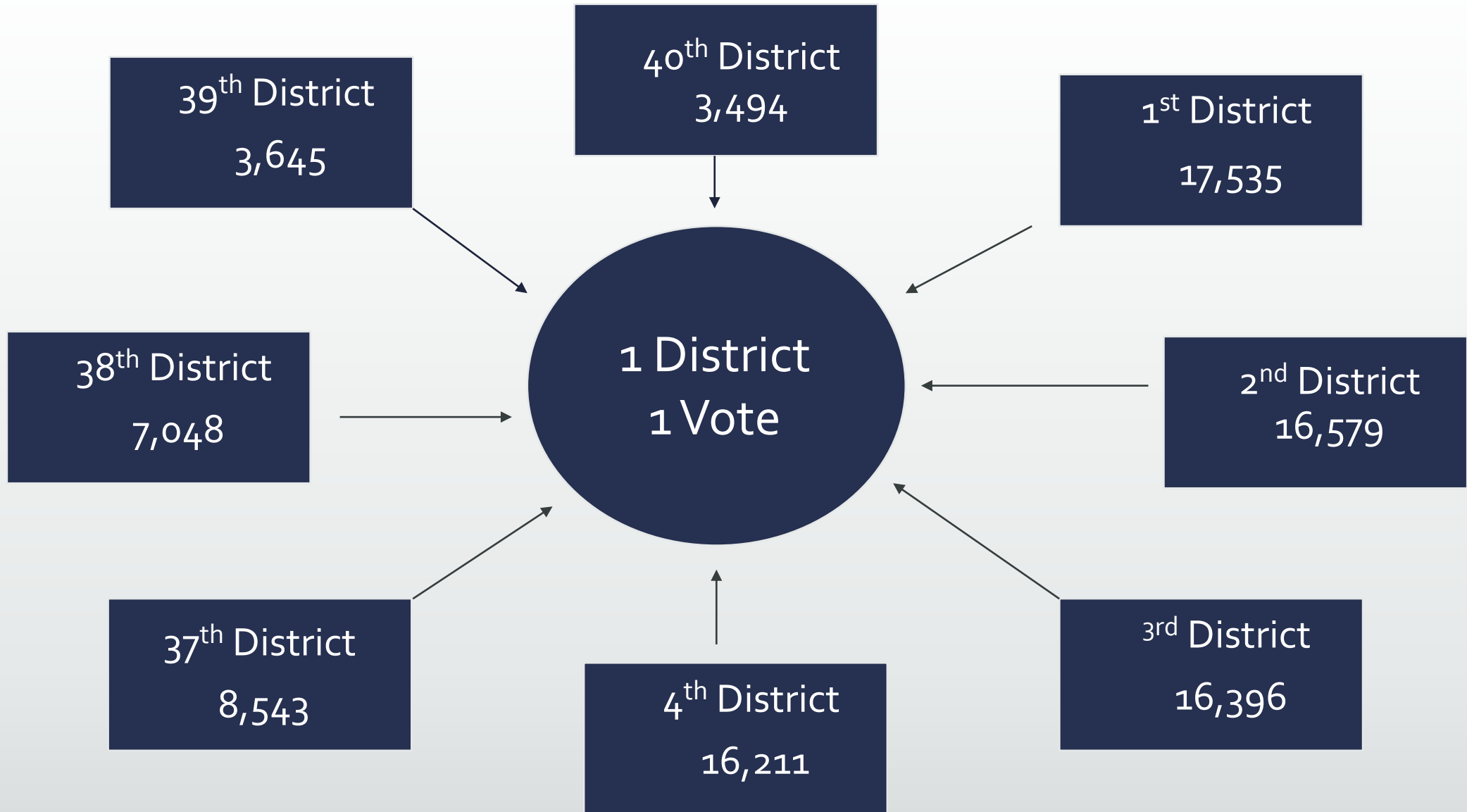


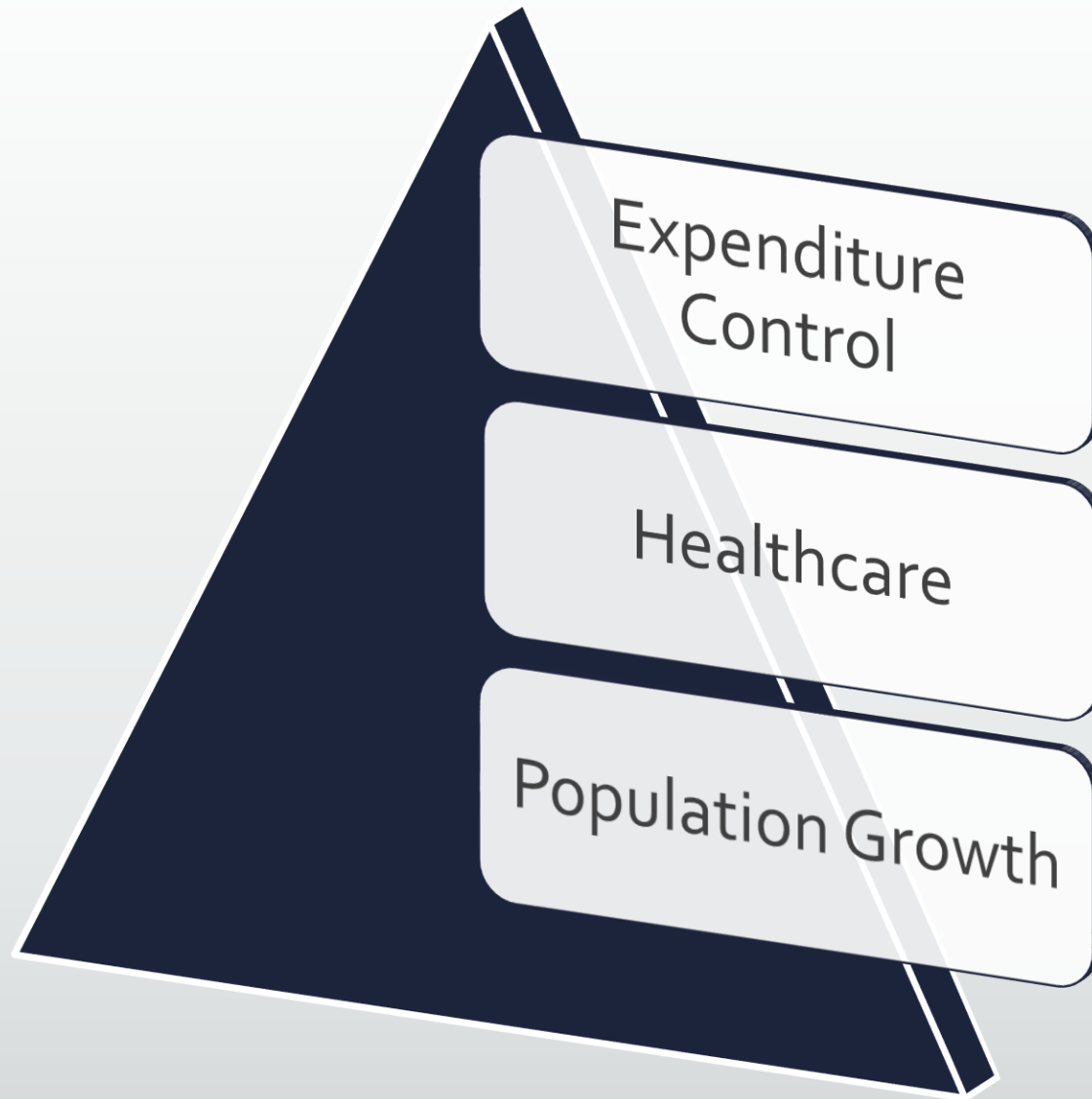
Immediate Attention

1. Improved budgetary process
2. Informed and diverse citizen involvement in decision making
3. Population growth
4. Healthcare (cost and improved outcomes)
5. Expenditure control

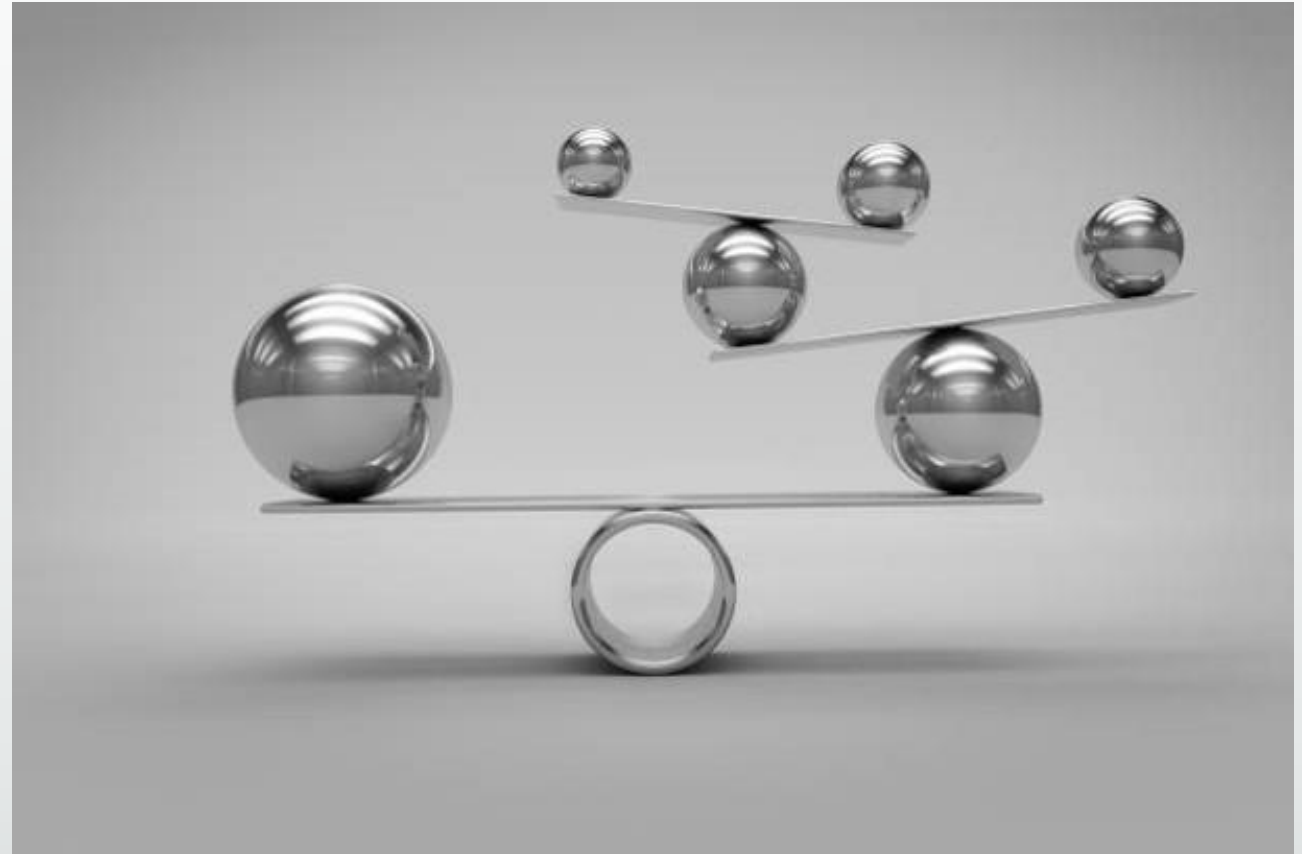
Improved Budgetary Process

- Budget allocation should be aligned with strategic priorities
- Three-year detailed fiscal plan (current annual budget plus 2 years)
- Improved fiscal reporting and transparency
- Quarterly fiscal updates
- Mid-year update with necessary updates to three-year fiscal plan





Always a Balance



Critical Issues With Significant Consequences

- Declining and aging population
- National pharmacare
- Healthcare cost
- Climate change
- Wastewater management
- Future model of municipal/regional governance

Critical Issues With Significant Consequences

- Rate mitigation
- Economic growth
- Infrastructure deficit
- Dying communities
- Vulnerable populations