



Newfoundland and Labrador Statistics Agency

Department of Finance

Budget Consultations Survey 2015 Results

Produced March 13, 2015

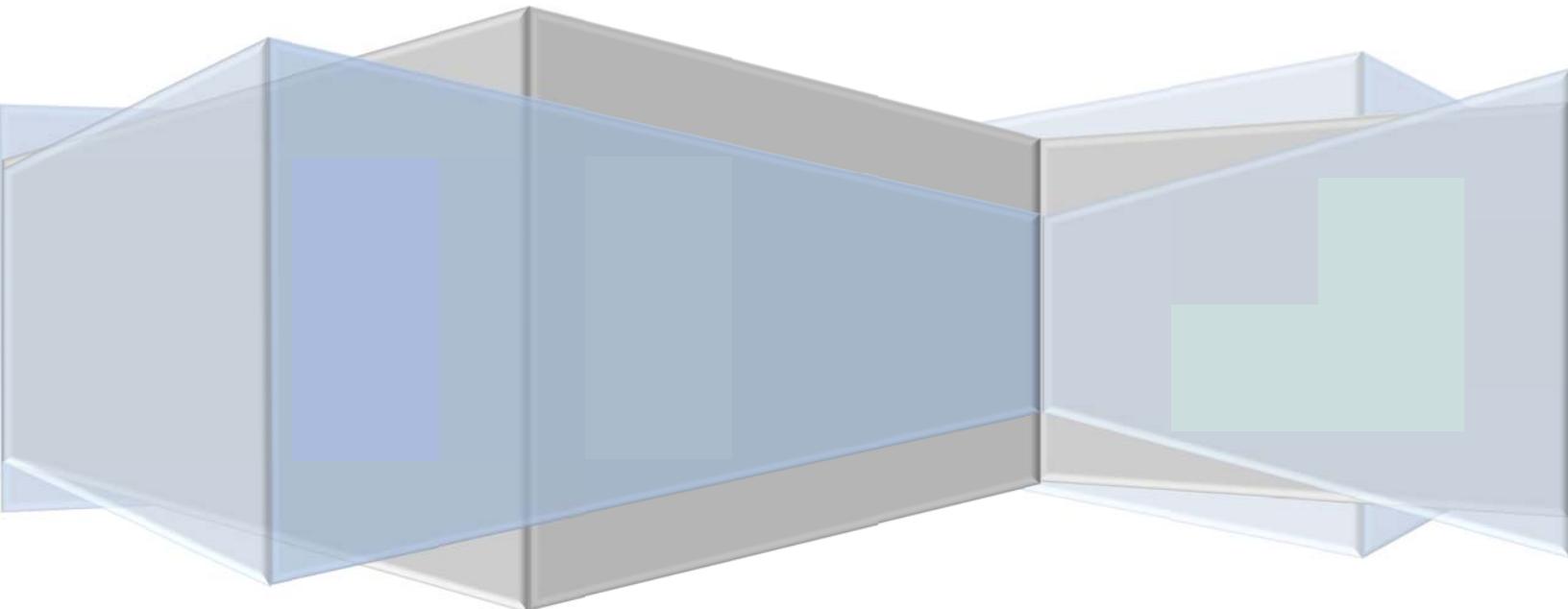


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Overview

This document contains the results of a survey entitled **Budget Consultations Survey 2015**. It was administered between February 17 and March 3, 2015 to gauge the views of the people of this province regarding the current fiscal situation. A total of 404 people were surveyed.

The survey was carried out by the Newfoundland and Labrador Statistics Agency (NLSA) of the Economics and Statistics Branch of the Department of Finance under the authority of the Newfoundland and Labrador **Statistics Agency Act** which provides the legal authority to collect the data and guarantees privacy regarding individual responses.

A random, probability based sample of respondents was used and the results are accurate within $\pm 4.9\%$, 19 times out of 20 (95% confidence level).

Budget Consultations Survey 2015 Results

A1. Prior to being contacted to participate in this survey, did you know that such a significant amount (23% - approximately \$1.5 billion) of the money the province spends on programs and services comes from oil revenues?

Response	Percent (%)
Yes	40.3%
No	59.7%
Total	100.0%

A2. Prior to being contacted to participate in this survey, were you aware that the price of oil had decreased so significantly (nearly 47%) over the past few months?

Response	Percent (%)
Yes	91.8%
No	8.2%
Total	100.0%

A3. Were you aware that due to this drop in oil prices, the province is anticipating the amount of money it will have to spend on programs and services for next year's budget will be in excess of \$1 billion less?

Response	Percent (%)
Yes	52.5%
No	47.5%
Total	100.0%

A4. How concerned are you that government will have in excess of \$1 billion less to spend on programs and services for next year's budget? SELECT ONE RESPONSE ONLY

Response	Percent (%)
Very concerned	44.8%
Somewhat concerned	40.3%
Not very concerned	8.7%
Not at all concerned	4.5%
Don't know	1.7%
Total	100.0%

B1. If government were to increase taxes in order to increase revenue to help offset the budget shortfall, in which of the following areas would you support an increase? SELECT ALL THAT APPLY

Response	Percent (%)
Government should not increase taxes	27.7%
Don't know	3.7%

Of the remaining 68.6%, the following breakdown is given:

Response	Percent (%)
Increase provincial sales tax	35.0%
Increase personal income tax for all income levels	28.2%
Increase personal income tax for incomes over a certain level	82.3%
Increase the tax on gas	26.4%

**Totals may exceed 100% due to multiple responses.*

B2. Would you be in favour of government adding new or raising current user fees to increase revenue to help offset the budget shortfall? These would be fees such as registration fees, licensing, etc.

Response	Percent (%)
Yes	44.6%
No	51.2%
Don't know	4.2%
Total	100.0%

B3. Borrowing additional money to help offset the budget shortfall will increase the debt. How comfortable would you be with government borrowing money to offset the budget shortfall? SELECT ONE RESPONSE ONLY

Response	Percent (%)
Very comfortable	8.4%
Somewhat comfortable	47.0%
Not very comfortable	24.3%
Not at all comfortable	16.6%
Don't know	3.7%
Total	100.0%

B4. Knowing that reducing the size of the public service could negatively impact the delivery of programs and services, would you be in favour of this?

Response	Percent (%)
Yes	22.3%
No	70.0%
Don't know	7.7%
Total	100.0%

B5. If government were to reduce the size of the public service to help deal with the budget shortfall, which approach do you feel would be the best option? SELECT ONE RESPONSE ONLY

Response	Percent (%)
Reduce the public service through layoffs	4.0%
Reduce the public service through attrition (for example, through retirement or not filling vacant positions)	54.5%
Reduce the public service through layoffs and attrition	30.9%
Don't know	10.6%
Total	100.0%

B6. If government were to cut spending to help offset the budget shortfall, in which of the following areas would you support a cut? SELECT ALL THAT APPLY

Response	Percent (%)
Everything should be considered	35.4%
Government should not cut programs and services	24.8%
Don't know	1.2%

Of the remaining 38.6% the following breakdown is given:

Response	Percent (%)
Funding to municipalities	66.7%
Funding to universities and colleges	41.7%
Building hospitals and schools	37.8%
Building/fixing roads and bridges	22.4%
Education (K-12)	13.5%
Healthcare	9.0%

**Totals may exceed 100% due to multiple responses.*

C1. Given that government has these three methods to deal with the current budget shortfall, in which area do you feel government should give the most priority, next priority, least priority?

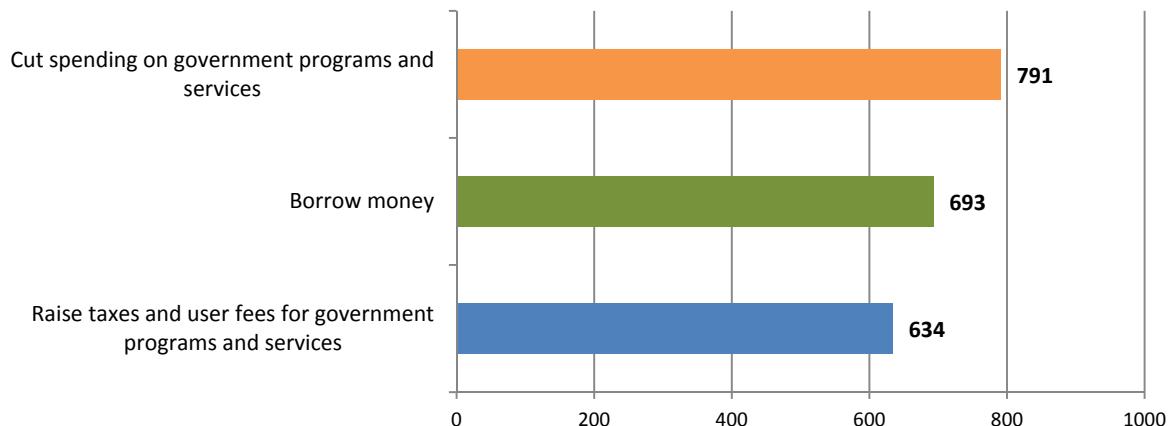
Rank	Option
1	Cut spending on government programs and services
2	Borrow money
3	Raise taxes and user fees for government programs and services

For this question, a method was used to allocate points based on the order of importance of the three options as indicated by respondents.

First	3 points
Second	2 points
Third	1 point

The following chart outlines the total number of points by option:

Total Points by Option



Appendix A – Survey Questionnaire

DEPARTMENT OF FINANCE – BUDGET CONSULTATIONS SURVEY 2015

INTRODUCTION

Hello my name is (name of interviewer)..... and I am calling from Newfoundland and Labrador Statistics Agency.

As part of the Government of Newfoundland and Labrador's budget preparation process for 2015-2016, the Department of Finance is conducting a survey to gauge the opinions of the people of the province regarding the current fiscal situation. The survey will take approximately 10 minutes to complete. Would you like to participate?

(Selection process for a respondent) – Repeat the top portion if the selected respondent is not the person who initially answered the phone.

CONFIDENTIALITY

The information is being collected and protected under the authority of the *Statistics Agency Act*. Please be assured that your answers will be kept strictly confidential and published in aggregate form only. No individuals will be identified in the survey's results. Although participation is voluntary, your co-operation is important to ensure that the information collected is as accurate and as comprehensive as possible.

If you have any questions concerning privacy or confidentiality, you can contact the Newfoundland and Labrador Statistics Agency at 729-1604 in the greater St. John's area, call toll-free at 1-888-461-5244 or email NLSASurvey@gov.nl.ca.

SECTION A – KNOWLEDGE OF AND CONCERN WITH PROVINCE'S CURRENT FINANCIAL SITUATION

AR1. The money that government spends on programs and services comes from the following sources: a significant proportion, approximately 23%, comes from oil revenues, 48% from taxes, 17% from the federal government and 12% from user fees, licences, investment income, etc.

A1. Prior to being contacted to participate in this survey, did you know that such a significant amount (23%, approximately \$1.5 billion) of the money the province spends on programs and services comes from oil revenues?

₁ Yes
 ₂ No

AR2. Oil prices are determined by a number of complex global factors which can be extremely unstable, resulting in oil prices which can change frequently and without much notice. The price of oil has decreased significantly over the past few months, dropping by nearly 47%, creating a very serious situation as it relates to the province's budget.

<p>A2. Prior to being contacted to participate in this survey, were you aware that the price of oil had decreased so significantly (nearly 47%) over the past few months?</p>	<p>₁ <input type="radio"/> Yes ₂ <input type="radio"/> No</p>
<p>A3. Were you aware that due to this drop in oil prices, the province is anticipating the amount of money it will have to spend on programs and services for next year's budget will be in excess of \$1 billion less?</p>	<p>₁ <input type="radio"/> Yes ₂ <input type="radio"/> No</p>
<p>A4. How concerned are you that government will have in excess of \$1 billion less to spend on programs and services for next year's budget? (Interviewer, read list.) (Select one response only.)</p>	<p>₁ <input type="radio"/> Very concerned ₂ <input type="radio"/> Somewhat concerned ₃ <input type="radio"/> Not very concerned ₄ <input type="radio"/> Not at all concerned ₈ <input type="radio"/> Don't know</p>

SECTION B – OPTIONS TO DEAL WITH CURRENT BUDGET SHORTFALL

BR1. Government has three methods to deal with the current budget shortfall: raise taxes and user fees for government programs and services, borrow money and cut spending on government programs and services. Government will use a combination of all three methods to deal with the budget shortfall.

RAISING TAXES AND USER FEES	
<p>B1. If government were to increase taxes in order to increase revenue to help offset the budget shortfall, in which of the following areas would you support an increase? (Interviewer, read list.) (Select all that apply.)</p>	<p>₁ <input type="radio"/> Increase provincial sales tax ₄ <input type="radio"/> Increase the tax on gas ₂ <input type="radio"/> Increase personal income tax for all income levels ₅ <input type="radio"/> Government should not increase taxes ₃ <input type="radio"/> Increase personal income tax for incomes over a certain level ₈ <input type="radio"/> Don't know</p>
<p>B2. Would you be in favour of government adding new or raising current user fees to increase revenue to help offset the budget shortfall? These would be fees such as registration fees, licencing, etc.</p>	<p>₁ <input type="radio"/> Yes ₂ <input type="radio"/> No ₈ <input type="radio"/> Don't know</p>

BORROWING MONEY	
<p>B3. Borrowing additional money to help offset the budget shortfall will increase the debt. How comfortable would you be with government borrowing money to offset the budget shortfall? (Interviewer, read list.) (Select one response only.)</p>	<p><input type="radio"/> Very comfortable <input type="radio"/> Not at all comfortable <input type="radio"/> Somewhat comfortable <input type="radio"/> Don't know <input type="radio"/> Not very comfortable</p>
COST SAVING MEASURES	
<p>BR2. The Government of Newfoundland and Labrador employs approximately 50,000 people. Approximately 38,000 of these are employed in healthcare and education. This includes health board staff, administrators, doctors, nurses, school board staff, teachers, etc. The remaining 12,000 are spread across other government departments, agencies and crown corporations. Cutting spending on government programs and services will result in a reduction in the size of the public service.</p>	
<p>B4. Knowing that reducing the size of the public service could negatively impact the delivery of programs and services, would you be in favour of this? (Interviewer, read list.) (Select one response only.)</p>	<p><input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know</p>
<p>B5. If government were to reduce the size of the public service to help deal with the budget shortfall, which approach do you feel would be the best option? (Interviewer, read list.) (Select one response only.)</p>	<p><input type="radio"/> Reduce the public service through layoffs <input type="radio"/> Reduce the public service through attrition (for example, through retirement or not filling vacant positions) <input type="radio"/> Reduce the public service through layoffs and attrition <input type="radio"/> Don't know</p>
<p>BR3. To maintain its current level of service, the Government of Newfoundland and Labrador spends \$13,300 per person each year vs the provincial Canadian average of \$8,900 per person. Approximately 60% of the province's annual budget is spent on healthcare and education. 22% goes to service the debt and pension related expenses. 5% goes to transportation. 5% goes to Justice and Child Youth and Family Services and the remaining 8% goes to other programs and services.</p>	
<p>B6. If government were to cut spending to help offset the budget shortfall, in which of the following areas would you support a cut? (Interviewer, read list.) (Select all that apply.)</p>	<p><input type="radio"/> Healthcare <input type="radio"/> Building hospitals and schools <input type="radio"/> Education (K-12) <input type="radio"/> Everything should be considered <input type="radio"/> Funding to municipalities <input type="radio"/> Government should not cut programs and services <input type="radio"/> Funding to universities and colleges <input type="radio"/> Building/fixing roads and bridges <input type="radio"/> Don't know</p>

SECTION C – OPINIONS ON HOW TO APPROACH CURRENT BUDGET SHORTFALL

CR1. As previously stated, government will use three methods to deal with the current budget shortfall: raise taxes and user fees for government programs and services, borrow money and cut spending on government programs and services.

C1A. Given that government has these three methods to deal with the current budget shortfall, in which area do you feel government should give the **most** priority? (Interviewer, repeat options if necessary.) (Record first priority.)

1st priority: _____

Don't know → End Survey

NOTE: CATI system will automatically remove the first choice from the list, displaying the remaining two options.

C1B. Of the remaining two methods government will use to deal with the current budget shortfall (Interviewer, read remaining two options) which do you feel should be the next priority for government? (Record 2nd priority.)

2nd priority: _____

C1C. Government's third priority to deal with the current budget shortfall should be (insert remaining method). Is this correct?

Yes

No (return to C1A to change order)

Thank you for your participation.

Please remember that all responses are kept strictly confidential