



Newfoundland and Labrador
Environmental Industry Association

Government Renewal Initiative

**Submission
March 17, 2016**

Thinking of all of the things government spends your money on to provide the residents of the province with services, what are things that could be stopped in order to save money?

▪ **Stop duplicating federal programs.**

There are examples of funding programs and supports being delivered provincially which are in direct competition with federal government services. This results in less federal investment in the province per capita and adds an unnecessary financial burden to Newfoundland and Labrador taxpayers. Provincial programming should be designed to complement Federal programs delivering added benefits for local firms, and must be agile in design to shift with changes at the Federal level.

▪ **Stop cumbersome decision-making processes.**

Government staff must be empowered to make reasonable choices when it comes to funding projects and applications. Situations arise frequently where minimal changes to project budgets or the request for a small travel stipend are brought to the committee level for a decision. Considering the relatively small quantities of money that are in question, the amount of time and deliberation on the government's behalf increases the 'cost' of these events astronomically.

▪ **Stop performing activities in-house that can be efficiently delivered by the private sector.**

There are activities the government is involved in that would be more appropriately delivered by the private sector. When activities are performed in-house, the government is responsible for the salaries, benefits, equipment, and overhead associated with the task. Alternatively, the government could avoid many of these costs by outsourcing to the private sector and only when required on an on-demand basis. This recommendation is not about advocating for public sector job cuts, rather it is about ensuring efficiency and building the capacity of private sector firms who can leverage their work to grow services in other market segments or jurisdictions. Examples of services which could be provided by the private sector within the Department of Environment and Conservation include: laboratory services, water quality monitoring, and environmental monitoring.

▪ **Stop requiring environmental assessments for smaller / common projects.**

Currently, the Department of Environment and Conservation is often unable to meet its own legislated timelines on environmental assessments (EAs). Innovative EA practices are being used in other jurisdictions which shift the regulatory onus on to proponents for smaller or common projects. This would allow government staff to focus instead on environmental monitoring and the EA work required for larger projects.

Given the financial challenges facing our province, what things do you think government could do to raise money (increase revenue)?

▪ **Leverage federal funds wherever possible**

There are sources of funding, related to business and the environment, which Newfoundland and Labrador has been ineffective in securing. Whether it be through SDTC, NSERC, federal clean technology programs, the Green Municipal Fund, etc. local uptake is low and the province is missing out on significant sources of outside funding which could benefit the environment and the economy through investment in local firms, or in municipalities and their infrastructure needs. The government should dedicate resources to proactively identify funding sources and match them with local applicants or projects. With a new federal interest in reducing the nation's contribution to climate change (and doing so through supporting green technology), enormous funding opportunities are emerging which Newfoundland and Labrador stakeholders must be prepared to aggressively pursue.

▪ **Support renewable energy production.**

Blessed with vast ocean seascapes, an abundance of fresh flowing water, copious amounts of wind, and other resources, there are significant opportunities for renewable energy developments throughout Newfoundland and Labrador. Current rules prohibit the generation and sale of electricity outside of NL Hydro and Newfoundland Power. This forces firms with renewable energy interests to grow their businesses outside of the province, and prevents investment from outside. Government must take full advantage of the impending Maritime Link and allow for the generation of clean energy to be sold domestically or in to other jurisdictions. Additionally, in other jurisdictions, industry has the capability to reduce their costs by generating their own renewable energy. Businesses in Newfoundland and Labrador, who are unable to engage in such activities, are operating at a competitive disadvantage.

▪ **Introduce community economic development investment funds.**

Community economic development investment funds (CEDIFs) are pools of capital which are raised from individuals within a community to operate or invest in a local business. Any individual or group can form a working group to investigate the possibility of starting a CEDIF in their community. Many individuals are investing in stock market holdings, RRSPs, GICs, Canada Savings Bonds, savings accounts, etc. While all can earn a return, these investments are all likely taking place outside of Newfoundland and Labrador. CEDIFs are designed to channel funds into productive investment within the communities of the investors, which would provide an important source of capital for many local businesses. While this is not necessarily a revenue generating opportunity for the province, it is an economic development tool that can be used to strengthen its municipalities and communities

▪ **Put a price on carbon.**

Carbon pricing is considered by economists to be the most efficient way to reduce industrial carbon emissions, forcing polluters and their consumers to pay while rewarding those investing in more sustainable solutions. A carbon pricing system could provide government with a new source of revenue which can be used to fund new sustainable projects and infrastructure.

How can government be more innovative or efficient to provide quality services at lower costs?

- **Stop using old systems and processes.**

Embracing existing, proven technologies can significantly increase the effectiveness of government administrative activities. For example, modern client and project tracking software can increase the efficiency of staff and also greatly improve the government's capacity to develop strategic plans, operations, and projects based on evidence. Where record keeping and information sharing is complicated by rules and regulations set by the Office of the Chief Information Officer (OCIO), the government should simply not be involved in record keeping and should instead engage the private sector and its industry association partners to facilitate. Another example could be improved and more cost effective environmental monitoring through the use of ROVs or UAVs.

- **Restructure government procurement.**

In the current framework, requests for proposals (RFPs) are often specifying products that are compatible with outdated systems, thereby excluding the applicability of newer and more efficient components that may be locally manufactured or more environmentally sound. In other cases, RFPs ask for packaged products or services with elements not available within the province, thus inhibiting local bids. In addition, when smaller firms are responding to RFPs, government seeks validation of environmentally friendly products and technologies that are already widely used in other jurisdictions. It is NEIA's view that many of these issues are caused by RFPs that delineate a project or product in exact terms, e.g. defining not just the final deliverable but also how that deliverable should be achieved. This eliminates new ideas and alternative solutions from the outset, and discourages innovative thinking. Government (and Crown agency) RFPs should be prescriptive in desired outcomes, not processes. Public-Private Partnerships, or P3s, can be used to provide services that are typically large capital expenditures, e.g. sewage, roads, construction, etc. A design-build-lease program can continue service provision in these critical areas and create jobs in lean economic times.

- **Proactively support high-potential firms.**

Not all firms are built equal. There are cases where businesses emerge with products, services, or market strategies that have significant potential for rapid growth. The government should work in close collaboration with these firms to provide the support that they need financially, logistically, and from a management perspective during high-growth phases. A particular focus should be on firms which display a propensity for innovation, international business, and/or job creation.

- **Embrace and procure green products, services, and process**

Greener products, services, and processes can lead to significant cost savings in the short, medium, and long term. This can range from simple office waste management, to the installation of motion-detecting sensors for lighting, to the use of electric vehicles. Newfoundland and Labrador requires leadership from its government on greening its economy. The government should look at this as a purely financial issue - if there are cost savings to be achieved by changing the way it does business or the products and services it procures, it should take them. The government can work with local industry to (1) implement changes that are within the local green economy's means; and (2) to develop capacity within the local green economy to pursue desired changes in the medium term.

- **Increase the efficiency of government buildings.**

Inefficient buildings and their operations are not just considerable contributors to climate change, but they also represent significant sources of waste. This waste takes the form of escaping heat, excess electricity or energy consumption, inadequate diversion of 'garbage', and more. While in some cases investments are required to make buildings more efficient, the reduction of these sources of waste has proven to represent a significant cost savings; many of these investments can be paid for by operational savings after just a few short years. The government of Newfoundland and Labrador has many property assets throughout the province, representing a large footprint. Increased building efficiency could save taxpayers money while providing new opportunities for businesses engaged in green building activities.

- **Solicit (and follow) expert advice on running efficient operations.**

All organizations can benefit from adhering to best management and operational practices (such as *lean*) and the benefits of doing so are typically proportionate to the size of the enterprise. Thus, a government department could benefit significantly from soliciting (and following) expert advice on its operations. There are costs involved in this endeavour, however if profit-demanding corporations see fit to proceed, it would also be in the best interests of the taxpayer.

- **Update and develop new guidance documents.**

Existing codes of practice or guidance documents, which are in place to aid the government and industry through routine processes, are outdated. There are other cases where guidance documents do not exist. Guidance documents help processes between the public and private sector by providing consistency, and reliability. Increased efficiency leads to greater speed and reduced costs for both parties. The government can collaborate with industry to update existing documents and develop new ones where appropriate.