

**From:** Brad Cabana [REDACTED]  
**Sent:** February 20, 2012 2:23 PM  
**To:** PUB Muskrat Falls Review  
**Subject:** Muskrat Falls Demographic submission



To the Public Utilities Board Review Panel, please find below my submission regarding the demographics of Newfoundland and Labrador. I would also draw your attention to the following facts:

- 1) Statistics Canada released figures showing that the province's population had declined by 900 people in the first quarter of the year. Subsequently, the Census was released indicating the province had a net increase in population of 1.8% from five years ago. While it may be hard to reconcile these numbers, it is worth noting that despite a hyper inflated economy, including the expenditure of roughly \$7 Billion in oil revenues in the past five years, our population was shown to be in second to last place in growth for the country;
- 2) To the best of my knowledge, no detailed demographic study has been completed and submitted to the PUB to substantiate the provincial government's population projections. Nalcor has stated for the record its assumptions are based on numbers submitted by the provincial government. This despite the fact the Manitoba Hydro International report concludes that 50% of NL Power's sales are based on residential consumption:
- 3) That if one uses the provincial government's own numbers in population projection, and goes back 10 years to 2001 - 2002, one will find that current populations reflect the low trend line and not the medium or high trend lines; and
- 4) Given that as populations age they tend to abandon independent living in homes, and instead reside in communal situations like homes or hospitals, individual per capita power needs decline. Institutional properties have generally fixed power consumption, which would remain relatively constant, while individual homes consume far more power on an ongoing basis. Just one of the examples an aging/declining population brings to bare on consumption of power resources.



**Friday, March 18, 2011**

### **Newfoundland and Labrador's Demographic Time Bomb**

It's like the elephant in the room. The great truth that nobody wants to speak. It's the demographics of Newfoundland and Labrador - not a pretty picture. Going back forty years our numbers were good. Our population was 530,854 people, with 256,579 between the ages of 0 and 19 (48% of our overall population). That was a healthy mix for any population that wants to grow and build a thriving society. Then they left. In the last 41 years 156,100 young people, in that same age group, left our provincial population. An exodus that will threaten the viability of our economic existence, and create social upheaval hereto unknown.

We are all familiar with the massive loss of cod. Most experts agree that the loss of prime breeding cod rendered the stock unable to replenish itself. The loss of the prime breeding stock was far more important to the survival of the species than the loss of the older fish. Essentially, we humans aren't much different in that respect. If our young people stop producing, and/or leave, eventually the society will be unable to sustain itself. This is what has happened to this province. In 1971, there were 82,676 people aged 20-29. Today there are 70,962. Projections to 2030, only 19 years from now, put those numbers at 41876. The projections are optimistic, and based on the population trends stabilizing as they have since 2008. Should that trend decline, as it has historically, those numbers will be less.

The number of children aged 0-19 were 48% of the population in 1971, that same age group today represents only 21% (106,015) of our population. By 2030 they are projected to be 65,200 or 15% of the population. Conversely, the retired population, those over 65 years of age has grown. In 1971 that group numbered 47,776 or 10% of the overall population. By 2010 those numbers almost doubled to 77,576 or 15% overall. Projecting into 2030, the 65 and over group will number 129,970 or 30%.

The working age group, those that generally pay the taxes, is shrinking to. In 1971, those aged 20 - 64 years of age numbered 241,818 people or 46%. By 2010 they numbered 326,148 or 64%. Projected to 2030 they will number 236,055 or 55%.

Overall, our total population numbers are on the way down. In 1971 there were 530,854 of us. Today we number 509,739. If birth and death rates remain relatively constant our population will hit the 497,808 mark by 2015. The population will actually fall below 500,000 for the first time since 1967 by the year 2014. Projecting out to 2030 we will number 431,225.

Those are the numbers, but what do they mean for us today? Well if sustaining ourselves is the primary goal of any society it means we are in financial trouble. Today our net per capita debt is \$16,100.00. Net debt is a bit of a misnomer as it subtracts the value of what we own from our overall debt. The better measure is gross debt - the amount we actually have to pay. Unfortunately, those figures are harder to find. However, the fact that our net debt sits in the \$9.5 billion range is trouble enough. Unfunded pension plans create a large part of that number (48%). The debt was so bad that former Premier Williams was forced to apply the \$2 billion cheque he received from the federal government under the Atlantic Accord toward unfunded pension liabilities.

Add to that number then the Lower Churchill Falls hydro project. The project is estimated to cost the province around \$5 billion. That is the estimate, but almost everybody other than the government knows those figures usually double. When was the last time a major, government funded mega project came in on estimate? If it doubles that is \$10 billion. Our current debt service payments are \$800 million to \$1 billion per year. Doubling the debt will double our debt service payments to the \$2 billion per year range. Our gross debt per capita will almost double to \$30,000.00. That is at today's population. Then consider that our population will be declining as stated earlier. Then consider that 2012 marks the end of off-set payments from the federal government under the Atlantic Accord. Couple that with the renegotiation of our national equalization program in 2013. With rising health and education costs it is almost a foregone conclusion that non-renewable energy revenues will be on the table.

Simply put, we are in a battle of attrition. High debt that politician's want to increase radically. It's the reason why the PC government insisted on equity positions in the offshore. It's the reason why they

want to build the Lower Churchill. They want assets at any cost. The more assets they have, the more they can borrow against them. Unfortunately, there is a small and shrinking population here to pay those high debt servicing costs. That doesn't include all our other big ticket items like health care. Instead of being creative, and utilizing the resources we have, this crowd wants to build an empire of debt. If the population could bare it, and wanted to, then fine. However, as you can see by the numbers, this is our very own time bomb.



**FREE Animations for your email – by IncrediMail!**

**Click Here!**

