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November 4, 2016

Honourable Brian Gallant  
Premier  
Government of New Brunswick

Via Email:

Dear Mr. Premier:

### **Turnaround NB 2020**

It is well known that New Brunswick is in serious fiscal and economic difficulty. Strong leadership to chart a new path forward has never been more needed. Major changes are required to reverse the fortunes of the province and create opportunities for residents and prevent the province from slipping further into debt. The current approaches of extracting new revenues from the economy and spending to spur economic growth has proven to be ineffective, and have not achieved population growth, job creation or even average economic growth. A turnaround within a few years is possible, but only if our provincial government focuses on a new model of efficiency and support for business investment.

Change must include strong visionary leadership and actions to put our province on a path to recovery. An essential component of leadership is a government that is active in the most challenging areas- Education, Health Care Reform, Government Services, Population Growth and Job Creation.

#### **EDUCATION**

For years, New Brunswick public school students have ranked well below average in national and international testing of literacy and mathematics. Our education system is a potential strength and source of opportunity for individuals and the economy, but it is in need of significant improvement. Agreements with our teachers and administrators should be implemented with goals of increasing time on task, rewarding effectiveness, and having our students score highly on math and literacy testing. The education system must strive to improve outcomes through a transparent system of performance evaluation as is the practice in successful jurisdictions. It is essential that all students have access to learning resources that accommodate and challenge all students. The recently released 10-year education plan needs to include consideration of why past literacy initiatives have not achieved progress and allocate appropriate resources to the objectives embodied in the plan.

#### **HEALTH CARE REFORM**

New Brunswick has many hospitals serving a dispersed population. This reality provides numerous opportunities where the efficiency and efficacy of health service delivery can be increased. For instance, many acute care beds are occupied by seniors who have no medical requirement to be in hospital but are awaiting placement in long term care facilities. Local and provincial authorities need to conduct community needs assessments and plan for the conversion to community health centres and improve access to home care, extended care or nursing homes.



We need to rethink and adopt a multi-disciplinary approach to delivery of health services, including advanced tele-health, regionalization and consolidation of services and re-purposing underutilized infrastructure. As our population continues to age, we need to develop a healthcare system focused on health promotion to reduce the costs of chronic sickness. There is no overnight solution to public healthcare, so it is essential to commit to planning our future and implementing change immediately.

### GOVERNMENT SERVICES

There are currently a great many services delivered solely by government, which could be delivered privately by those same employees more efficiently and effectively. Except in special circumstances, the justice system for example, most services should be performed under contract by the private sector if they can deliver those services at a lower cost to the public. The government's role should be to set policy and standards and to ensure that programs are implemented and standards are met. Service delivery standards can be integrated into contractual agreements that transfer the financial risk to the private sector while retaining ownership of objectives and service levels.

Provincial and local governments need to undertake a complete zero-based assessment of local requirements and rationalize government services within regional districts around the province. The long history of provincial budget deficits confirm that NB cannot afford the current allocation of services and infrastructure, which need to be actively managed to reduce the cost of essential government services. The basis for assessing services levels needs to be a government that lives within its means and reverses the economically destructive practice of imposing higher taxes on individuals and businesses.

### POPULATION GROWTH

Our population is shrinking and aging. Demographic realities suggest that new citizens will have to be encouraged to immigrate and stay in Atlantic Canada to secure the full potential of our agriculture, aquaculture, resource, high tech and manufacturing sectors. We need to establish innovative programs for housing, language training, community integration and skill development, while concurrently promoting a culture of entrepreneurship that make successful business owners our heroes.

Our leadership needs to recognize that settlement decisions by immigrants are significantly impacted by the availability of high quality education and health services. This reality reinforces the need to improve outcomes in these areas to attract and retain new citizens.

### JOB CREATION

Governments do not create lasting jobs, businesses do. Our leaders must embrace and commit to fiscal policies that provide a globally competitive tax regime for new and established businesses. Actions need to be focused on stimulating the profitability of all businesses so they can invest in productivity improvements and explore new markets. Rather than providing incentives to new companies to offset high tax rates, governments need to reduce the fiscal burden on new and established companies, so that they can all be the engines of growth and job creation.

Government needs to redefine its role in relation to resource development, in particular shale gas. The Commission on Hydraulic Fracturing spelled out the conditions to be met in order to achieve social license, yet there is little evidence to indicate these conditions are being addressed. To date, several companies have demonstrated an interest in developing this environmentally and economically beneficial resource. It is incumbent on a government that is interested in jobs establish the conditions under which companies can evaluate investment decisions. True leadership does not include negative commentary on private sector investment proposals on the basis of uncertain future market conditions.



Changes of this type will require political courage, collaboration and perseverance. It is essential that our leaders acknowledge that our future prosperity depends on charting a new course and focusing the direction of our economies on global, not regional, competitiveness.

We at the Atlantic Chamber of Commerce offer these recommendations for your consideration and comment and welcome the opportunity to establish a dialogue between chambers of commerce and our provincial leadership. As our political leadership embarks on departmental consultations on next year's budgets, the ACC commits to meeting with interested ministers to discuss these issues and others that will determine the future prosperity of our province.

Sincerely:

A handwritten signature in black ink, appearing to read 'Glenn Davis'.

Glenn Davis  
Vice President, Policy  
Atlantic Chamber of Commerce  
New Brunswick Provincial Advisory Committee

CC:

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