

2024-2025 Pre-Budget Submission

**Presented to the Honourable Ernie Steeves
Minister of Finance,
Province of New Brunswick**

Fredericton Chamber of Commerce

Submitted 28 February 2024

Introduction

New Brunswick has had strong fiscal results during the previous few years and thanks to a focus on debt reduction, the province is well situated to make strong investments to solidify years of continued growth. For several years now, through our annual pre-budget submissions, the Fredericton Chamber of Commerce has commended the government's budget decisions which appeared focused on balanced budgets as viewed through a business lens. We equally highlighted the importance of supporting economic growth and the government's role of creating conditions for the private sector to grow and prosper. In the budget year of 2024-2025, investments required to consolidate our gains and continue to spur growth must come through impactful, timely and predictable funding for urgently needed programs and services.

While there is no question that New Brunswick is in a better fiscal position now than any time since before the 2008 crash, there remain outstanding issues that have been exacerbated due to the positives of population growth and the harsh realities of a pandemic. It appears that we stand at an inflection point in which these issues are beginning to hinder our much-pursued growth. The Office of the Parliamentary Budget Officer, *Fiscal Sustainability Report 2023*, indicated that New Brunswick was one of five provinces with sustainable fiscal policies, and yet, along with our Atlantic neighbours Newfoundland and Labrador, and Nova Scotia, New Brunswick will experience significantly more drag on economic growth due to population aging. As a result, New Brunswick is projected as among the lowest standard of living over the long term.

A traditional position of the business community states that a government's role is to create the conditions for private-sector economic growth. What has become increasingly clear in our modern day, however, is that the government's role in providing social service, infrastructure, health and education services, are all essential components contributing to the economic conditions of our province. So, while there are many positives and opportunities in New Brunswick, we still have to take steps to fully realize the potential and recognize the barriers that could prevent us from achieving our increasingly collective goals.

What repeatedly appears through multiple issue areas and departments is a need for an alignment of government action and decisive partnership-based improvements. Education is a perfect example in that it is an existing and obvious investment need in our province, but equally a major strength which must be effectively utilized to positively impact all of the issue areas to be address within this briefing report.

Due to the rapid enrolment of 7,200 students in the province in just two years, with another 6,000 students forecasted within four years, the government of New Brunswick has noted the need to build schools faster. We support this form of infrastructure investment, as it will benefit students, allow for population growth, and aid teachers in their vital role of raising education standards. Proper selection of locations for new schools is congruently important during this process, as the selection of urban centres is encouraged for numerous benefits, including cooperation of local municipalities to activate recreational and alternate transportation opportunities. This consideration can also result in increased green spaces and net-zero carbon goals can also be incorporated through the selection of urban locations.

Within educational funding, the province can support and advance at all levels, but especially higher grade levels, and leading into post-secondary education - the increased role, and benefits of Experiential Learning. During a time when our workforce development is vital to replace a portion of the skilled

trades retiring, on-the-job educational experiences will help provide skills to students and introduce potential future career development to our youth. This is equally true for post-secondary students and a beneficial area for retention of international students through the funding and development of educational placement programs. Not only do students gain practical experience through these placements, they also engage in networking opportunities to make strides into their future careers. The businesses benefit by training their workforce of the future, identifying future talents, and introducing their employees to different perspectives and worldviews. We call on the province, therefore, to effectively fund programs offering this form of skills development and experiential learning, while also maximizing any existing or new federal partnership programs.

To the matter of post-secondary education, in terms of alignment of actions to address multiple issue areas of urgent need in our province, we highlight our institutions of higher education as an existing resource to recognize and support as valued partners. A recent example of multi-issue application of higher education resources and investment potential can be cited on February 2nd and the Government of Nova Scotia. A funding agreement MOU between the province and 10 universities stated that in return for the province providing a two per cent increase in annual operating grants for most universities, the universities will meet specific incentive targets including a tuition cap for students from the province to 2 per cent compared to the previous 3 per cent.

Further speaking to the alignment of issues, this funding is also tied to

- a requirement to fill health program seats to an average enrolment rate of at least 97 per cent,
- a requirement for institutions to develop international student sustainability plans outlining how these students will be recruited, housed, and connected to the labour market, and
- a requirement for universities in Halifax Regional Municipality and Cape Breton Regional Municipality (areas where student housing needs are highest) to begin to increase student housing) to begin to increase student housing.

We view this form of incentive-based funding appropriate given the actionable items to which increased funds are linked target reasonable impacts in the identified areas of health care, housing, and labour market needs. This then appears to be a proactive government measure made to quickly provide support to the universities of the province, while immediately addressing some of the stressed social areas of concern, for students both international and domestic.

In terms of education funding to address numerous issue areas as an example of overall alignment of results-based investment, we present examples including:

- International Student Permit Cap Supports - Support for institutions (public universities, private colleges) that have exhibited a track record of sustainable growth, to maintain the role they play in our community while strengthening program delivery and supports for international and domestic students alike.
- Increase provincial funding for universities while working in partnership to target reforms and deliverables, concerning health care programs, housing supply, labor market skills required, domestic student tuition caps.
- Skilled Trades – Continued support for skills colleges with practical experience opportunity and co-op placements, and direct to employer opportunities.

- Primary K-12 Education: Continued funding for infrastructure, new schools, and renovations, with a propensity for existing and developed plans, densification, community engagement, recreation opportunities, and carbon-neutral benefits.

Education is an actional example of alignment to apply numerous investments as solutions in our province and communities. This overall philosophy is most crucially needed to impact the issue areas of healthcare and housing as mandated by the continued need to improve the quality of life of New Brunswickers and grow our population. At this crucial stage, a clear message of commitment and consistent funding to address obvious needs is the only reliable measure to maintain momentum and overcome existing systemic issues. The time is certainly urgent for this budgetary flexibility in the form of decisive large-scale investment decisions.

Healthcare

The availability of timely and effective healthcare is resoundingly the number one policy priority for Fredericton Chamber of Commerce members as reflected through our annual survey. This sentiment mirrors general public opinion throughout New Brunswick as our local healthcare appears to be in the midst of a critical existential crisis.

We see the health issue negatively affecting business and the economy primarily in five ways:

1. Attracting and retaining employees. One of the first questions that a prospective employee will ask is if they can get a family doctor if they move to New Brunswick. They often come with a family and it's entirely understandable that the health and wellness of their family is first and foremost in their minds.
2. Attracting investment. Along the same line as attracting employees, business owners and managers are keenly aware that current and future employees will want to know about access to health care. With the workforce already being the top issue for many businesses, they are wary of committing to a jurisdiction where this question is in doubt.
3. Absenteeism resulting from delays in care. We see this in both a short- and long-term sense. If someone is ill or injured and unable to work, every day that passes without the primary care they need is a day of productivity lost for the business. Over time, this lost time exacerbates our provincial productivity rates, which are below the Canadian average (which, in turn, are below other jurisdictions such as the United States).
4. Worse health outcomes for employees (and the community). Getting preventative or early treatment care is often the key to avoiding long-term or chronic conditions. We see this play out with wait times for surgeries, appointments with family doctors or accessing mental health resources, amongst other factors.
5. Higher costs to the health system resulting in higher taxes. An ounce of prevention is worth a pound of cure remains a true idiom. Much like maintaining a home, dealing with small problems early before they balloon into unmanageable issues is critical. Of course, complex issues are harder (and more expensive to deal with), leading to higher costs to the system – think about the cost of an emergency room visit versus seeing a family doctor during office hours.

From a Fredericton perspective, not only do we need to redouble our efforts to attract and retain much needed medical professionals and health-care workers, we must simultaneously heal and expand the system to meet the needs of a modern and larger population base. For years the Fredericton Chamber of Commerce and numerous other partner organizations have passionately worked to attract and retain

medical professionals to the Fredericton area. Our involvement in physician recruitment and retention over the previous decade include events such as our annual medical resident reception or physician appreciation celebration, our small business training sessions for family residents and other advocacy efforts. Recruitment and retention efforts now must also include supplying those who are here, who are dedicated, and who want to serve their patients, with the tools they need to do their job.

Despite funding increases since the pandemic and some progress as far as stabilization, there still exists a lack of widespread effective response to issues that evokes doubt from within and outside healthcare services. The Fredericton Chamber of Commerce joins many medical professionals and the general public in asking what is the plan going forward? We recognize and commend that the current health care plan and provincial budgets has increased spending year to year, but an increase in spending that does not match the enormity of the need, does not result in cost effective investment. As the current guiding health care plan was stated to be an evergreen document, it is time to reflect on our current realities and embrace a philosophy to not simply stabilize existing pressures, but instead reform care to a level that encourages confidence amongst the existing population and reassures potential investors and newcomers concerning our province.

This new philosophy and spending request is further warranted due to actions taken by other Maritime provinces, such as Nova Scotia, which have clearly signalled their commitment to health-care investments and innovations, both in the form of infrastructure projects and recruitment and attraction of skilled service providers. As New Brunswick draws from the same pool of talent, our policies, and commitments should be just as clear and decisive, leaving no doubt as to individual's decision to live, work and conduct business here. The example of Nova Scotia's most recent 2023-2024 budget clearly expressed their goals and motivation, as it was titled "More Healthcare, FASTER". This document served to communicate to its population that "The Province's top priority is healthcare". From the total \$6.5 billion invested into health care, the section labelled "Building More, Faster" outlined \$538 million for healthcare capital projects, including, \$275.1 million for the Halifax Infirmity expansion and Cape Breton Regional Municipality healthcare redevelopment projects A further \$354 million was allocated for retention incentives for nurses and other eligible healthcare and support workers in the publicly funded system. Utilizing an existing and valuable partnership, higher education institutions, Nova Scotia investments included \$58.9 million to Cape Breton University to advance a new medical campus, a new collaborative care clinic at the NSCC Marconi campus site and an expansion of CBU's health and counselling centre. It also outlined \$37.4 million toward a new Institute for Innovation in Health at St. Francis Xavier University to help improve health in rural communities and \$25 million for the Research Opportunities Fund to invest in more research linked to health innovation, mental health, and economic growth.

It seems clear that both in terms of health-care funding and messaging, *New Brunswick is not aiming high enough or moving fast enough.*

Healthcare Recommendations:

- Increased investments for infrastructure upgrades on a time effective or known schedule to introduce needed equipment and spaces, especially to major populations centres serving the largest numbers.
- Increase in attraction and retention packages for services, nurses, radiology technicians, etc.

- Increased provincial spending in healthcare education programs, including nursing and pharmaceutical programs within the province of New Brunswick.
- Continually implement and support creative options for citizens to access primary health care, including the use of Family Health Teams, community clinics, physician assistants and nurse practitioners – and of course, virtual care - while maintaining efforts to recruit the family physicians and specialists needed.
- Follow through with requirements of the *Fair Practices and Registration Act* – particularly in relation to health care professions.

Housing

The issue of available housing, and housing that is affordable has been exacerbated since the pandemic – driven by a very hot real estate market, the lack of available workers, a dramatic increase in the cost of building materials and the population growth that we have all been striving towards for decades. From a business perspective, our members are telling us that the lack of both housing and specifically housing that is affordable, is making it more difficult for them to attract and retain new employees at a time when the rest of the country and the world are looking to the Atlantic Region as a prime place to relocate. A lack of housing stock and affordability issues, also makes our communities less livable and deteriorates the quality of life that we are quick to promote to the world.

In our continual need to grow and attract newcomers to New Brunswick, we are experiencing what can only be labelled as a volume issue that if not already, will severely curtail growth in the future. The current lack of housing is also responsible for rapidly increasing housing prices and cost of living expenses which contribute to a myriad of other social issues, including food insecurity, mental health, and employment.

This housing crisis is experienced at all levels of government and society, and thus requires complete cooperation and alignment of policies from the federal, provincial, and municipal level.

The issue of housing that is affordable in particular requires government policy action. If we want to build housing that is affordable, the government must take a more active role to incentivize these types of developments. In the current environment, developers can move as many high- to medium-end residential units as they can make, so we can't expect them to put effort into affordable units without being incentivized.

Housing also faces the cross-sectoral workforce issue and government should invest in upskilling individuals in targeted areas such as construction. New Brunswick requires as many housing units as quickly as possible – one of the primary issues limiting supply is individuals to do the work. While many sectors are facing workforce issues, the construction sector is particularly concerning as it can hold back other parts of the economy.

Despite issues of volume, and counterintuitive as it seems, this issue from our vantage point and as informed by members, is workers. The greatest issue leading to the housing shortage is an acute labour shortage already being experienced. As approximately 20% of the construction workforce is set to retire, an acute skills gap exists, and workers are needed to build new housing to and retrofit new or existing homes. Besides aiding in domestic students learning the skills they need to fill these positions, immigrants and temporary workers who want to work in this sector need to be identified and provided programs of express entry, especially concerning those with skilled trades experience, or who want to

obtain this form of education and training. Other innovative solutions include increased funding and supports for modular and other factory-built technology, training, and production resources. New Brunswick has been commended for its policy towards net zero goals, and such innovative programs should continue, especially concerning renovations of older homes and stock.

The New Brunswick Real Estate Association first called for the modernization of the property tax system in New Brunswick in 2010 and now is the time to put collective effort into making this happen. Real estate markets are based on supply and demand in determining the appropriate sale price for a property. There are motivated sellers and buyers who agree on a price, and that price reflects the current market value of the property. We require an assessment system that reflects, as closely as possible, real market value and land transfer tax that is applied to the sale price of a property (currently it is the higher of sale price or assessed value). We recognize that the provincial government has introduced legislation in the fall of 2023 to provide a spike protection mechanism in support of property owners and support the expansion of such a mechanism to include further property categories including sold properties and new constructions and major improvements.

An immediate action achievable by the provincial government, and the most urgent and timely consideration concerning the provincial portion of HST on new purpose-built multi-unit dwellings. Simply speaking, we have fallen behind the act of other government levels and especially other provinces. Since, the federal government announced relief for the goods and services tax (GST) on the construction of purpose-built rental housing, we have encouraged the Government of New Brunswick to follow suit and remove the provincial portion of the HST on such new building construction. Of note, Nova Scotia, Newfoundland & Labrador, and Ontario have already announced their intention to remove their sales tax. This potential change by your government would energize the private sector to move on this opportunity. New Brunswick is not the only province facing a housing crisis currently. That means we are in competition with other jurisdictions for investment in housing development – we must be competitive from a taxation perspective – there are plenty of places for developers to build – let's make sure New Brunswick is a location of choice.

While we recognize that your government has reduced provincial property tax rates and that these reductions include a 50% provincial property tax rate reduction for non-owner-occupied residential properties, including apartments and rental housing, as well as a 15% reduction for non-residential and other residential properties, there is still much more to be done to maintain our place amongst other provinces.

Beyond these immediate remedies and actions, further innovative solutions and contemporary actions include, repurposing unused or vacant office spaced to converted mixed housing amongst a density driven urban agenda. Further, as the province has been researching the issue of the short-term rental market and its impact on housing and rentals markets for some time now, a report should be released to prepare the markets for any changes that may follow.

Housing Recommendations:

- Targeted immigration - Immigrants and temporary workers who want to work in this sector need to be identified and provided programs of express entry, especially concerning those with skilled trades experience, or who want to obtain this form of education and training.
- Invest in upskilling New Brunswickers in needed areas like construction.

- Government of New Brunswick remove the provincial portion of the HST on new building construction (purpose built rental housing).
- Offer supports to municipalities to incentivize renovations and development of existing office space repurposing to mixed use residential.
- Continue measures to eliminate additional property tax on non-owner-occupied properties - first introduced in the 2020-21 budget in an effort to boost private-sector investment in housing.
- Incentivize developers to construct more units that are affordable.

Costs and Government Investments

Traditionally, cost competitiveness has been an advantage that we have had in New Brunswick, but this has eroded over the past few years – even pre-pandemic. NB businesses have seen increases in minimum wage, property tax, EI rates, the introduction of a carbon tax, CPP increases and inflation. The government has an opportunity with the carbon tax in particular to adjust policy to ensure it is revenue-neutral for businesses while still achieving carbon-reduction goals.

The business environment, however, is about more than just costs. It also includes the regulatory environment (red tape, roadblocks to development, overlapping jurisdictional issues, and more). Increasingly, issues like mental health, addictions and homelessness are having a material impact on businesses and communities. It also requires the government to make the right investments at the right time that will aid growth such as workforce development, multi-level infrastructure investment, reducing red tape and livable communities to attract and retain the global talent we need.

This issue area represents another example of our consistent message over numerous pre-budget briefs provided to the New Brunswick Government, a practical philosophy of investing rather than spending. Identifying needs and providing adequate funding that is sustainable can provide a definable return on investment. It is here that government has the biggest role to play in creating a competitive business environment in which the private sector can grow and create sustainable fiscal balance for New Brunswick and New Brunswickers.

An investment that has helped improve the business environment in New Brunswick is the introduction of Opportunity NB's Business Navigators and Immigration Navigators. This one-stop/simplified approach to navigator individuals and businesses through government allows our members to put more of their focus on their business and growing the economy – and away from deciphering the machinery of government.

To the specific issue of red tape reductions and efficiencies, on January 31, 2024, the Canadian Federation of Independent Business, released their *Red Tape Report Card*. Within this report, New Brunswick earned the title of “most improved jurisdiction, increasing their grade from a D to a C.” Within the “Regulatory Accountability” section, New Brunswick received a 7.9 and a grade of B, “Regulatory Burden” New Brunswick received a score of 5.9 and a grade of D, “Political Priority”, New Brunswick received a score of 6.5 and a grade of C, resulting in an overall score of 6.9 and a final grade of C.

While this is a marked improvement from previous years, we are still squarely in the middle amongst provinces and therefore have much more work to be done reducing unnecessary burdens and creating alignment between regulatory government functions. We strenuously suggest the immediate creation of a standalone office following the example of Nova Scotia's Office of Regulatory Affairs and Service

Effectiveness, which has yielded results beyond expectations. There are thousands of little actions that this office can achieve that internal departments simply don't have time for because they have bigger mandates. This policy change would also raise the awareness of red tape.

Costs and Government Investments Recommendations:

- Creation of a Standalone Office – ex. Office of Regulatory Affairs and Service Effectiveness (Nova Scotia example)
- Continue red tape reduction efforts started in 2019 and draw best practices from other jurisdictions.
- Expand ONB's Business Navigation Service to include one-on-one customized service to business, to help them comply with regulations.
- Work towards a revenue-neutral carbon-reduction plan that returns all carbon tax paid by business back to business.
- Seek areas of alignment with the federal government in funding and policy that represent true "investments" that will expand and/or diversify our economy.
- Finalize regulations and complete implementation of "Prompt Payment" legislation, which will help create certainty for vendors and improve business' cash flow.

Workforce Development

Traditionally, New Brunswick has been staring down a demographic shift that has seen significant outmigration to other provinces. This trend, combined with a low birth rate has made us one of the oldest provinces. The past couple of years have seen an uptick in the right direction, but the province must continue to focus on growing our population, lowering our average age, and increasing the number of people in the labour force to fill positions that enable business growth. It's this growth that funds the programs, services, and infrastructure that New Brunswickers deserve.

We also need our people to have the right skills for the modern economy – making our educational institutions cornerstones of the economy. Our post-secondary institutions are economic drivers in their own right, but also produce our future workforce, entrepreneurs, and leaders.

The current labour shortage that is being faced by all types and sizes of businesses is one of the top issues holding back growth in New Brunswick (and elsewhere, meaning competition will only intensify). Workforce had become perhaps the key issue prior to the pandemic, but since 2020 it has been severely exacerbated for several reasons. In 2021, New Brunswick had the second lowest labour force participation rate in the country, with only 60.9% of its population aged 15 years and over participating in the labour force. The workforce is particularly complicated, particularly when considering the role that access to health care and availability of housing play – themselves very complex issues. Health and housing are often the first questions that potential recruits to New Brunswick ask – we need good answers and right now we don't have them.

Fair Registration Practices in Regulated Professions Act - improving credential and qualification recognition processes is essential to supporting economic growth in the province. As you are aware, the Act received Royal Assent in June 2022. We applaud that in March 2023, fourteen regulatory bodies were prescribed by regulation under the Act. These regulatory bodies represent a number of key occupations in the health care sector. We continue to advocate for work and supports within these

regulatory bodies to ensure that licensure/registration processes are transparent, objective, impartial and fair. The government must move forward with specific requirements to improve identified gap.

New Graduates - A challenge that our members often express is that because their businesses are often quite small, they don't have the ability to hire a recent graduate who does not already possess the work experience and soft skills needed. The BDC's report "[How to Adapt to the Labour Shortage Situation](#)" puts particular emphasis on hiring younger workers and government can help mitigate the difficulties that solution presents to small businesses in the private sector.

Skills - The workforce issue is not just the availability of labour, it's about finding the right skills for the current and future economy and there have examples of the government taking decisive action to address specific gaps, such as the decision to fully fund some educational programs such as personal support worker training. We believe that there is also potential in micro-credentialing for specific purposes such as to skill up current employees and to expand workforces by quickly providing technical skills to individuals that would otherwise be a good fit within a business' or organization's culture. There is also potential for bridging skills for newcomers within the Canadian or New Brunswick context.

Underemployed Groups - There are unemployed or underemployed New Brunswickers that could join the workforce with the right supports, including Indigenous people, students, and persons with disabilities. We encourage your government to work with individuals and groups to determine what supports are needed for them or their clients to enter the workforce and to provide a point-of-contact within government to help connect individuals with available jobs.

Workforce Recommendations:

- Create a program to help new graduates find their first job, either through direct funding or tax incentives for employers to hire new graduates, which would help alleviate the costs of hiring employees without previous work experience.
- Identify key credentials / skills / positions of greatest need in New Brunswick that may be appropriate to offer free tuition / fees as an incentive for individuals to enter those identified areas as a career (such as was done for personal support worker [PSW] training in 2021).
- Promote and connect businesses with targeted employer-focused programs to help persons with disabilities or other underemployed groups to enter or re-enter the job market, using ONB's business navigators as a model.
- Continue efforts to promote NB as a remote work location for international businesses/employees in all sectors, but particularly those that are in industries most conducive to remote work such as in the technology and innovation sector.

Immigration and Population Growth

Growing New Brunswick's population is foundational to sustained economic growth and the Fredericton chamber addresses this issue primarily through working closely with New Canadians and post-secondary students/institutions. It is important to keep the population growth momentum going in a positive direction.

We need to focus on both improving the process to attract newcomers, but also to be better prepared to receive and welcome immigrants to improve our retention rates. The current government systems

are slow and cumbersome, which has negative effects on both attraction and retention. As a starting point, the provincial government should engage more actively with the private and not-for-profit sectors on process and policy issues.

Once newcomers arrive, we can do a better job collectively at helping soften their landing. Navigating a new government (or system of government) can be confusing and time consuming for newcomers. We are maintaining our call on the provincial government to create an “immigration ombud” position in government that can advocate for newcomers from within – support such as immigration navigators are doing great work, but advocating on policy or process is not their role.

Cultural competency training should be expanded throughout government and the private sector to help create a more understanding, welcoming environment – similar to the push for municipal voting rights for permanent residents that the newcomer and business community largely supports.

Ultimately, a job or opportunity to financially support themselves and their families is the biggest factor to retention. From our experience, retaining international students after graduation leads directly to starting businesses, creating jobs, filling skilled positions and those persons in turn becoming active members of our community. Considering the ongoing labor market dynamics and the essential role international students play in supporting local economies.

Most specifically, the Atlantic Immigration Program (AIP) remains a valuable and unique program for the Atlantic provinces, and funding must be directed towards robustly supplying adequate supports to employers seeking to utilize this avenue of workforce fulfillment. Communication to the market to increase awareness about this useful program also needs expansion and individualized supports to employers can expediate and assure success with the process. Any supports or staffing needs to efficiently propel and streamline this process is vital given the concerns of employers and the multiple issue areas this form of workforce supply can help to address.

Immigration & Population Growth Recommendations:

- Work with the federal government to streamline and simplify immigration applications and accelerate the approval process.
- Increase funding for personnel at both Immigration NB and Working NB to help process expression of interests from employers and navigate application process, ex. Atlantic Immigration Program
- Establish an independent oversight body that includes business representatives for policy- and decision-making on immigration matters such as whether to shut down an immigration stream.
- Create an “Immigration Ombud” position within government to help newcomers access the right services and advocate on their behalf within government, particularly in relation to entrepreneurial immigrants.
- Expand the availability for cultural competency training throughout the public and private sectors.
- Work with educational institutions and professional associations to accelerate and simplify foreign credential recognition, including micro credentialing which may help close the gap between qualifications and provincial standards.

Technology and Innovation

We are living in the digital age and New Brunswick has pieces in place to take advantage of this shift and be a leader in the new economy, but our leading position developed over several decades has been eroded and it is incumbent on the government and private sector to ensure that we are maximizing our potential in this area. A research and innovation agenda should be viewed within government with the same level of importance as health and local governance reform.

Bringing clarity and specificity to a vision for the future would allow for better predictability and business planning. It would also allow for better alignment with the federal innovation agenda and is another example of a lack of cohesion with federal counterparts, resulting in – for example – New Brunswick receiving 40% less than the national average of federal research and development funding, despite a history of innovation in the private sector and multiple world-class post-secondary research institutions in the province.

A recent positive within this area, ResearchNB was created in 2023 as a single, independent, arms-length innovation and research entity. This entity was formed as an amalgamation of BioNB and New Brunswick Health Research Foundation to support economic development through research and innovation in the province of New Brunswick. This is a form of focused and organized approach to research funding which seeks the desired and necessary alignment of activities to assure we are benefiting from all funding sources. The direct impact of this form of investment and the multiplier of return cannot be overstated as this is a form of maximizing the potential of a great resource in our province and community, our knowledge sector. Benefits of this funded entity include and are expected to assure a single-door entry, while providing accessibility to researchers presenting requests to government from all sectors of both industry and academia, and thus enabling greater leveraging across industry and federal sources. This form of arm's length assistance provides the support but also creates the required environment and freedoms for our province to support world class researchers. This single source also increased the public accountability and assures a verifiable accounting of investments. Equally, the traditional existing bodies that have encouraged innovation and have returned investment with marketable returns, such as NBIF, require stable and predictable funding.

What is required to maximize the potential of our province, especially the Fredericton area, is consistent and adequate funding to these organization, to create trust and security within the research and knowledge community. This in turn will help retain and attract world-class researchers and continually increase the investment returns in both expected and unexpected ways. We seek a funding agreement with ResearchNB to allow for known and trusted funding sources to create and maintain an environment of vital research and innovation.

High-Speed Internet Access – In order for New Brunswick to be operating at its full economic capacity, all areas of the province must have reliable access to high-speed internet. It is our understanding that the government, along with educational institutions and not-for-profit organizations are actively gathering data on where digital investments are most needed. We support these efforts and rolling out high-speed internet access throughout New Brunswick.

Cyber Security - Cyber security is one of the fastest growing sectors in the world. The Cyber Centre in Fredericton can be a path to being a worldwide leader focused on critical infrastructure and from there we can expand New Brunswick's cyber security footprint more generally. The government will gain

revenue and critical infrastructure to further the significant economic growth through cyber security by private industry investment from Knowledge Park.

Technology & Innovation Recommendations:

- Adequate and Declarative Long Term Funding Agreements such as had been accomplished with ResearchNB: to allow the province to focus its current innovation budget dollars from across departments including ONB, AAF, RDC, Health and other, to effectively address and support the research, development and innovation needs of the province.
- Develop an innovation agenda that will help guide government investments and identify needed policy changes to increase both public and private research and development funding the province. It is our understanding that developing such a strategy is on the government's radar and we are hopeful that it will be published in the near future as it is a critical piece to move forward in the modern economy in a deliberate and logical manner.
- Support Post-Secondary Education Programs – tied to education and immigration – Knowledge Pipeline.
- Increase attraction of talent reflective of a broadening understanding of knowledge and IT sector needs, including significant gaps existing in Marketing, Sales and getting products to international markets.
- Continue to support efforts to facilitate access to high-speed internet for all areas of the province.
- As part of an innovation agenda, leverage the province's previous investments in the cyber security sector.

Conclusion

The Fredericton Chamber of Commerce continues to encourage all levels of government to make budgeting decisions with a consideration of a business lens – with a focus on allowing for and supporting economic growth. This is the only way our province can prosper - if business can continue to grow - which creates employment, supports other businesses in the supply chain, and provides revenue to all levels of government. Ultimately, growth and economic prosperity in our communities also makes New Brunswick a more attractive place to live and work. This desired growth, however, requires timely and impactful investments be made to sustain and solidify the progress to this point.

The Fredericton Chamber of Commerce has suggested that thanks to successful budget management, the province can assume a flexible responsiveness and make smart investments where necessary to provide much needed stability, growth, and sustainability within New Brunswick. Given the necessity of a number of the issue areas, it is certain this is the time for such flexibility, to make investments within these areas to support growth and assure reliable services for all New Brunswickers.

We have legitimate concern that given the glaring urgency in many of these areas, the consequences of any form of inaction will be tantamount to the wrong action.

It also becomes quite obvious that the most immediate needs and the possible solutions are interrelated across many of these individual issue areas. What we seek then is an alignment of funding, programs, and services, to best address these issues in an effective and timely manner.

New Brunswick stands at a precarious stage in which our continued and valuable growth is contingent on achieving effective RESULTS urgently needed in areas such as Health Care and Housing.

While these results require large scale and decisive investments, we also have existing resources such as the education sector with our higher education intuitions, and in immigration with programs such as the Atlantic Immigration Program. These resources must be maximized, and their stakeholders brought in as partners, to meet the required alignment to achieve real world results. The business community of Fredericton, for its part, seeks to play a role in achieving these results, and requires only the commitment from the province and the opportunity to engage across these issue areas.

We appreciate the opportunity to provide input to the Government of New Brunswick's budgeting process and remain available for follow-up discussions at any time.