CHANGING COURSE

New Brunswick **2019-20** Pre-Budget Submission

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Canadian Taxpayers Federation
Stand Up. Be Heard!

About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation (CTF) is a federally incorporated, not-for-profit citizen's group dedicated to lower taxes, less waste and accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national organization. Today, the CTF has 145,000 supporters nation-wide.

The CTF maintains a federal office in Ottawa and regional offices in British Columbia, Alberta, Prairie (SK and MB), Ontario, Quebec and Atlantic. Regional offices conduct research and advocacy activities specific to their provinces in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries, online postings and publications to advocate on behalf of CTF supporters. CTF representatives speak at functions, make presentations to government, meet with politicians, and organize petition drives, events and campaigns to mobilize citizens to affect public policy change. Each week CTF offices send out Let's Talk Taxes commentaries to more than 800 media outlets and personalities across Canada.

Any Canadian taxpayer committed to the CTF's mission is welcome to join at no cost and receive issue and Action Updates. Financial supporters can additionally receive the CTF's flagship publication The Taxpayer magazine published three times a year.

The CTF is independent of any institutional or partisan affiliations. All CTF staff, board and representatives are prohibited from holding a membership in any political party. In 2017-18 the CTF raised $5.1 million on the strength of 31,205 donations. Donations to the CTF are not deductible as a charitable contribution.

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Changing Course

New Brunswick is facing a demographic challenge. As much of Canada awaits the so-called grey tsunami of aging residents pressuring government health-care systems, in New Brunswick the grey waves are already lapping at the shores. The New Brunswick government correctly assigns four main factors: baby boomers aging, birth rates declining, residents living longer and youth moving out-of-province.

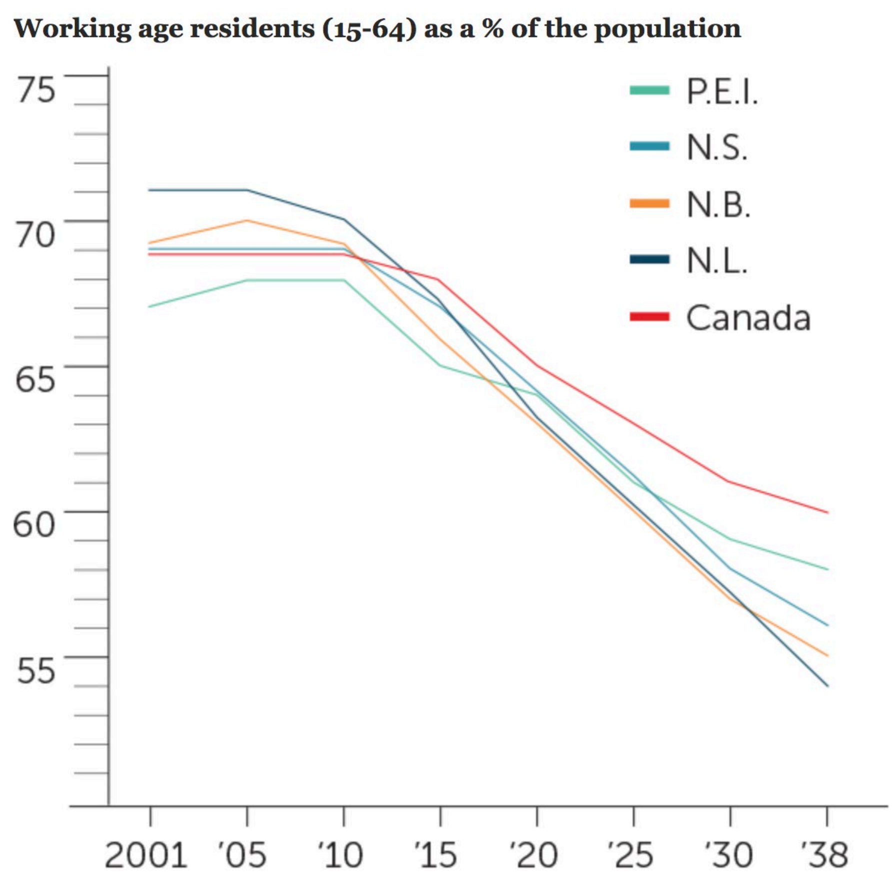
What isn't addressed is the cause of that fourth factor: youth outmigration. The exodus of New Brunswickers seeking gainful employment is of paramount concern for the provincial budget and service delivery, and high taxes are a major part of the problem.

The good news is that the policy solutions are possible. Lowering taxes, strengthening financial independence, creating an environment that is welcoming to job creators and professionals, and reducing spending to lighten the burden on future generations of New Brunswickers are the keys to changing course in the province.

Lower Taxes

New Brunswickers pay some of the highest taxes in Canada, with among the highest top marginal income tax rates, among the highest business taxes and the highest sales tax in the country. The rates are punishingly high for workers at all income levels, and every New Brunswick taxpayer needs relief. It's no surprise that the provincial tax base is shrinking, as illustrated in Figure 1, below. Only 57 per cent of the population over the age of 15 in New Brunswick is working and the province has the second-lowest employment rate in Canada.

Figure 1



Source: Atlantic Business Magazine (Statistics Canada), 2017

Lower Income Taxes by 10 Per Cent to Attract Job Creators

At a 53.3 per cent, New Brunswick has one of the highest top marginal income tax rates in Canada when combined with federal income taxes (Nova Scotia is the highest at 54 per cent and Ontario is second highest at 53.5 per cent), affecting doctors and other professionals. Additionally, the top income tax bracket in New Brunswick starts at only $154,382 annual income – low relative to other provinces. New Brunswick's tax burden makes the province unattractive to new professionals versus other provinces.

High income tax rates are problematic for professionals who contribute to quality services in the province, such as family doctors, surgeons and engineers. According to the New Brunswick Medical Society, up to 60,000 New Brunswickers do not have a family doctor. When the federal government was considering tax changes to take more money out of the pockets of doctors, farmers and small business owners, the New Brunswick Medical Society commissioned a survey of its members, showing that 46 per cent of doctors would consider moving their practice out of New Brunswick if these federal tax changes were imposed.

46 PER CENT OF PHYSICIANS WOULD HAVE CONSIDERED LEAVING NEW BRUNSWICK IF FEDERAL TAX CHANGES WERE IMPOSED

This highlights the importance of competitiveness. Those tax changes were federal, not provincial, and the federal government backed down somewhat (though it still imposed tax changes which make it more difficult for doctors and others to save for retirement and maternity leave). Importantly for New Brunswick, this survey showed how responsive doctors in the province are to tax rates, and how mobile doctors are in response to higher costs imposed on them by government.

Doctors, like other high-income earners, are highly mobile and able to look for ways to reduce their tax burden through the use of professional accountants. Income tax hikes on this demographic are both ineffective and potentially negative for other New Brunswickers, who end up paying higher taxes when professionals relocate. The previous New Brunswick government's significant tax increase on high income earners was touted by the Liberals as a plan to raise tens of millions in additional revenue, but once imposed, it fell flat, raising almost nothing.

High taxes are also a disincentive for organic job creation within the province. Empirical research from the Fraser Institute in 2018 showed that higher top marginal income tax rates have significant negative impacts on entrepreneurship in both the short- and long-term. Additionally, as the median age of a province increases, the rate of new business formation falls, and population aging has negative impacts on the business entry rate.

New Brunswick's Tax Rates

-Among the highest top income tax rates in Canada (53.3%)

-Among the highest business taxes in Canada (14%)

-Highest sales tax in Canada (15%)

The solution is an income tax reduction. Reducing income taxes by 10 per cent would help attract valued professionals and job creators to the province without new spending, by making New Brunswick a more affordable place to start a business and raise a family. Reducing income taxes by 10 per cent in New Brunswick would save taxpayers $170 million every year, but the impact on government revenues would be mitigated by the positive effects of tax reduction: more professionals and entrepreneurs settling in New Brunswick, raising additional revenue.

REDUCING INCOME TAXES BY 10 PER CENT WOULD SAVE NEW BRUNSWICKERS $170 MILLION PER YEAR

While it's necessary to attract high-income earners to the province, lower income New Brunswick workers should also be given tax relief. New Brunswick's basic personal amount for 2019 is $10,264 – lower than the federal rate of $11,474. With Alberta and Saskatchewan being the top destinations for New Brunswick out-migrants according to a 2017 report by the University of New Brunswick, contrast these rates with a working person in Alberta, whose basic personal amount is $18,690, or Saskatchewan, whose basic personal amount is $16,065. When looking to provide low-income workers with tax relief, the government could raise the basic personal exemption rate in the province.

With taxes, less can mean more. Securing new revenue through job creation over the long term will help the province pay for key services into the future.

Recommendation: Lower income taxes by 10 per cent to provide relief to all income levels, saving taxpayers $170 million and attracting more job creators to New Brunswick.

Eliminate Bracket Creep

While most Canadian provinces have ended the process of bracket creep by indexing tax brackets to the provincial rate of inflation, New Brunswickers who receive cost-of-living increases from their employers are pushed into higher tax brackets, paying higher taxes even when their purchasing power isn't growing. While New Brunswick does index its income tax rates, it does so using the national rate of inflation. The national rate of inflation is lower than the New Brunswick rate, causing a very small bracket creep tax increase. This sneaky tax hike could easily be eliminated by the provincial government.

The CTF publishes annual reports highlighting bracket creep and other New Year's tax changes. In a province with some of the highest taxes in Canada, bracket creep quietly drains funds from New Brunswickers year after year. Making this change would simply catch New Brunswick up with most other provinces in Canada for income tax fairness.

Recommendation: Eliminate bracket creep by indexing income tax brackets to the provincial rate of inflation.

Keep Fighting Ottawa's Carbon Tax

Carbon taxes are designed to hurt taxpayers by making life less affordable, pushing people to change their behaviour. However, driving and heating homes in the winter are necessities of life for New Brunswickers, who can't afford to change their lifestyles on a dime – and shouldn't have to. It appears that the New Brunswick government understands this, as it has commendably launched a court battle against Ottawa's carbon tax and will intervene in both Ontario's and Saskatchewan's court cases as well. The New Brunswick government deserves praise for doing so.

It is crucial that, to truly protect New Brunswickers long-term, the government does not fight the federal carbon tax with one hand, but comply with the other, by imposing its own so-called made-in-New Brunswick carbon tax by another name. The provincial government's Throne Speech in 2018 indicated that it will "develop an alternative to the federal government's bureaucratic, expensive carbon tax." It's important to make sure any such plan doesn't make life more expensive and job creation less competitive in an already over-taxed province. Further, if the New Brunswick plan doesn't increase costs on New Brunswickers enough to satisfy Ottawa, then the federal government will continue to impose its carbon tax on New Brunswickers anyway. This is what happened in Manitoba, where the province introduced a carbon tax but did not fully satisfy Ottawa.

There's reason to believe that the federal government will continue to raise the carbon tax requirement higher over time. A leaked federal briefing document indicated that the carbon tax would have to rise to $300/tonne by 2050 to meet Canada's emission reduction targets. That would cost $220 billion per year and add $638 to the price of gas for a 50-litre fill-up.

LEAKED FEDERAL BRIEFING DOCUMENT SHOWS CARBON TAX MUST RISE TO $300/TONNE TO MEET EMISSIONS REDUCTION TARGETS

Research from the University of Ottawa showed that even a revenue neutral $100/tonne carbon tax would cause the economy to contract, leading to a 2.81 per cent GDP reduction by 2020 – a decline almost as big as Canada's worst recession in 50 years.

In British Columbia, home of the so-called "gold standard" carbon tax, the latest figures show that emissions have continued to increase, moving the province far away from its original legislated targets.

Carbon taxes, either imposed directly or through cap-and-trade schemes, raise the cost of other taxes as well, by driving up the price of emissions-intensive government services like the operation of hospitals, schools, busses and ambulances.

These are costs that New Brunswick taxpayers simply cannot afford. The cost of doing business in New Brunswick is already comparatively higher than most of the country and the U.S. (which is dramatically cutting regulations and taxes), and New Brunswickers already pay some of the highest taxes in Canada. On top of that, New Brunswick is on track to meet its 2020 emissions reductions targets, according to a federal audit.

NEW BRUNSWICK IS ALREADY ON TRACK TO MEET 2020 EMISSIONS REDUCTIONS TARGETS

It makes sense for New Brunswick to remain strong in its legal fight and united with the other provinces against Ottawa's carbon tax, instead of weakening its case, increasing costs on New Brunswickers and compromising competitiveness by imposing its own carbon tax by another name.

Recommendation: Abandon any plans for a provincial cost-increasing carbon tax by another name and continue to fight Ottawa's carbon tax in court.

Reduce Spending and Balance the Budget

Balancing the budget will be a two-fold exercise in New Brunswick: in the short term, the government must reduce spending, while fostering organic job creation to drive up revenues over the long-term, through implementing business-friendly policies. New Brunswick has a spending problem, and given the demographic trends in the province, it's a problem that needs fixing. Spending in New Brunswick is a significantly larger share of GDP than any other province outside of Prince Edward Island, according to economist Jack Mintz.

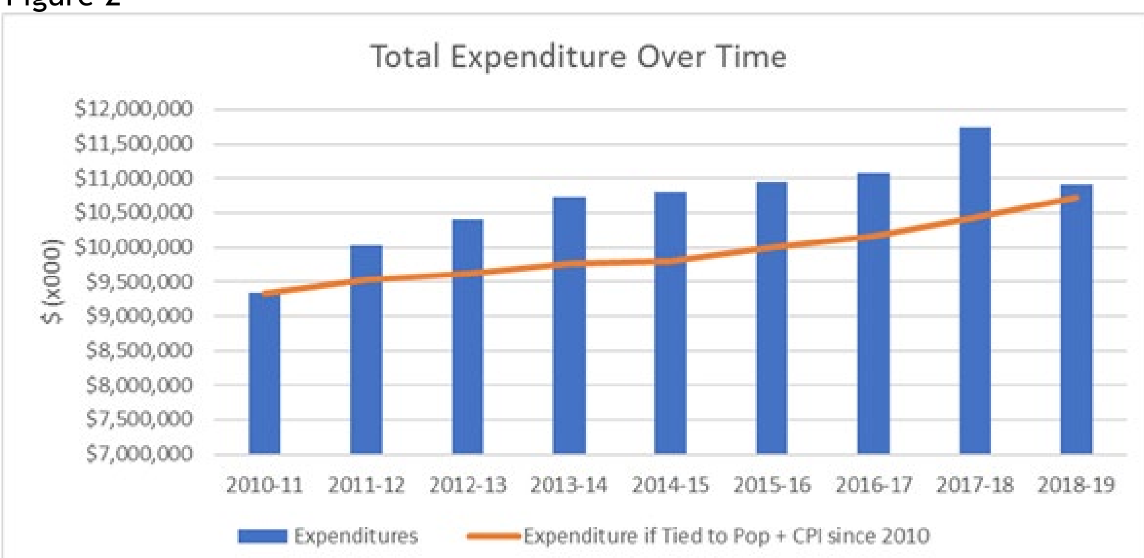
SPENDING IN NEW BRUNSWICK IS A SIGNIFICANTLY LARGER SHARE OF GDP THAN IN ANY OTHER PROVINCE OUTSIDE OF PEI

After 10 years of budget deficits, the province's debt has become a major problem. Credit rating agencies are waving red flags, with Dominion Bond Rating Service changing the province's outlook from stable to negative in 2018. We applaud the provincial government for shifting focus onto strengthening the province's credit rating. Deficits today are tax increases tomorrow.

The New Brunswick government deserves praise for the difficult decisions it has already begun to undertake in spending reform. The recent release of the capital budget showed the reduction of over $200 million in spending, which is a positive step forward.

Still, there's work to be done. Expenses were $100 million over budget per the second quarter fiscal update. As illustrated in Figure 2, below, if expenditures had been capped at the rate of inflation and population growth using 2011 as the base year, the New Brunswick government would have run a nearly $300 million surplus in 2018-19.

Figure 2



There are many ways that the government can reduce its overall spending on both operations and capital, including eliminating the duplication in service delivery and bureaucracy, ending all corporate welfare and finding efficiencies in health care and education.

Stop Paying Twice for Worse Services

New Brunswick's unique positioning as the country's only bilingual province adds to the fabric of the culture, however the double bureaucracy is needlessly expensive. The focus for the New Brunswick government should be on actual service delivery. Every dollar spent on New Brunswick's double bureaucracy is a dollar not spent on frontline services.

For example, taxpayers fund two separate health bureaucracies – the English Horizon Health Network and the French Vitalité Health Network – which both perform the exact same role for different language groups. The health-care needs for New Brunswickers should be the same regardless of which language they speak. New Brunswickers of both languages pay some of the highest taxes in Canada, and up to 60,000 people in the province do not have a family doctor.

The duplicative costs of having two provincial health authorities is an easy answer to finding savings. One small example is the salaries of the top bureaucrats in each of these health authorities. Each president is paid between $275,000 to $325,000. Instead of paying for one top bureaucrat, New Brunswick taxpayers pay for two. Other top bureaucrats in the two health authorities make at least $150,000 to $300,000 each, topping the long list of bureaucrats for which New Brunswick taxpayers pay double, on top of health bureaucrats' travel expenses. At Horizon Health, 144 employees make over $100,000, and 392 employees make over $100,00 at Vitalité Health.

NEW BRUNSWICK TAXPAYERS UNNECESSARILY PAY TWO HEALTH BUREAUCRACY PRESIDENT SALARIES, PERKS AND TRAVEL EXPENSES

Consolidating the two health authorities may not cut these numbers in half, but it would result in significant savings on bureaucratic costs. Reducing spending must be a priority for the province, and prioritizing emergency room services and family doctors over double-bureaucracy just makes sense.

Recommendation: Eliminate the double language bureaucracy in New Brunswick by consolidating all provincial health services.

Ability to Pay

Like all government spending, government union compensation must be kept at a reasonable level reflective of the resources available to government at the time of negotiation. Part of shifting to balanced budgets should include keeping Ability to Pay top-of-mind in all labour negotiations. The ability for New Brunswickers to afford the cost of government employee union contracts should always be reflected in the current revenue pot, not some future based on tax increases. This principle is particularly important if the government enters arbitration to determine union pay.

A bill introduced in Ontario in 2012 gives a good framework for introducing Ability to Pay legislation, which ensures that, among other things, the outcomes of labour arbitration with the government do not hinge on the future ability to raise taxes on residents. Though this bill never received royal assent, it provides a helpful roadmap for New Brunswick to follow. New Brunswick should introduce similar legislation to protect taxpayers by introducing Ability to Pay legislation in the province.

Recommendation: Balance the budget and introduce Ability to Pay legislation to protect New Brunswick taxpayers.

End All Corporate Welfare

If subsidies to corporations were the key to economic growth and prosperity, every New Brunswicker would have a job by now. The reality is much different. It’s time to put an end to this outdated practice of the government taking money from all New Brunswickers and using it to pick winners and losers. Leave that money and that decision in the hands of New Brunswickers and instead focus on creating a better environment in which businesses can set up shop.

Corporate welfare, big and small, costs New Brunswickers dearly. In 2018, provincial taxpayers gave $34.1 million to Opportunities New Brunswick, an agency dedicated to dishing out corporate welfare in the province.

NEW BRUNSWICK TAXPAYERS WASTED $34.1 MILLION ON CORPORATE WELFARE VIA OPPORTUNITIES NEW BRUNSWICK IN 2018

The previous government staked the province’s success on big spending and handouts, with lacklustre results. It’s time for a shift in thinking.

Recommendation: End all corporate welfare in New Brunswick and focus instead on creating a welcoming environment for job creators.

Better Value for Health-Care Dollars

Spending in the province not only needs to be reduced overall, it needs to be reprioritized and reallocated where applicable. That will ensure the government is delivering the best value for taxpayer dollars while ensuring service delivery is efficient.

In neighbouring Nova Scotia, the government has moved to close two underused, rural hospitals and consolidate emergency services in two nearby hospitals, building new clinics and long-term care facilities where needed. An NDP government in Saskatchewan undertook a similar approach in the 1990's, closing 52 rural hospitals and replacing them with smaller clinics where needed. Facing fiscal challenges similar to those in New Brunswick, Saskatchewan was on the brink of bankruptcy. NDP Premier Roy Romanow tabled seven balanced budgets and repaid a significant portion of the province's debt. His spending reductions set Saskatchewan – once a have-not province – on a path to success. Now, Saskatchewan is one of the top places in Canada where New Brunswickers move to work. The New Brunswick government would be wise to follow this path and seek out efficiencies in health care, closing underused hospitals with an eye toward reducing the health-care operation budget and refocusing on the care that communities actually need.

New Brunswick's health-care system is facing significant challenges, with a declining tax base stressing the supply side and an aging population stressing the demand side. The question is: can we get more value for the dollars we spend? The answer is yes: through fostering innovation. Innovative solutions will be the key to delivering necessary care to New Brunswickers while maintaining balanced budgets.

In the fall of 2018, a private primary care clinic called Unified Health opened in Halifax. That company intends to open more clinics across the country and should be welcomed with open arms in New Brunswick – in fact, the government should actively seek to attract them and others. Fee-for-service clinics do nothing to draw resources away from the public health-care system while filling a significant need for care in the province.

Partnering with independent job creators wherever possible can ensure New Brunswick tax dollars are spent efficiently, focusing on service delivery and maximizing the value of health dollars.

Recommendation: Find efficiencies in health care services and welcome independent growth in health care as a partner and service provider wherever possible to ensure the value of New Brunswick health-care dollars is maximized.

Drive Innovation to Find Efficiencies in Education

New Brunswick's student population is declining, yet education spending in the province is increasing. Operational and capital costs must keep pace with enrolment. This is an important area where the government can find savings, both through reducing unnecessary expenditures, consolidating school facilities where possible, and introducing innovative education models into the public system. School-aged student enrolment has been declining in the province since 1991. As noted by the CBC in 2017, school closures have not kept pace with enrolment declines.

According to research from the Fraser Institute, New Brunswick would have reduced its deficit by 79 per cent in 2012-13 if education spending had been constrained to reflect inflation and enrolment growth.

In addition to making the difficult decisions to consolidate schools where necessary, the New Brunswick government can save costs while improving results for students of all income levels by introducing legislation to allow for charter schools. Charter schools are non-profit, non-religious public schools which are independently operated but publicly funded for operations, and charge parents no tuition. A 2018 Atlantic Institute for Market Studies report showed that per-student subsidies for charter schools in Alberta saved the government $4,284 per student, per year, versus traditional public school. As of 2017, New Brunswick's total school age population is 97,755. If even five per cent of those students shifted to charter schools, based on Alberta's numbers (to give a rough estimate as education spending varies from province to province), the government could save $20.9 million per year.

IF FIVE PER CENT OF STUDENTS MOVED TO CHARTER SCHOOLS, NEW BRUNSWICK COULD SAVE TENS OF MILLIONS OF DOLLARS ANNUALLY

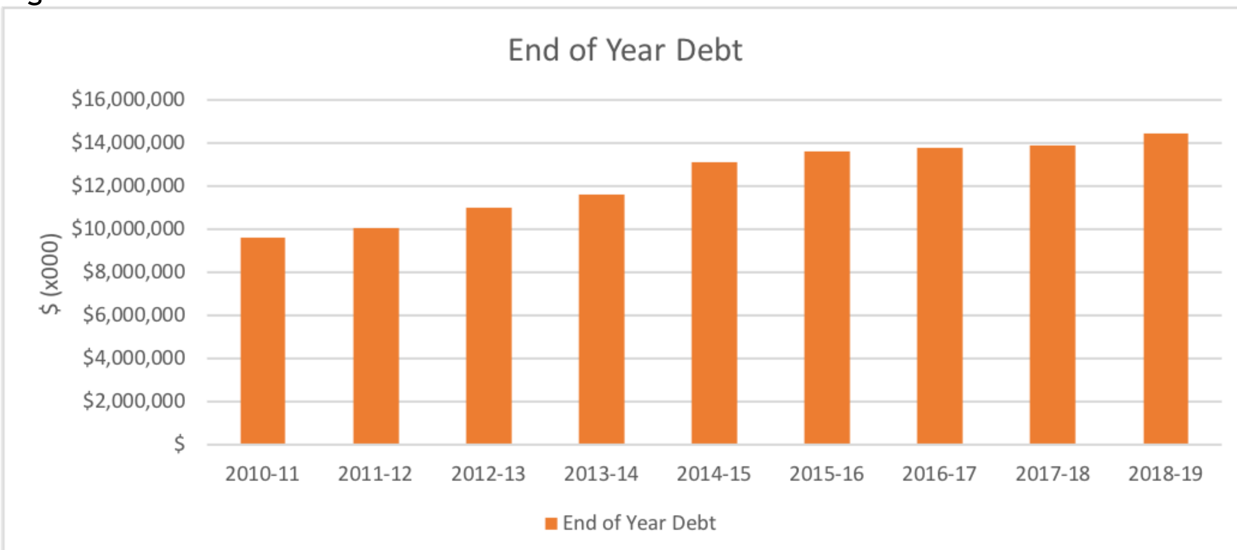
The AIMS study found that charter schools in Alberta, on average, outperformed every school type, including independent schools which charge tuition. Charter schools each operate with a specific focus area, such as music, science, or students with mental health struggles. In one case, a charter school was opened by community members in a rural area, focusing on rural community stewardship – offering an innovative idea to provide quality education to students in rural New Brunswick, while saving tax dollars.

Recommendation: Reduce education spending to keep pace with enrolment, consolidate schools where possible and introduce charter schools to improve student outcomes and save tax dollars.

Prioritize Debt Reduction

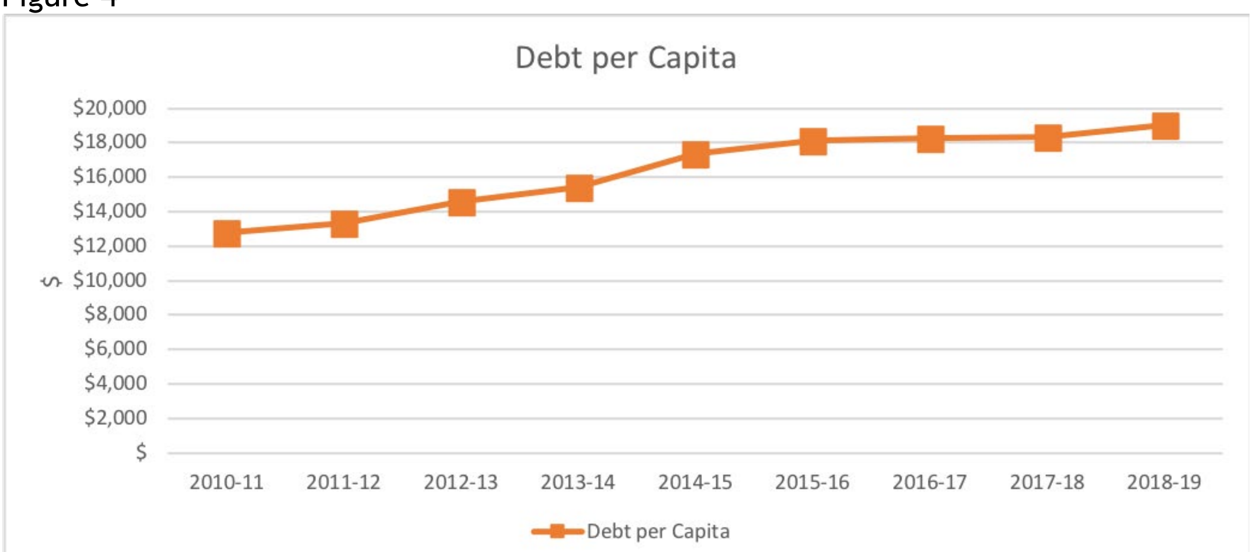
New Brunswick's debt is $14.4 billion and growing, leaving a per capita burden of more than $18,500 for each New Brunswicker. The upward trend in New Brunswick's debt is illustrated in Figure 3, below.

Figure 3



The net debt in the province is increasing by hundreds of millions, as of the second quarter fiscal update, and is projected to hit $14.3 billion by March 2019. Debt per capita is also increasing.

Figure 4



With debt comes debt interest payments – taxpayer money that is handed over to the big banks and will never be spent on textbooks or hospital beds. In 2018-19, debt servicing costs totaled

$665 million per the second quarter fiscal update. To put that in perspective, that's 35 per cent of the equalization payment that New Brunswick received from Ottawa this year.

Debt Interest Payments

In 2018-19 New Brunswick is wasting $665 million on debt interest payments. That's 35% of the province's equalization cheque.

As the province faces the challenges associated with an aging population, it is crucial that the government focuses on dedicated debt reduction now, finding savings in government and allocating those resources to paying down the provincial debt.

Recommendation: Find savings in government and dedicate the money to reducing the provincial debt.

Shift Toward Greater Financial Independence

Premier Blaine Higgs deserves tremendous praise for his recent call for equalization reform at the first ministers' meeting in Montreal. Higgs' suggestion that the federal government should cut equalization payments to force provinces to develop their resources represents a step forward. Higgs rightly suggested that by feeling a little pain, provincial governments reliant on equalization would be forced to implement economic reforms to become more self-sufficient.

New Brunswick's second quarter fiscal update showed an operational deficit of $131.4 million, boosted by conditional grants from Ottawa which increased. In 2018-19, per the second quarter update, the government of New Brunswick received $3.3 billion in various federal transfers and grants. With a total budget of $9.7 billion, federal transfers and grants comprise 34 per cent of New Brunswick's budget. Looking at equalization specifically, New Brunswick received $1.9 billion in 2018-19 equalization payments, representing 20 per cent of the province's budget.

The reliance on federal transfers is too high. More than one third of New Brunswick's budget is dependent on the outcomes of other provincial economies which are influenced by politicians over whom New Brunswickers have no electoral control. This puts New Brunswickers at risk and disincentivizes economic activity which would lead to a better quality of life in the province.

Steadily weaning the province off federal transfers is better for New Brunswick taxpayers today and tomorrow. Equalization creates an economic dependence that is worse for have-not provinces than it is for have provinces. The goal of every province should be to become a have province – not to remain financially dependent on others.

Federal Transfers in Focus

Equalization = 20% Of N.B. budget

Federal Transfers = 34% Of N.B. budget

To foster greater financial independence, the New Brunswick government can do two things:

1) Strengthen the premier's call for equalization reform by continuing to push for this on the national stage

2) Pave the way for economic growth in the province by creating a more business-friendly environment in New Brunswick

Recommendation: Strengthen calls for equalization reform by continuing to push the issue forward on the national stage, while creating a more financially independent province.

Create a Business-Friendly Province

While the government has done recent commendable work keeping expenditures from spiking, for long-term budget sustainability and economic growth the province must attract and retain job creators. That means saying yes to development, resource development, and giving job creators a reason to say yes to the province, too.

Lower Business Taxes

With taxes, sometimes less is more. Academic research done by Bev Dahlby and Ergete Ferede in 2017 showed that a reduction in New Brunswick's general business income tax rate would actually increase the value of the government's tax revenue.

RESEARCH SHOWS THAT REDUCING NEW BRUNSWICK'S BUSINESS TAXES WOULD ACTUALLY BRING IN MORE TAX REVENUE

There's further evidence supporting this. Research from the Montreal Economic Institute showed that federal cuts to business taxes between 2001 to 2012 – first instigated by Prime Minister Jean Chretien – were successful, with no negative impacts on revenue generation. The general business tax rate was cut nearly in half, yet revenues have held up. In 2017, business tax revenues brought in $45 billion – slightly more than the $43.4 billion generated in 2000 (adjusted in 2017 dollars), the year before the business tax reductions were made. Business tax revenues also remained a constant share of GDP.

Further, research from the University of Calgary School of Public Policy in 2017 showed that "a significant part of the burden of corporate taxes falls on workers in the form of wage reductions." High business taxes not only hurt workers by disincentivizing businesses from creating jobs – they mean lower wages and less government revenue.

Even if New Brunswick experienced a temporary decline in revenue as the result of a business tax cut, the province could fund the shortfall with the elimination of corporate subsidies, loans and credits dished out through Opportunities New Brunswick and other government departments.

New Brunswick needs jobs. The time is now for the provincial government to take a bold approach and abandon the old, failed methods of sending corporate welfare cheques to some businesses while making the province an unattractive jurisdiction to others. It's time for lower taxes to bring in more business revenue – and more jobs.

Recommendation: Lower business taxes in New Brunswick to encourage job creation and generate more government revenue.

Say Yes to Well-Paying Resource Jobs

The government's move to lift the ban on hydraulic fracturing in New Brunswick is a positive step. Every New Brunswicker knows many others who have left the province for work to feed their families by spending most of the year working away from them, in highly-paid resource jobs up North or out West. It would be much better for the province and its residents if we could bring those people back home.

Canada is the world's fifth largest producer of natural gas, according to the Canadian Association of Petroleum Producers. Embracing the development of new projects in New Brunswick means more jobs for residents and more revenue through resource royalties for government, which can be used to fuel quality public services. There is much work to be done in restoring investor confidence back to the province. The New Brunswick government can encourage investment by lifting the moratorium on hydraulic fracturing completely, in all areas, combined with implementing other business-friendly policies – such as lifting unnecessary regulations – which will encourage investment in all sectors.

Recommendation: Lift the moratorium on hydraulic fracturing in every area of the province and reduce regulation where applicable to welcome resource exploration jobs.

Conclusion

With demographic trends in New Brunswick putting pressure on government service demands, and a shrinking tax base giving the province less money to work with, New Brunswick is facing a "now or never" situation. The government must make the challenging decisions today to ensure a brighter future for New Brunswickers tomorrow.

Lowering taxes, creating a business-friendly environment drawing job creators and professionals to the province, strengthening financial independence and reducing spending and debt will help change course in the province, looking forward to a better, more sustainable tomorrow.