

We need municipal reform, and soon

CITIES OF NEW BRUNSWICK ASSOCIATION COMMENTARY

A half century ago the inequities between rural and urban New Brunswick were significant. Small communities could not raise enough revenue to pay for necessary services.

Today our province is remarkably different. We have gone from a mostly rural province to an increasingly urban province, with the majority of New Brunswickers now relying, at least in part, on urban centres for employment, infrastructure and regional services that are part of their day-to-day lives.

New Brunswick's cities serve as the economic engines for our entire province. They are home to the largest percentage of our population and most of the province's jobs. Our cities help drive economic growth, help attract new investment and are becoming the location for new skilled immigrants looking to make a life in New Brunswick. In fact, the Cities of New Brunswick Association was founded on the belief that our cities are the pillars of our province and must remain strong and growing entities to ensure continued growth and prosperity for our entire province.

The Cities of New Brunswick Association calls on the leaders of all political parties in the 2020 provincial election to read our white paper entitled "Strong Cities Strong Province – In Search of Balance – Strengthening NB's Municipalities to Benefit New Brunswick," and to publicly support the four recommendations that will strengthen our cities, our municipalities, and our province well into the future.

First, municipal governance needs to be restructuring, including a fair property tax system. The time for studies has come and gone. The belief that citizens should pay for the services they receive is a cornerstone of a democratic society. Today, the taxpayers living in the Cities of New Brunswick, are subsidizing lower tax rates for neighbouring rural areas. This is driving up tax rates in urban centres and helping to keep lower rates in rural areas, driving more urban sprawl. Examples of this can be found across our province.

The 8 Cities are calling on all registered political parties and their Leaders



Miramichi Mayor Adam Lordon is the Chair of the Cities of New Brunswick Association, which is calling on the next government to make municipal reforms a top priority. PHOTO: NATHAN DELONG/MIRAMICHI LEADER

to commit to implementing a system where all taxpayers in New Brunswick are paying their fair share for the use of the facilities, infrastructure, and services they access. In addition, we call upon all parties to commit to introducing property tax reform that will allow municipalities the opportunity to keep the revenue generated within their own municipal tax base.

Second, there needs to be an increase in municipal infrastructure investment. In the wake of COVID-19, economists agree that infrastructure funding across our province would be an important way to boost the economy and get New Brunswickers working again. The 8 Cities are calling on all parties to put forward their municipal infrastructure investment plan in order to continue attracting and retaining citizens in search of improved services and quality of life. Their plans should also take full advantage of the Government of Canada's Integrated Bilateral Agreement that would lead to more infrastructure spending in communities across our province.

Third, a change is needed to provincial arbitration legislation for police

and fire services to consider affordability. The ongoing issue of increasing costs for emergency services is limiting the growth and prosperity of our cities and municipalities. Since 1994, the cities of New Brunswick have paid an estimated \$133 million in wage increases to police and fire that are higher than wage increases for all other municipal employees not eligible for binding arbitration. The 8 Cities are calling on all leaders to commit to re-introducing Bill 13, An Act to Amend the Industrial Relations Act, to ensure we can address this key affordability challenge.

Finally, our cities need to be given the ability to generate non-tax derived revenue. Municipalities, particularly our 8 Cities, are professional service organizations with the knowledge and ability to develop economic generation ideas that don't compete with the private sector but do allow municipalities the opportunity to look for ways to improve services without raising taxes. The 8 Cities are calling on the next government to remove the "for profit" restrictions with the new Local Governance Act and allow cities the ability to generate new types of revenue that are

not tax-payer dependent.

The Cities of New Brunswick understands that the shifting demographics in this province have created fears about the future of rural New Brunswick. We believe strongly in the role rural New Brunswick must play in our continued evolution, but we also believe that we must ensure everyone is paying their fair share for the infrastructure and services they use. Everyone will agree that vibrant cities attract new people, new investment, and new ideas. Our cities need to flourish if our province is to recover from the slowdown in our economy caused by COVID-19. And we are confident in saying that every New Brunswicker wants New Brunswick to succeed.

We are united in this call for action from the next provincial government following the Sept. 14 election.

The time to act is now!

The Cities of New Brunswick Association

is made up of the mayors of Bathurst, Campbellton, Dieppe, Edmundston, Fredericton, Miramichi, Moncton and Saint John.

Government workers have been shielded from pandemic pain



Paige MacPherson
Taxpayer's voice

If you or someone you know has lost their job or taken a pay cut as a result of the COVID-19 shutdown, you aren't alone. But one segment of society – government employees – have been immune to the widespread economic pain in New Brunswick and across Canada, according to a new policy brief by SecondStreet.org.

When it quickly comes time for taxpayers to pay the piper, collective debt and debt interest payments will be higher because of it.

SecondStreet.org found, through Freedom of Information requests filed with the federal and provincial governments and 13 municipalities, that in almost every case, governments have not reduced employee pay due to COVID-19.

SecondStreet.org asked for data specifically on the last pay reductions negotiated with various government employee bargaining units. That would not include politicians or political staff.

In many cases governments had never curbed employee pay as far back as the data was made available. In New

Brunswick, the data dated back to the 1970s, and there have been no pay reductions over the last 50 years.

Outside of government, many job creators have had to go beyond wage reductions, cutting jobs altogether. Irving Oil laid off 173 people in New Brunswick this past July, with most of those jobs in Saint John. That same week, Organigram Inc., a cannabis company based in Moncton, cut 220 jobs. In another hit to Moncton, UPS laid off 168 people at its call centre.

Contrast that with Moncton's municipal government, which indicated to SecondStreet.org that it has never, for any reason, reduced employee pay.

It's not unheard of for governments to roll back wages. It's just exceedingly uncommon. Across the bridge in Prince Edward Island, the government told SecondStreet.org that it reduced employee pay most recently in 1994.

This isn't exclusively a matter of fairness. Governments have already seen their revenues hit significantly.

Prior to the COVID-19 economic shutdown, the provincial government set the province on a laudable path of debt reduction.

The pandemic shifted political focus away from balanced budgets everywhere. But the painful smack of COVID-19's economic shutdown makes New Brunswick's fiscal situation more urgent.

Even during the pandemic, New Brunswick felt the weight of its government's debt – which, at close to \$14 billion, is the largest in the Maritimes. Auditor General Kim MacPherson said it meant New Brunswick had limited flexibility when responding to the



Chancery Place in downtown Fredericton houses much of the province's civil service. PHOTO: DAILY GLEANER

pandemic.

As Canada's federal debt nears \$1 trillion for the first time, reliance on Ottawa is precarious. There too, the government must look at options to reduce costs.

At the federal level, the government has allowed 76,804 employees to take months off work during the pandemic, fully paid. This has cost taxpayers an estimated \$623 million.

Conversely, other Canadians who were not working collected the Canada Emergency Response Benefit (CERB), a maximum of \$2,000 per month.

Incredibly, the federal government even negotiated a pay increase for its employees who belong to the largest bureaucrat union – the Public Service Alliance of Canada.

The gap between government employees and other workers was wide before the pandemic.

A Fraser Institute report released in January showed that government employees enjoy an average 11.9 per cent wage premium over their counterparts in the private sector, after controlling for socioeconomic factors.

Government employees in New Brunswick were also six to seven times less likely than their private-sector counterparts to lose their jobs

(pre-COVID).

The pandemic, followed by a fall election, has blurred the importance of reducing the province's debt. But it is still critical.

Bringing government employee pay in line with counterparts elsewhere in the province is a viable policy option the New Brunswick government could explore. It could help address the government's sizeable debt while minimizing the impact on services like libraries and hospitals.

The typical refrain from government employee unions is that contracts can't be opened up.

But countless workers across Canada, outside of government, agreed to open up their own contracts due to COVID-19 because otherwise their employers would be forced to make layoffs.

No one rejoices in pay reductions, but while workers and business owners across New Brunswick have had to make challenging decisions, it's hard to see why government employees should be immune to reality.

Paige MacPherson

is a contributor to SecondStreet.org and a policy and communications professional based in Halifax.

N.B.'s future is cyber

Tyson Johnson
Commentary

The provincial election has us thinking about priorities for the future, and cybersecurity should be at the top of the next government's economic growth strategy. Cybersecurity is already booming in New Brunswick, with future job prospects in the thousands and a push to be the national cybersecurity epicentre underway.

While the idea of New Brunswick as a national digital leader may challenge your perception of our economy, cybersecurity is already proven by years of strategic growth.

We all live with cybersecurity every day. For society to be functional, our digital world must be safe and dependable. Of course, COVID-19 has made us all more aware of our digital dependence, from ordering groceries online to Zoom meetings and e-learning. Beyond keeping us safe online, cybersecurity enables every aspect of society, including protecting critical infrastructure.

Meanwhile, traditionally stable sectors are shaky. The price of oil is in flux. The push for clean energy has hurt mining. The steady flow of predictable revenues has slowed, at times, to a trickle.

The flood of opportunity has moved online. The future is digital, and it needs cybersecurity to keep it operational.

New Brunswick is perfectly positioned for this shift.

All those young people leaving the province? Cybersecurity can keep them here for their education – and their careers. After all, the University of New Brunswick, Université de Moncton and the New Brunswick Community College have created programs that align with cybersecurity job opportunities.

These graduates are in high demand in a sector with almost no unemployment and a massive talent gap forecast. With an average salary of over \$80,000, high-paying cybersecurity jobs let graduates build extraordinary lives and careers right here.

Beyond locals, cybersecurity is a golden opportunity to recruit students and workers worldwide.

In fact, this is already happening because New Brunswick has many natural advantages that position our province as a cybersecurity leader.

We're home to critical infrastructures such as a nuclear power plant, oil refinery, deepwater seaports, massive local multinationals and large third-party logistics carriers.

On the tech side, we've got significant dark fibre and internet connectivity. We have strong applied-research institutions and a vertically integrated health-care system. A Smart Grid Innovation Network is already in place. A Digital Health Innovation District is in the works for Saint John. Our schools have artificial intelligence and machine learning centres of excellence. Add in global firms with operations here, including the IBM Global Center of Excellence in Cybersecurity and the Siemens Global Centre of Competence in Cybersecurity, not to mention a low cost of living and a high quality of life.

The result? A uniquely powerful set of advantages that aren't easily replicated or matched even with economic incentives.

To build on this momentum, we need to keep building our capacity, including more public and private funding for research and development, supportive policy, and government and business partnerships to incubate start-ups and court world-class players. We need to support a public education system adapting to digital learning and embracing cybersecurity curriculum.

If we keep building on our incredible momentum, New Brunswick is ready to take our rightful place as Canada's epicentre for cybersecurity.

Tyson Johnson

is CEO of CyberNB, a non-profit organization with headquarters in Fredericton.