

Chamber reaction to 2013-14 New Brunswick budget mixed

For Immediate Release
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(FREDERICTON, NB) – Members of the Fredericton Chamber of Commerce have mixed reactions to the 2013-14 provincial budget released yesterday.

“With our breadth of membership at the chamber, there will often be a certain amount of disparity in members’ reaction to government budgets,” stated Krista Ross, CEO of the chamber. “This appears to have been exacerbated in a budget tabled during an admittedly difficult global economic situation.”

Revenues

“As the government has been suggesting through the budget consultation process, the chamber expected to see an increase in tax revenue,” said Janice Corey, president of the Fredericton chamber. “The chamber is not necessarily opposed to raising taxes, whether personal or corporate, but it must be part of a larger plan to enhance the economic and business climate of the province.”

Raising the personal and corporate tax rate and maintaining the highest small business rate in the country while increasing the deficit does not bode well for New Brunswick’s short to medium-term economic picture. This combination of factors signals the continuation of difficult times for business in the province, particularly small business.

To encourage business investment, the chamber hopes to be active participants with the government as they “...work with stakeholders to explore options to encourage business investment and increase competitiveness by enhancing the existing Small Business Investor Tax Credit.”

The chamber supports the government’s statements on natural resource development. “As the province continues to forge ahead with the development of natural resources, we support their stated plan to restructure the royalty scheme,” added Ross. “We must ensure that the province receives the biggest financial benefit possible while still encouraging robust industry interest.”

The chamber is also hopeful that the previously announced *Growing Together* action plan, *Growing Global Markets* export strategy and the “One-Job Pledge” will help grow the economy and overall business environment.

Innovation

The chamber continues to support the government’s focus on innovation, but was expecting to hear more details concerning the strategy for delivering the \$80 million fund announced at the State of the Province in January. The chamber will meet with the New Brunswick Innovation Foundation in the coming weeks to determine how this fund can positively impact our members and create opportunities.

We also encourage the province to work more closely with our post-secondary institutions and find ways to provide support to commercial the world-class innovations being produced.

Reducing expenses

The chamber is in full agreement with the Province's move towards efficiencies through the use of lean six sigma and performance excellence exercises. As the civil service is reduced through attrition or other means, we hope that the loss of positions is distributed equitably throughout departments and continues to be distributed equitably across the province. The chamber also supports the government's efforts to rationalize public sector pensions through conversion to shared risks plans.

Bringing per capita health care costs in line with other provinces is similarly a goal that is supported by the chamber, but must be accomplished in a way that maintains access to healthcare at a high level. Access to a family physician continues to be the number one issue for chamber members in its most recent annual membership survey.

The brief reference to undertaking a review of financial incentives related to the recruitment and retention of physicians is of great concern. We have heard from members in many industries that the availability of a family physician is a critical factor when trying to attract investment or skilled employees to the area. Given our work over the years on this file, we hope to be included in this review.

Transparency

The province deserves praise for following through with their plan to display draft regulations online and to advise the public when new documents are posted.

"The chamber is also interested to learn more about a possible process for providing the cost of election promises," added Ross. "There are obvious concerns such as the timing and accuracy of figures and who will bear the cost, but the idea itself is commendable."

With more than 900 members, the Fredericton Chamber of Commerce is one of Atlantic Canada's largest chambers of commerce. A dynamic business organization, the Fredericton Chamber of Commerce is actively engaged in policy development that affects the competitiveness of our members and of the Canadian business environment.

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