



**FREDERICTON
CHAMBER
OF COMMERCE**
— The Voice of Business —

364 York Street, Suite 200
Fredericton, NB
E3B 3P7



17 April 2019

Hon. Ernie Steeves, Minister of Finance
Chancery Place
P. O. Box 6000
Fredericton, NB E3B 5H1

Via email: ernie.steeves@gnb.ca

Re: Red Tape Reduction

Dear Minister Steeves:

I am writing today to inquire about the provincial government's red tape reduction efforts.

As we all agree and have previously discussed, sustained economic growth is the only long-term solution to the province's fiscal troubles. We cannot cut or tax our way to prosperity. However, in order to grow, New Brunswick's businesses need a more competitive environment.

Two years ago, KPMG's Competitive Alternatives Survey named Fredericton and several other Atlantic Canadian communities at or near the top of the list. These high rankings were primarily on the basis of market conditions such as the cost of labour. From the KPMG report: "Labor costs represent the single largest cost category, and represent between 40 and 86 percent of total location-sensitive costs for the industries examined." New Brunswick has not, in recent memory, been a favourable tax location - as exemplified by the double taxation regime on commercial and non-residential properties. Despite this, since the report was released, competitiveness in the province has been steadily and systematically eroded by governments searching for ways to deal with their growing debts.

We understand that your government's position is that New Brunswick's finances have to be stabilized before any tax reductions can be expected. In the meantime, reducing red tape in the province is a cost-effective way to help businesses compete and grow.

Here is a simple example of needless red tape that is holding our economy back. What follows is text from a letter we sent to Minister Flemming earlier this year. While it may seem like a small issue, it's part of a larger problem and death by 1,000 cuts is as fatal as any other manner.



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We have a specific member that moved to New Brunswick from Ontario in 2017 that opened a restaurant in downtown Fredericton in mid-March 2018. She was very surprised to learn that her first annual fee payment expired after only a couple of weeks (on 31 March 2018). After coming to New Brunswick to invest in our community and province, this was seen as a sign that New Brunswick is not business friendly. Later that same year, she was notified that the building her restaurant was located in would be torn down for new development in early 2019 – necessitating a temporary closure and move to a new location in downtown Fredericton. She then spent several months upgrading and investing in her space to finally reopen this month only to realize that she was in the same position again with an unchanged provincial policy.

You mentioned in your 2019-2020 budget that “A red-tape reduction commission will be established to identify and eliminate regulations that distract teachers from classroom teaching.” It is our position that a broader review is needed across government that views all regulations through a business lens - with a particular focus on issues that most affect business and economic growth.

Is such a review planned to take place? If so, can stakeholders like ourselves expect to be consulted? What individual or department will take the lead? We would welcome any opportunity to participate and provide input on behalf of our nearly 1,000 member businesses and organizations.

Sincerely,

Krista Ross, CEO
Fredericton Chamber of Commerce

cc: Hon. Mary Wilson, Minister of Economic Development and Opportunities NB

Cc: Stephen Lund, CEO, Opportunities NB

cc: Luc Erjavec, VP, Atlantic Canada, Restaurants Canada

cc: Jennie Wilson, Owner, 11th Mile