

2017 New Brunswick Pre-Budget
Submission
**THE NEW BRUNSWICK POTENTIAL:
PEOPLE AND RESOURCES**



Submission by Unifor

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Submitted by:

Lana Payne, Unifor Atlantic Canada Director

WHO IS UNIFOR

Unifor is a Canadian union with more than 310,000 members across the country in 20 economic sectors. Our 7,000 members in New Brunswick work in various sectors: forestry, telecommunications, marine transport, manufacturing, hospitality, fisheries and education, among others.

We protect our members and play a leadership role in building thriving, safe workplaces and a strong economy so all workers in Canada have a good job and a decent standard of living.

Unifor advocates for and defends the economic and social rights of working people, including their right to: safe workplaces, secure employment, wages and benefits that provide a decent standard of living, dignity and mutual respect in the workplace. To achieve these goals, Unifor is not only active in workplaces and at the bargaining table, but in all aspects of our communities and in the political debate to make Canadian society more just and equitable.

INTRODUCTION

In recent decades, New Brunswick has faced unfavourable demographic and labour market trends, resulting in significant economic challenges. The province's working-age population has shrunk while employment rates have not significantly improved over the last number of years. Private sector job creation has declined over the last decade, only to be offset by the modest growth in public sector job growth.

New Brunswick's chronically weak labour market has had an impact on communities across the province and at such a time, bold action is needed to right the ship. With historically low interest rates and the desperate need for job creation in both the public and private sectors, the government should undertake strategic long-term investments in critical social and physical infrastructure, and support the growth of the province's major industries.

Unifor is recommending that such a strategy involve a serious commitment and public investment in two major areas: child care and the forestry sector.

TOWARD A PUBLIC CHILD CARE SYSTEM

The creation of the Childcare Review Task Force by Education and Early Childhood Development Minister Serge Rousselle in June 2015 was an acknowledgement that New Brunswick could do better in ensuring that parents have access to affordable and high-quality child care in the province. The Task Force issued its final report, *Valuing Children, Families and Childcare*, in August 2016.

The report made 5 overarching recommendations, including:

- A strengthened child care *system* that would have public governance and public management structures, and which moves away from the reliance on the market approach to early learning and child care.
- Enhanced professional development that is centred within provincial curricula.
- Greater access to post-secondary educational opportunities and professional development, with an established salary grid for workers in the sector based on their qualifications.
- Increased public investment and sustained funding, including prioritizing the development of a publicly-managed early learning and child care system for children from birth to four years.
- The creating of a system that protects children's rights to develop to his or her potential and supports parents' ability to be fully engaged in matters pertaining to their children's care.

The benefits of accessible and high-quality child care are well-documented and broadly accepted in Canada. Accessible and available child care enables parents to work or obtain further education and training to secure good jobs. Making child care more affordable opens up additional and essential opportunities for families who are struggling to get by, reduces child and family poverty, and improves women's equality. High-quality care is crucial to the development and well-being of our province's children, including care for children with special needs.

Investing in child care has a further benefit of stimulating the economy and providing significant socio-economic returns to society. Living wages for child care providers are spent in the community, resulting in a benefit to the local economy. The C.D. Howe Institute has previously found that the Quebec model of child care resulted in an increase of 40 per cent in tax revenue, while the World Bank asserts that investing in the early years yields an annual rate of return between six per cent and 17 per cent. The economic benefits of child care investment have been widely studied and recognized, in addition to the essential social benefits that are enjoyed by families and local communities.

Equitable access to child care services has proven to increase women's participation in the labour market, which has been a key outcome from Quebec. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), noted recently that Canada's historical family support policies – maternity and parental leave, and government spending on early childhood development and child care – have been important in boosting women's participation in the workforce. However, she notes Canada can still do better and emphasizes studies that show significant macroeconomic gains when women are able to participate more

fully in the labour market. The United Nations Committee on the Elimination of Discrimination Against Women (CEDAW) also recently issued a report on its review of Canada, echoing the importance of child care as a gender equality measure. The potential for increasing women's participation in non-traditional industries like forestry is important for developing and stabilizing New Brunswick's core industries into the future.

Unifor is calling on the New Brunswick government to invest in what the Task Force report regards as "a key element of social infrastructure." It is important to highlight that New Brunswick does not exist in a vacuum – Quebec's renowned public child care system has developed over several decades, for example, and several other provinces have taken recent action toward developing more comprehensive public child care systems.

In 2016 alone, provinces across Canada have taken real action to make child care more accessible and affordable:

Manitoba

The province created the Manitoba Early Learning and Child Care Commission 2015 in order to move towards implementing a universally accessible system of child care in the province. The Commission's report was released in January 2016, which identified a strategy to reach this goal – which included the government's plan to create 12,000 new child care spaces by 2021.

The report provided a comprehensive strategy for developing a universal early learning and child care system in Manitoba. This includes developing the necessary governance structures and local infrastructure; making child care affordable for all Manitobans; creating new child care spaces; establishing quality standards and supporting pedagogy and professional development in the sector; and appropriate mechanisms for monitoring progress and effectiveness of programs.

Nova Scotia

The Minister of Education and Early Childhood Development began an extensive review to examine the regulated child care sector in the province in 2015. In March 2016, the Minister released the consultation report and recommendations from this review, which focused on accessibility of child care, affordability of child care programs, quality of programming, support and development of the workforce and the structure and governance of the system. Based on this report, the Nova Scotia government announced its commitments and a timeline for actions in June 2016.

The Nova Scotia government made several commitments, including to:

- Increase daily subsidies for parents and change eligibility criteria.
- Limit fee increases for regulated child care programs that receive government funding.
- Develop and implement early learning curriculum for child care centres and regulated family home day care providers.
- Bring the provincial average wage for trained early childhood educators to the national average wage.
- Increase the number of child care spaces in communities that need them most.

- Increase the number of infant spaces in child care centres.
- Expand the number of centres offering inclusive programming for children with special and complex needs.

Ontario

Ontario recently completed its multi-year phase-in of full-day kindergarten – a large transformation of the province’s early childhood development and education system. In August 2016, the province’s Steering Committee on Closing the Gender Wage Gap issued its report, which prominently featured access to child care as having a tremendous impact on women’s ability to join or rejoin the workforce.

Following this report, the government made a significant announcement in its September 2016 Throne Speech. The province announced the creation of 100,000 additional licensed child care spaces for infant to four-year-olds within the next 5 years. This announcement – which includes one-time capital funding and operating dollars – is one of the largest investments in child care that the province has seen in recent years.

The developments in Ontario complement the government’s explicit commitment to work with the federal government to create a federal child care framework.

Alberta

In November 2016, the province announced the investment of \$10 million in new funding for child care and early learning. This funding will go toward creating 1,000 new regulated child care spaces and the development of up to 18 new Early Learning and Child Care (ELCC) Centres in the province. Part of the announcement included a new policy that ensures that these publicly-funded and regulated child care spaces would carry a parental payment cap of \$25 per day.

Recommendations:

- **Immediately implement the recommendations provided in the *Valuing Children, Families and Childcare* report to make high-quality, regulated child care more accessible and affordable for parents, while benefiting our local communities through the proper support and development of the workforce.**
- **Follow Nova Scotia’s example, through legislation, to bring up wages for trained early childhood educators to reflect national wage benchmarks in the sector.**

SUSTAINING AND ENHANCING OUR FORESTRY INDUSTRY

Canada is the world's largest forestry exporter and New Brunswick makes up a substantial portion of the country's annual export output. Forestry simply remains one of the most important and core private sector industries in the province.

Forestry is vital for all of New Brunswick. More than 12,000 men and women work directly in the industry, and nearly as many jobs are sustained elsewhere in the economy.

Forestry generates more than \$1.5 billion in annual economic activity and is essential for dozens of communities across the province. These are good jobs with wages that are more than 20 per cent higher than average wages in the province. Forestry products in New Brunswick account for more than 5 per cent of the gross domestic product, which ranks as the highest GDP of any province or territory. Other than oil and gas, it is the largest manufacturer and exporter of any sector in New Brunswick – accounting for 30 per cent of the manufacturing base in the province. Everyone benefits from the contributions to public revenues made by the industry and its workers, paying for essential services like education, health care and infrastructure.

We all know that forestry was one of the original industries that helped build New Brunswick. But we also need to recognize that it remains an essential part of today's modern economy and that forestry has an important role to play for the future generation.

However, the forestry sector is in transition – the last decade has brought substantial challenges, including rapidly changing markets, the impact of an over-valued Canadian dollar on exports, shifts in consumer demand away from some paper products in the digital age, the global financial crisis and the resulting temporary collapse of the U.S. housing market.

The pulp and paper industry experienced a sharp fall in demand among all paper grades and wood production is still recovering as the American housing market has recuperated. Shipments of pulp, paper and wood products fell hard during the global financial crisis and the lost ground has not yet been recovered.

Over the last decade, the Canadian industry shed a third of its jobs; in New Brunswick we lost about a quarter of the jobs and 54 mills closed. After painful restructuring that drew on the dedication and sacrifices of forestry workers, the industry is now on a rebound and, most importantly, is poised for a much brighter future.

Supporting strategic forestry investments

After a long period of low investment, we need major investments to modernize equipment, transition toward growing markets, and anchor the industry for the next generation. Recent investments by Irving in their operations was a welcome sign of confidence in the sector. A combination of strong sustainable forest management policy, and best-practice investment support programs, are essential to the long-term success of the industry.

Supporting sector growth and a skilled workforce

However, there is certainly opportunity for the industry to thrive during this period of transformation. In New Brunswick, we need comprehensive policies to support investments that support the transition to growing markets and the industry's move up the value-added chain, while meeting the highest sustainability and environmental standards.

It also remains important for the province to play a key role in developing a labour market strategy with the federal government, unions and employers, in order to ensure that such investments create good jobs and support a skilled workforce in New Brunswick. For example, there is a need for stronger alignment among the industry and educational institutions to develop and retain skills. Labour market policies should expand opportunities and funding for pilot projects, extended training opportunities and more apprenticeships.

A softwood lumber solution that protects New Brunswick's forestry sector

New Brunswick needs to play a key role in ensuring that Canadian trade policies support high-value forestry exports and the ability for the industry in the province to maintain stable access to key markets. The Canada-U.S. Softwood Lumber issue needs to be addressed, given the expiration of the Softwood Lumber Agreement and the transition of a new government in the United States. In some cases, for example, the countervailing duties imposed on Canadian exports could severely hinder local operations.

The uncertainty around softwood lumber raises concerns for the forestry industry in Canada but can also present new opportunities. With proactive provincial leadership, working with the federal government, we can secure continued and fair access to the U.S. market, by far our most important forestry trading partner.

Recommendations:

- **Develop a comprehensive provincial forestry policy that would support investments in the sector's transition to growing markets.**
- **Develop a labour market strategy for the forestry sector that would expand opportunities and funding for pilot projects, extended training opportunities and more apprenticeships.**
- **Develop a united front with the other Atlantic forestry provinces in calling for a softwood lumber solution that addresses the concerns in this region of the country.**
- **Work with the federal government to ensure that a new softwood lumber agreement with the United States would facilitate fair and secure access to the U.S. market.**

CONCLUSION

Unifor members – who work hard in the province’s public and private sector – are well-positioned authorities on how to boost our economy and create good, quality jobs. We support the development of healthy communities, strong local economies and women’s equality, and understand that a strong social infrastructure and healthy local industries are crucial for this process.

The government is at a critical point and can follow a similar path as other provinces in investing toward an accessible, high-quality and affordable child care system. Such an investment in our social infrastructure must also be supported by strong industries that create jobs and sustain local communities. This is why the government needs to ensure that our forestry sector is protected and can continue to build our provincial economy well into the future.

