

## Quarterly Newsletter - Fall 2025

Several months have passed since the last CCC newsletter. During this time, work has continued towards supporting the personal, civic, and economic well-being of New Brunswick residents. With the new Premier assuming office, we recognized time was needed for her agenda to be implemented.

### QUOTE OF THE DAY:

*Any time you think you have influence, try ordering around someone else's dog.*

### WHO WE ARE

CCC is currently New Brunswick's only recognized "think tank" dedicated to evidence-based province focused research. Over 30 op-eds have been published, a website developed, advertisements placed in news media, and summits hosted on education, health, and energy topics. Several recommendations have also been presented to government officials. Additionally, a book titled "The Overall Well-being of New Brunswickers" was published and is available through the CCC office. Ongoing challenges we see include climate change, tariffs, financing, and artificial intelligence, all which continue to impact education, energy, and health. We are an advocate group.

### EDUCATION

New Brunswick has allocated \$2.1 billion to support 109,000 students, or \$19,266 per student. Recent data show ongoing declines in math, reading, and science scores based on PISA results, which are currently one of the lowest nationally. Nationally, education spending has increased by nearly 34.1% since 2021/2022. In that year, New Brunswick spent \$17,172 per student, ranking among the second highest in Canada. The 2024-2025 education budget was raised by \$390.7 million. These investments have not resulted in notable changes in student achievement, suggesting a possible need for improved accountability measures.



The CCC Education Team has established the following priorities:

- Enhance literacy, numeracy, and French proficiency
- Reduce rates of chronic absenteeism
- Advance inclusive education to address diverse learning needs
- Reinvigorate community and parental engagement
- Refine French-language instruction within English sectors through evidence-based approaches
- Expand Pre-Kindergarten services across the province
- Strengthen programmes connecting students to workforce opportunities
- Broaden academic enrichment options, including IB Diplomas
- Introduce standardized exams in grades 3, 6, 9 & 12

Recognizing that effective collaboration is pivotal, we aim to work alongside the Department of Education through the New Brunswick Education Reform Commission to create a world-class system that draws families to the region and equips students for success in an AI-driven future. Our multidisciplinary team will meet with Minister Johnson in September to discuss forthcoming initiatives. For further details about our Commission's Terms of Reference, please visit [www.cccnb.ca](http://www.cccnb.ca).

## AGRICULTURAL AND FOOD SECURITY

Board member Maurice Harquail has noted a lack of fresh fish in Fredericton, citing more imports from countries like Vietnam. Although many fish are imported, fresh Atlantic Canadian fish remains available for those willing to pay higher prices.



David Campbell's 2022 report, "Back to Basic? A sustainable growth agenda for New Brunswick requires a boost in exports," stated that there was a trade surplus of \$1.1927 billion in prepared and packaged seafood products. The report also noted trade deficits in categories such as fresh vegetables (excluding potatoes), fresh and frozen beef and veal, poultry, margarine and cooking oils, fresh and frozen pork, wine, brandy, and others.

In 2022, the province engaged Jupia Consultants Inc. (David Campbell) to study New Brunswick's agricultural growth prospects for the next decade. The report offers detailed statistics and provides 16 main recommendations:

- Attract more farmers
- Foster more high growth potential farmers
- Expand and optimize farmland opportunities
- Strengthen agri-food investment attraction capacity
- Ensure New Brunswick farmers have a level playing field for financial support
- Continue the focus on expanding export markets
- Continue the focus on expanding local markets
- Expand controlled environment agriculture
- Encourage craft and niche agri-food/beverage product development
- Invest in agriculture innovation/AgTech
- Partner with First Nations
- Encourage more cooperation within the Maritimes
- Foster more agri-tourism
- Invest in climate change-related initiatives
- Invest in strategic sector-wide infrastructure
- Focus on workforce development

The Department of Agricultural, Aquaculture and Fisheries (DAAF) have a budget of \$50 million. This amount is relatively low compared to other departments spending. The DAAF Department manages its responsibilities within this budget, but additional investment is needed to further develop the industries. David Campbell's report recommends an extra \$10 million investment, with projected returns over a period of 5 to 10 years.

## ENERGY

Over the past 2–3 years, we've hosted three energy summits and consulted with experts from New Brunswick and beyond. After reviewing reports and meeting with NB Power leaders, we recommend building a second Candu Reactor at LePreau to meet future energy needs. We've shared our recommendation with the Premier and Energy Minister and are awaiting their replies. Below is a summary of our letter to the Premier:

*"We write to formally recommend that your government pursue the development of a second CANDU reactor at the Point Lepreau site, and further, that the options of a third unit constructed concurrently be actively evaluated. This dual-pathway approach would ensure both continuity of supply and economic advantage while positioning New Brunswick as a regional leader in firm, zero-carbon generation."*



*The rationale for this recommendation rests on several interrelated and empirically ground considerations:*

- ***Operational Time Constraints of Existing Infrastructure***
- ***Technology Maturity and National Compatibility***
- ***Energy Demand Forecasting***
- ***Regional Integration and Export Opportunity***
- ***Complementarity with Emerging Nuclear Technologies***

***Further, we strongly encourage the exploration of partnerships with private enterprises as a means of unlocking financing, accelerating delivery, and sharing long-term risk. The scale of this opportunity merits a shared approach that brings together public leadership and private sector capacity.”***

Building a CANDU Reactor costs about \$7.5 billion, roughly equal to the projected revenue from developing LNG in the McCully field. Why not use gas development to help fund a second reactor? Federal and other Atlantic provinces support will also be needed. This could establish us as Atlantic Canada's energy hub and provide significant funds for social programs.

By way of information, a break down of what powered the world in 2024 is: **Oil 34%, Coal 28%, Natural Gas 25%, Nuclear 5%, Hydro 3% other Renewables 6%**. Figures do not total 100 due to rounding. (Source: *Energy Institute Statistical Review of World Energy*)

## **FIRST NATIONS**

Much has been written about First Nations issues across Canada, but our attention is on current events in New Brunswick.

On Friday, November 15, 2024, the six Wolastoqey Nations in New Brunswick received a notable decision regarding their Aboriginal title claim, which includes approximately 4.1 million hectares, or about 60% of privately owned land in New Brunswick. The motion judge confirmed that Aboriginal title may be declared over private lands, clarified the process for such claims, and outlined potential implications of an Aboriginal title declaration. This judgment marks a development in the law surrounding Aboriginal title, with possible consequences nationwide.

Several industrial companies, including JD Irving, Limited and Affiliates, Crabb Lumber Company, Acadia Lumber, and NB Power, appealed the decision. The Crown (Province), representing private landowners in New Brunswick did not appeal but opted to negotiate. A letter to CCC from the Premier advised their intention is to work with First Nations on a government-to-government basis and strengthen relationships based on treaty obligations.

There are still unresolved questions concerning the specifics of these negotiations. Daryl Brancombe, President of CCC, expressed the view that negotiations were not the preferred course of action as clarity of a judicial decision is needed. Consequently, he sought and was granted intervenor status at the Appellate Court to represent the interests of private landowners in New Brunswick. A written submission, prepared by his legal counsel Mara Mallory, was filed on June 18th, with a decision expected between mid and late October.

The existing property ownership framework is known as “fee simple.” Should the First Nations’ claim be upheld, ownership may shift to a collaborative model involving both fee simple title holders and



First Nation entities. The feasibility of dual occupancy on private property remains uncertain. At this point, the practical implications of such an arrangement—including potential requirements for renovations or mortgage approvals—are not yet clear.

Resource matters are being evaluated. First Nations have requested revenue sharing at LaPreau and royalties for timber and minerals. Over recent decades, federal revenue sharing with First Nations has risen to 6-7% of its budget, not counting provincial aid. In 2022/23, more than 500 provincial support initiatives for First Nations were reviewed and consolidated; routine operations by Crown corporations and agencies were not included.

New Brunswick has 16,000–18,000 First Nations people, about 2% of its population, many of whom live off-reserve. The central legal question is whether Aboriginals have title to privately owned property in New Brunswick. Regardless of the appeal court's ruling, the case will likely reach the Supreme Court of Canada.

### **PROVINCIAL BUDGET 2025-2026**

The new government's budget projects a \$549-\$599 million deficit, though actual spending may push this closer to \$1 billion. Despite Premier Holt's campaign promise to avoid deficits, forecasts show continued shortfalls for the next 3–4 years. Currently there is a concern that revenues are falling largely due to a decline of exports. Approximately 93% of exports go to the United States and this has declined due to tariffs. Unless the Province can find money elsewhere, the only options are reducing spending in other disciplines or increase property taxes. Worrisome to say the least.

Most Departments have increased expenditures, totalling \$2.36 billion more than the Higgs government in 2024-2025, (an 18.78% rise). Some argue past surpluses came from delaying necessary programs or increase in transfer payments. While that may be true on some projects, it is comforting to have a surplus for those “rainy days” that always come. The province has not been self-sufficient for decades. Our transfer payments including equalization and health grants et al from Ottawa and will reach \$5.2 Billion dollars this year slightly over 40% of our revenue of \$13.8 billion.

There are a few previous Premiers who did show a reduction in debt. Under Lord and then Higgs, provincial debt has been reduced from \$23,657 per person to \$14,287.

In looking at the “big picture”, one mustn't forget NB Power's debt which exceeds \$5 billion, which the province is responsible for and the capital budget for infrastructure at \$1.26 Billion. Notwithstanding, the province has a ‘sinking fund’ which it contributes each year. The fund has grown to approximately \$6-\$7 billion. When rating the province by financial institutions, this is factored in the interest rate they charge. Our debt/equity ratio stands at 26.6% which is better than most provinces.

The administrative costs associated with a population of 825,000 have led to concerns regarding possible redundancies within the system. **Hearsay evidence suggest** that 520 administrative employees work at the Education Building on King Street, supplemented by personnel across various District Council offices throughout the province. Individual departments retain their own deputies and administrative staff. As noted by Andrew Coyne in his book “A Crisis in Canadian Democracy,” Canada operates nearly 40 federal departments—more than countries such as Israel and the United States.

**New Brunswick's overhead is not sustainable, and we simply must deliver more with less. All the stars are lined up against us. We cannot afford continuum deficits for the next 3-4 years. If we do, someone else may be calling the shots.**



Ted Flemming shared an account from his time as Minister of Health, describing an employee frequently seen in the hallways whose responsibilities were ambiguous. Upon investigation, it was found that this individual had been employed for over three years without a formal job description.

The current figure of 56,000 civil servants raises questions about the efficiency of public administration. A systematic review of civil service roles may be warranted, and performance-based incentives could be considered to encourage cost-saving measures.

**Federal debt encompasses both federal and provincial obligations, totals \$2.1 trillion this year.**

## **IMMIGRATION**

The Right Honourable Justin Trudeau's government saw a significant increase in immigration to Canada, with approximately 450,000–500,000 newcomers expected in 2024, compared to about 220,000 in 2022. This rapid growth has placed increased demands on housing, employment, health-care, and education. Since immigration policy falls under federal jurisdiction, provincial governments have limited authority over the process, although the federal government has begun allocating specific immigrant numbers to each province.

In 2025, New Brunswick aims to welcome 7,500 new permanent residents, representing a 29% increase from the previous year. These efforts reflect a strategic approach to addressing workforce shortages and demographic challenges within the province. Although universities attract many international students, retention remains an issue as many do not settle permanently. It is essential to consider which types of immigrants Canada should prioritize, such as healthcare workers, engineers, teachers, and scientists, qualified trades people and whether they are able to secure long-term employment in their respective fields.

A declining birth rate is a significant challenge faced by numerous countries worldwide. For instance, the U.S. Census Bureau reported in July that the national fertility rate had reached an all-time low, with fewer than 1.6 children born per woman of childbearing age. In Canada, the rate stands at 1.4 children per female. Several other nations—including Japan, China, Ukraine, Spain, and Italy—have rates around 1.2, indicating an approximate 80% decrease.

Although increased longevity may somewhat mitigate these trends, a substantial decline is expected as the baby boomer generation ages, with many entering their nineties over the next decade. Consequently, the workforce will increasingly rely on immigrants and technological advancements, such as automation, to maintain essential services. It is imperative for provinces to strategically manage immigration policies, considering both housing demands and shortages in various professional sectors.

## **QUOTE OF THE DAY:**

*Try skipping a meeting if you want to find out how important it is.*

## **GOVERNANCE**

There has been ongoing consideration of a more decentralized model of governance. Under the Higgs government, the number of municipalities was reduced from 344 to 77, alongside the creation of 12 Regional Service Commissions. The current structure is still being evaluated, as some municipalities may not operate efficiently due to their size. Further consolidation is being discussed,

with proposals to merge 12 to 15 entities with neighbouring municipalities, potentially resulting in approximately 50 municipalities overall.

While the first phase was partially implemented, the second phase of fiscal reform has yet to happen. The province has proposed new mandates but has yet to provide funding. The primary responsibilities of the Regional Service Commissions are as follows:

- **Solid Waste Management:** Managing waste disposal and recycling for municipalities and rural areas within their boundaries
- **Land Use Planning:** Overseeing development plans and zoning to ensure sustainable growth
- **Regional Economic Development:** Promoting economic opportunities that benefit the broader region
- **Transportation Services:** Facilitating regional transit solutions
- **Tourism Development:** Enhancing regional tourism initiatives
- **Public Safety Services:** Supporting emergency planning and response
- **Social Development:** Addressing homelessness, poverty, and mental health challenges in collaboration with the provincial departments
- **Community Development:** Supporting initiatives that strengthen regional communities

## **Municipalities**

Municipal governments are responsible for:

- **Local infrastructure:** Maintaining roads, water systems and public spaces
- **Community Services:** Offering services like recreation, public transit, and culture programs
- **Local Planning and Development:** Enforcing zoning bylaws and issuing permits for new developments
- **Public Safety:** Supporting police, fire services and emergency management
- **Tax Collection:** Collecting property taxes for fund operations (Notwithstanding, the province does a superb job and is questionable whether this should change)

Responsibilities are clearly delineated; however, concerns persist regarding their sufficiency. There is ongoing debate about whether the province should discontinue property tax collection, with valid arguments on both sides of the issue. Our position is that municipalities should assume a more significant role in education, health care, and social services, given the limitations of provincial resources. Community engagement remains essential—one example is a former Minto High School principal, Nelson Arsenault, who provided breakfast for students each day, complemented by regular contributions of food and clothing from residents. Additionally, the high school curriculum incorporates vocational training designed to meet the needs of local businesses.

It may be necessary to review and complete fiscal reform, as there are concerns that the current system is not operating efficiently. CCC is prepared to participate in the discussion, offering insights from its team of experienced members.

## **MENTAL ILLNESS BY WARREN MADDOX, EXECUTIVE DIRECTOR OF "The Shelters"**

*While I'm not the province's foremost expert on mental illness, I do encounter it more often than most. The term "mental health issue" sometimes understates the severity many people face, especially when combined with drug toxicity. CCC has allowed me to help address the urgent need for new institutions and proper staffing to support those whose mental illnesses significantly impact both themselves and our communities.*

*The Shelters initiated a pilot project this summer aimed at establishing pathways for individuals with significant illnesses. Following a comprehensive assessment of the current system, it has been determined that over eighty people in Fredericton lack access to suitable housing within the existing inventory. Consequently, there are no mechanisms not only to secure housing for these individuals but also to provide the necessary support to maintain stable accommodation. There is a pressing need for a well-managed institution, a reassessment of community treatment legislation, and consideration of provincial care for certain individuals.*

*It is anticipated that concerns will be raised regarding the potential infringement of personal rights. However, The Shelters maintains that those living unsheltered have already been deprived of such rights. Addressing homelessness, crime, and addiction cannot be accomplished by maintaining the status quo or relying on wishful thinking. Meaningful change requires open dialogue, and The Shelters is prepared to initiate this conversation while encouraging broader participation.*

*Furthermore, The Shelters advocates for a paradigm shift away from the notion of "ending homelessness," which is viewed as outdated and antiquated. Instead, the focus should be on intentional management of the issue, creating structured systems that transition individuals from crisis situations to permanent housing with minimal disruption to both the individual and the community. Achieving this goal necessitates the development of appropriate institutional options.*

## **CONCLUSION:**

We have updated you on several files but not Health and Social Development, which we will address in detail in our next newsletter. Our health care vision was shared with the Liberal government while in opposition and is available on our website. These issues remain priorities for many constituents and need thorough reassessment. A meeting with senior staff and CCC's Diane Murray, Health Committee Chair and Jim Carter, was largely informational; the department continues to review the reforms we previously recommended.

We would like to hear from you. We will provide you space on our platform, subject to our edits.

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