

GOVERNMENT OF NEW BRUNSWICK'S 2022-2023 BUDGET:

How does it compare to CUPE NB's recommendations?





In February 2022, CUPE NB published “A Plan for All New Brunswickers”¹ with bold and innovative ideas on how to spend the province’s massive surplus and future funds. On March 22, the Government of New Brunswick released its 2022-2023 budget. How does it stack up to CUPE NB’s recommendations?

FAIR WAGES

Wages for the public service

Budget 2022-2023 announces that \$343million is budgeted to increase the wages of the public service, an increase they say is affordable and recognizes the efforts of the workers during the pandemic. They say this increase will support local businesses as “civil servants spend earnings in the communities in which they live”. They do not say that these increased wages were secured through hard-fought labour actions; instead, the government says: “as our fiscal situation improved, we realized that we could afford to increase wages for

our employees”. We know who made them come to this realization: the workers. There are no mentions of further improving public service wages, however members preparing to bargain should note that this budget highlights positive economic growth for the province that has offset the 2020 losses, due to gains in population, employment, household consumption, exports, manufacturing, residential investments, income, retail sales and the housing market. This budget features both tax cuts and a surplus. As the cost of living continues to rise sharply (+5.6% so far in 2022), the table is set to keep pushing for wage gains.

Minimum wage

The budget notes that by October 1, 2022, minimum wage will be \$13.75 per hour. There are currently 19,100 workers who will receive an increase in wages due to this minimum wage hike. \$13.75 is still well below New Brunswick living wage figure, which as of 2021 was an average of \$19.28 per hour across the province.

Interestingly, the budget notes the province will spend \$7.4million increasing the wages of their workers who make minimum wage. It is unacceptable that provincial employees make less than the living wage.

The New Brunswick Common Front for Social Justice is actively campaigning on improving employment standards, including the minimum wage. You can find them at www.frontnb.ca.

¹ <https://nb.cupe.ca/2022/02/28/plan/>

CHILDCARE



As for much of the 2022-2023 budget, the initial plan for childcare reform in the province lacks imagination. As part of a bi-lateral agreement with the federal government, \$110million will be invested in the early learning and childcare sector, for a total of \$500million over the next five years.

The initial plan has been leaked, and there is some good news and some less good news:

- The 50% reduction in childcare fees for parents will only apply to children up to 6 years old and for household \$80,000 and under;
- The sector will expand in the not-for-profit model, but the private sector will also expand with 1,000 new spaces;
- Trained educator wages will go up to \$23.47 from \$19, and untrained educator wages will go up to \$16.79 from \$14.90
- The private operators are looking to increase rates for parents of children 6 and over “because of the looming minimum wage increase”² – showing once again how these operators can and will pay bottom of the barrel wages if they can.

² <https://tj.news/telegraph-journal/101820905>

KEEP SERVICES PUBLIC

Municipal reform

No new details on how municipal services will be funded in the “new model”, only that they are budgeting \$10million for the process of the reform.



Healthcare

The government is budgeting \$38million to move forward on the healthcare reform plan, which features a heavy “e-health” component. The budget also announced



\$12million to modernize the laboratory information system. Any new developments should be fully public.

MAKE LONG-TERM CARE PUBLIC



There was no announcement to try to create a consolidated public long-term care service.

Here are some long-term care-related announcements, most of which were announced prior to the budget release:

- \$4.1million to meet demand for additional beds;
- \$9.7million to increase hours of care;
- \$38.6million to increase wages for human services workers in home support, community residences, special care homes, family support, group homes, attendant care and employment support services agencies;
- \$5million for a fund to support home support workers and family support workers' mileage costs

AFFORDABLE ENERGY

No new announcements on energy costs or financial support programs.

HOUSING



Several announcements were made on the housing file. Unfortunately, the biggest part of those announcements will benefit corporate landlords and corporations in the form of a 50% reduction in provincial property tax rates for non-owner-occupied residential properties and 15% reduction in provincial

property tax rates for non-residential properties. Not only will this eventually lead to a \$112million revenue loss for the province, but this windfall for landlords is also unlikely to be passed down to renters in the form of a rent reduction.

On the brighter side, landlords will no longer have the right

to evict tenants without cause and they will face penalties for not respecting the *Residential Tenancies Act*.

The budget also introduced a one-year rent cap at 3.8% (the inflation rate for 2021). This is a small win, as the cap should be revisited to be longer than one year.