

September 19, 2024

## **New Brunswick 2024 Provincial Election Questionnaire: Background**

### **Retail Council of Canada:**

Retail Council of Canada (RCC) is a not-for-profit, industry-funded association representing retailers of all sizes and formats, including department, grocery, pharmacy, specialty, discount, and independent stores as well as quick service restaurants and online merchants. We speak for an industry that touches the daily lives of New Brunswickers in every corner of the province.

### **New Brunswick Retail Facts:**

- Retail is the largest private sector employer in New Brunswick, representing over 50,000 employees, and \$2 billion in total annual compensation paid to retail employees.
- New Brunswick retail employee's average total hourly compensation is \$25.21 per hour.
- New Brunswick retail employee's average hourly earnings is \$21.67 per hour.
- With hundreds of retail locations across the province, retail trade accounts for more than \$17.2 billion per year in New Brunswick (more than \$10 billion in core retail). The quick service restaurant sector contributed over \$1.5 billion to the New Brunswick economy and was also one of the province's top employers.

### **Retail Realities:**

- The retail sector provides a broad range of employment opportunities, from first-time skill development jobs to highly professional positions.
- Retail is a highly competitive sector, with traditionally low profit margins. Controlling costs is a high priority for retailers, as small cost increases can have a significant impact on a retailer's bottom line and business viability.

**Retail's success in New Brunswick is driven by increased investment, strong consumer demand, as well as sensible and focused policy and regulation by the provincial government.**

### New Brunswick 2024 Provincial Election Questionnaire

#### Retail Council Survey

- On behalf of Retail Council of Canada members, we are asking all recognized political parties about their views on issues that are important to retail and quick service restaurant businesses, employees and our customers.
- We publish the answers on our VoteRetail.ca website, and encourage all retailers, quick service restaurants, employees and customers to visit the site to understand the parties’ positions on issues impacting our industries.

#### SURVEY QUESTIONS

We thank you for taking the time to answer the following questions:

1. Retailers are resilient and despite unprecedented challenges brought on by supply chain issues, inflation and increased competition from e-commerce entities, New Brunswick’s retailers continue to fight to remain a viable and essential element of the province’s economy. Despite these challenges, the retail sector provides an over \$17.2 billion boost to the provincial economy, and over 50,000 jobs. But unlike other key sectors, the New Brunswick government has not developed a sector strategy to ensure that government policies are aligned to support the industry and enhance its competitiveness.
  - a. If elected, will your party work with the Retail Council of Canada to develop and implement a retail sector strategy? This strategy would be similar to the strategies that have previously been developed for other economic sectors and would ensure New Brunswick’s retail industry continues to prosper?

Yes  No

Comments: Yes. Helping to eliminate obstacles to doing business in New Brunswick is a priority of the PC government. We fully understand the importance of the retail sector and the significant role it plays in the provincial economy. Helping to develop a retail strategy for the province is important.

2. The increase in dramatic weather events across Atlantic Canada is evidence that governments need action plans to mitigate the impact of climate change on critical infrastructure in the transportation sector. Most products sold in retail stores across Atlantic Canada arrive via truck and to a lesser extent, via rail. Many of the trucks and rail cars delivering retail product to Atlantic Canadian stores must travel through parts of New Brunswick, to reach their destination. As New Brunswick’s highways and rail systems are a vital part of the Atlantic Canada supply chain, the New Brunswick government is aware of the climate risks to areas like the Isthmus of Chignecto (connecting Nova Scotia and New Brunswick). While local, provincial and federal governments have worked together to complete a feasibility study of the climate risks to the Isthmus of Chignecto, debate continues over jurisdiction and the proper path forward. Nevertheless, each passing year seemingly increases the risk of storm surge flooding the Isthmus of Chignecto and rendering the Trans Canada Highway and the CN Rail line impassable. Given that this is the only viable land transportation route

between Nova Scotia and New Brunswick, lack of government action will have a significant impact on the economies of each Atlantic Province.

- a. If elected, will your party commit to work together with all levels of government to plan and implement timely solutions to the climate change challenges – like sea level rise at the Isthmus of Chignecto - that could severely impact the retail supply chain in New Brunswick and across the Atlantic region?

Yes  No

Comments Yes. A PC government is committed to working to find solutions with other levels of government to implement timely solutions to the climate change challenges like sea level rise at the Isthmus of Chignecto.

- 3. Retail employees (and their customers) are on the front line of increasing threats to their safety as a result of both organized retail crime as well as prolific and often violent offenders who use a range of dangerous weapons and tactics. Retail employees also face complex interactions with those dealing with mental health issues and drug induced behaviours. RCC has begun the execution of a coordinated strategy to address these issues in collaboration with police agencies, retailers, community groups and other key stakeholders.

- a. If elected, will your party support RCC’s initiatives with the Department of Public Safety and join other key stakeholders at the table in an effort to ensure a coordinated response to retail safety and crime?

Yes  No

Comments Yes. A PC government is committed to continuing its efforts to ensure citizens and businesses, their employees are able to live in a safe environment. To that end we have been working with policing agencies, and other stakeholders and are invested in continuing that effort.

- 4. Although many RCC members have generous paid and unpaid sick leave programs, the reality is that not all businesses are financially able to offer sick leave at the levels that have recently been contemplated in New Brunswick. Most provinces offer unpaid sick leave at levels that are similar to the existing mandate in New Brunswick as these governments understand the ever-increasing cost and staffing pressures on businesses.

- a. If elected, will your party commit to making **no** changes to sick leave provisions in the province?

Yes  No

Comments Yes

b. If you answered *No* to the last question: If your political party believes there is a social imperative for a significant and expensive initiative like introducing paid sick leave or dramatically increasing the number of unpaid sick days, will your party commit to offering such support through a government-funded program?

Yes  No

Comments \_\_\_\_\_

5. New Brunswick has established a predictable model for calculating annual minimum wage adjustments based on the Consumer Price Index. The approach helps ensure politics are removed from the process, and that minimum wage increases are balanced fairly between the interests of employees and employers. New Brunswick’s model also mandates a review, every two-years to ensure that the province’s wage remains competitive within the country. This approach provides businesses with predictability and allows them to plan for the cost increases throughout their salary scale that result from minimum wage increases.

a. If elected, will your party commit to maintaining the current model of determining annual minimum wage adjustments through a formula that is linked to the change in the CPI for the previous year?

Yes  No

Comments Yes \_\_\_\_\_

6. Competitive tax rates are an important tool for governments to attract and retain businesses. New Brunswick’s commercial tax rates are generally competitive within Atlantic Canada while the province’s Harmonized Sales Tax (HST) is equal to that in the other Atlantic provinces. However, Prince Edward Island recently lowered its small business tax rate to 1% while New Brunswick’s small businesses continue to struggle with the costs of doing business while competing with retailers from all over the world. During the summer of 2024, the Premier of New Brunswick promised that if re-elected, his party would lower the HST to 13%, over a period of two years.

a. If elected, will your party pledge to not raise corporate taxes (small and large businesses) or the provincial portion of the HST during your mandate so as to maintain New Brunswick’s competitive tax position within Atlantic Canada?

Yes  No

Comments Yes as you have noted, the PC party has already committed to lowering the HST to 13 percent. We set an example in 2019 to not adopt federal measures to passive income that would have a negative impact on small businesses. We set a further example in in June 2022 with the property tax relief program introduced to help owners of businesses, large apartment buildings.

b. If elected, will your party commit to lowering the small business tax to 1%?

Yes  No

Comments All of our commitments will be detailed in our platform document which is expect to be released in the near future.

c. Will your party commit to lowering the HST during your mandate?

Yes  No

Comments \_\_\_\_\_

7. During the 2010's, the New Brunswick government did not always provide the necessary leadership and direction in environmental stewardship. The result of this lack of leadership was as follows:
- a confusing patchwork of local initiatives to ban single use plastic bags.
  - a government mandated administrative structure for its environmental stewardship programs which is not harmonized with best practices from across the country.

Such actions have needlessly created public confusion, administrative red tape and increased costs for businesses in the province. Given the growth of extended producer responsibility programs in each province, combined with the small size of each Atlantic Province, it is imperative for each Atlantic government to work together and harmonize best practices related to solid waste regulations. A regionally harmonized approach avoids public confusion, reduces red tape and makes it easier for businesses to meet environmental mandates throughout the Atlantic region without creating needless administrative challenges.

- a. If elected, will your government take action to harmonize policies related to solid waste regulations across Atlantic Canada?

Yes  No

Comments Yes, we are committed to working with our Atlantic partners on solid waste management and are always seeking best practices.

#### RETURN SURVEY TO:

We would ask that you please return this survey as soon as possible to:

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 Atlantic Director  
 Retail Council of Canada  
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