

*Executive Council
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NE

PROPOSED
POLICY FRAMEWORK

1992-1996

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Proposed Policy Framework 1992-96

ISSUES AND TRENDS FOR THE 1990's

There are a number of social, economic, and even political factors at work in the current global environment that will have a major impact on New Brunswick. The emerging global economy is likely to force significant changes on New Brunswick over the 1990's decade, whereas the sluggish economic recovery has an almost immediate impact. These issues and trends have a major influence on the initiatives outlined in this Policy Framework document and it is important to understand them.

The most commonly mentioned trend is the global economy and the movement of trade among nations to a single economy with one marketplace. This was described by John Kettle as "the most noteworthy challenge for Canada in the 1990's" and it will include a process of deindustrialization with resulting job replacement being in the service industry. The federal government's recent Prosperity initiative with its emphasis on competitiveness is an attempt to respond to the impacts of a global market.

It is becoming increasingly evident that New Brunswick will no longer be able to place total dependence on its natural resources. While these sectors will continue to play an important role, attention must shift equally to the service industry, high technology manufacturing, and small business if we are to meet the goal of creating 25,000 new jobs. The most current example in New Brunswick is the forest industry which is struggling with a down turn in the price of paper and lumber as well as a longer term problem of the need to modernize in order to compete globally. It is now evident that there will probably be significant job losses in the more rural areas of the province as the industry struggles to modernize its pulp and paper plants and mechanize its woods operations.

Changes in the way food is produced and marketed, bought on to a large degree by the dictates of the new consumer of the 1990's, could impact considerably on the agriculture and fisheries sectors. World trading relationships and the probable demise of supply management stemming from GATT negotiations, could bring about significant changes in agriculture production in New Brunswick. The rationalization of fish processing, and more emphasis on quality, is another indication of the changes that are occurring.

These global and regional changes in the primary resource sectors will inevitably result in significant job losses which will have to be replaced with high technology manufacturing or service sector jobs. The establishment of a new ComDev plant to manufacture space components in Moncton is an example of the type of job replacement that will be required. It is also of significance to note that this job replacement process will likely gravitate to the larger urban areas.

Sectors such as high technology manufacturing, the service industry, the information sector, and small business will have to be given more attention in a new economic development strategy. Product quality must continue to receive priority attention and those industries that have a chance to survive must be upgraded and urged to adopt new technology and expand value-added activities. Part of these changes in our economic system include downsizing in the private sector with more emphasis on service quality. Foremost to all of this must be a major undertaking in the education and development of a well prepared, adaptable workforce.

The shift to a more competitive economy, and the need to rationalize public sector spending, will place increased pressure on both private and public sector operations and institutions as well as social programs. Public spending will come under much closer scrutiny while, at the same time, increased pressure will be placed on governments to deliver more efficient and cost effective health and other social programs. The same pressure that is now being felt in corporate management structures is now being felt in the public service. It is now evident that if provinces like New Brunswick are to continue to deliver a reasonable level of service to the public, they must seriously look at more efficient service delivery as well as downsizing of the public service. For example, the systems that are being used to deliver health and educational services to New Brunswickers may not be financially possible or even appropriate for 1990's.

One of the most significant trends of the 1990's is concern for the environment and the gradual shift to sustainable development. The private sector will have to factor this into their cost-benefit analysis and increased pressure for more public funds to correct environmental hazards will continue. The resource sector will have to shift to sustainable management, and processing, manufacturing, and even some service industries will have to build in the required environmental safeguards.

Other emerging trends that will impact on the Province are the growth of economic "dependence" movements (European Economic Community) along with a corresponding growth of cultural "independence" movements (Quebec, Soviet states). The continued move to develop world trading blocks (USA-Canada-Mexico) is an example of this movement as is the closer-to-home Maritime Economic Cooperation initiative.

Issues and trends that are having an immediate impact include the current level of public debt, decreasing federal transfer payments to the provinces, and the uncertainty caused by the constitutional crisis.

Both the immediate and longer term issues and trends have the potential to bring about significant changes in the fabric of our province and our country. It is against this backdrop that we must set the government's strategic directions and priority initiatives for the next four years.

POLICY FRAMEWORK PROCESS

Background:

In planning for fiscal year 1991-92 it was agreed that a Policy Framework was needed to provide clear policy guidance at the beginning of the budget process in order to influence the allocation of funding resources among department programs. This resulted in the completion of the Policy Framework 1991-92 document in September 1990 which was organized around the development thrusts of Toward 2000 and included 130 initiatives that were submitted by departments. Cabinet reviewed these initiatives during a two-day "off-site" Cabinet meeting, and agreed on a limited number of priorities that were to be considered for new funding. The resulting Policy Framework served as a companion document to the Fiscal Framework.

The recent provincial election, the appointment of new Cabinet Ministers and Cabinet Committees, and the reassignment of several Deputy Ministers provides the opportunity for a fresh approach to developing a policy framework for the next four years, with particular focus on the fiscal year 1992-93.

In order to obtain consensus and clarity on the government's priority directions for the near and the longer term, the Policy and Priorities Committee convened a two-day session in late October, 1991 for the purpose of establishing priority initiatives for recommendation to Cabinet. These deliberations were based around four major policy thrusts that are articulated in the Platform document NB Matters;

1. Human Resource Development
2. Economic Development
3. Fiscal Environment/Management of Government
4. Social Development

Proposed Priorities:

The results of this two day session, which was followed by consultations with Ministers and Deputy Ministers, as well as a review of the major commitments outlined in the election platform N.B. Matters, has yielded the proposed priority initiatives outlined in this document. It is recommended that implementation begin immediately, with new funding, if required, coming from the 1992-93 budget. In several cases, these longer term initiatives should lead to reduced costs in the delivery of services and programs over time, although initial investments may be required. A portion of the \$20 million annual allotment identified in the Platform for new programs would be used to support these initiatives. It is anticipated that the majority of these initiatives would be carried on over the four year period (1992-1996).

A number of other issues were also identified for action and/or immediate implementation. For the most part, they would be carried out using existing resources but a modest amount of new and/or expanded funds may be required for some of them.

The Platform document NB Matters constitutes a public statement of government intentions. 223 commitments and/or initiatives and a four-year implementation plan have been formulated to help ensure that all commitments are fully implemented by 1996. It is understood that these commitments form part of the priorities for the 1992-96 period and will receive due consideration during the annual budget process.

Conclusion:

New Brunswick has entered an era where global economic partnerships prevail and our business and industries as well as institutions and the public sector must restructure if the Province is to compete successfully. We can no longer continue to depend heavily on our natural resources and further diversification of the provincial economy must be a key part of a future economic development strategy. The continued delivery of social programs and environmental initiatives will have to be done more efficiently and within stricter spending limits. The priority initiatives that follow flow from the issues and trends that are articulated in this document.

HUMAN RESOURCES DEVELOPMENT

- (1) Excellence In Education
- (2) N.B. Works Inc.
- (3) Improved Labour Relations
- Other Issues

HUMAN RESOURCE DEVELOPMENT

TITLE OF INITIATIVE:	Excellence in Education
DESCRIPTION:	<p>The commitment of the province to embark on a fundamental review of our education system was made in the 1991 Throne Speech. Two Issues papers will be released for public discussion and input. Issues to be raised include: the objectives of our educational system, educational standards, length of the school year, teacher training, the relationship between the various components of the system and the role of the private sector and of the labour market in continuing education and training.</p> <p>A parallel, and related exercise will be undertaken to consider the rationalization of school boards across the province. Savings generated through administrative efficiencies would be available for investment in the classroom.</p>
OBJECTIVE:	<p>To develop a comprehensive Action Plan for bringing about the changes in our educational and training programs that are required to achieve the goal of a well educated work force.</p>
RESPONSIBILITY:	<p>Commissioners Department of Education Department of Advanced Education and Labour</p>
PROCESS AND TIMING:	<p>Two Commissioners have been appointed and will be responsible for carrying out broad consultation with all stakeholders and advocacy groups in the larger communities. A committee of Ministers and Deputy Ministers of the key Departments and a small secretariat will support the Commissioners in the management of the initiative.</p> <p>Timing: Late fall and early New Year - release of Issues papers. December - March 92 - Public advocacy and stakeholder negotiations through the Commissioners. March 1992 - Report and recommendations on the public school system. June 1992 - Report and recommendations on universities, community colleges, training and life-long learning.</p>

HUMAN RESOURCE DEVELOPMENT

TITLE OF INITIATIVE:

N.B. Works Inc.

DESCRIPTION:

The provision of education, training and work experience for all employable income assistance recipients is viewed as a realistic goal. It is proposed to establish a quasi-public board or non-profit corporation which could include business, labour and government. The mandate of the organization would be to develop suitable occupational/learning experiences for DIA recipients. Unemployed individuals would move through a series of work and training experiences designed to maintain the work ethic and to prepare them to participate effectively in the labour force.

N. B. Works Inc. would have at its disposal funding which is currently being spent on income assistance recipients in areas such as: income assistance, unemployment insurance, job creation projects, literacy training, community college training, silviculture and other resource based activity. Negotiations would be required with UI and CAP on the possibility of federal participation.

OBJECTIVE:

This initiative is intended to radically refocus the provision of income assistance and services to income assistance recipients in order to accelerate their return to meaningful employment.

RESPONSIBILITY:

Department of Income Assistance
Department of Advanced Education & Labour
Steering Committee of Ministers and Senior
Officials

PROCESS AND TIMING:

A Steering Committee has been established to prepare an outline of the concept for consideration of government this fall. Some elements of the concept can be actioned in this fiscal year, while others will require further development and negotiations, particularly with the federal government and the private sector.

HUMAN RESOURCE DEVELOPMENT

TITLE OF INITIATIVE:	Improved Labour Relations
DESCRIPTION:	There is a need to establish a labour-management forum which could play an effective role in resolving problems connected with labour relations in the public and private sectors. The forum would be a formal, on-going structure which would bring together labour and management representatives from the industrial, construction and public sectors and provide lines of direct communication with the government. This will be of increasing importance as government attempts to deal with its fiscal problems.
OBJECTIVE:	The establishment of a formal and on-going mechanism for labour-management consultation that is carried out in a forum removed from the collective bargaining process.
RESPONSIBILITY:	Department of Advanced Education and Labour Department of Finance
PROCESS AND TIMING:	The Department of Advanced Education and Labour is initiating the process. The forum should have its first meeting this fall.

HUMAN RESOURCE DEVELOPMENT - OTHER ISSUES

Children in Poverty - In concert with Excellence In Education, priority attention is to be given to poor children in or about to enter the school system. Initiatives would include increasing the availability of Headstart and other early intervention programs, a nutrition program, and more support to disadvantaged families with children. (Education to develop initiatives in concert with the Excellence in Education proposals.)

Labour and Trade Group Inventory - In order to carry out effective labour market planning, it is essential that adequate information be available on the skills and qualifications of current workers. In the trade and skilled worker area it should be possible to develop an inventory of journeymen and other qualified workers by occupation, years of experience, location, etc. (The Department of Advanced Education and Labour to develop such an inventory.)

Expand Role of Private Sector Training - It is essential that the private sector assume responsibility for the skill development of their workers. The role of government includes ensuring that graduates possess the basic skills required for employment, however, specific skill development can only occur in the workplace. The notion of a Learning Culture has to be developed in industry. (This issue will be addressed through the Excellence in Education initiative and will require the active participation of the Department of Advanced Education and Labour.)

Senior Mentors Reading Program - As part of the provincial literacy efforts, consideration should be given to establishing stronger links between young people and seniors. It should be possible to develop a mentorship program to permit seniors to play a stronger role with students in areas such as reading, storytelling, writing etc. (The Minister of State for Literacy, along with Education, is to pursue this initiative.)

Entrepreneurship - Entrepreneurship should be part of the total curriculum of the school system. We need to get private companies, such as the Irving's and McCain's and other business groups involved. The role of Industrial Development Commissions should also be explored. Business-education partnerships need to be encouraged. (Education and AE&L will be asked to develop this initiative following recommendations of the Excellence in Education initiative.)

Revised Student Aid Program - In New Brunswick, university students pay only 16% of the cost of their education. This should be reviewed along with the issue of parental contributions. The student aid program should be used for students with accessibility problems, such as those from low income families. (Advanced Education and Labour is to bring forward options for consideration.)

Engineering Graduates - A target to double the number of engineering graduates in five years should be considered. The number of engineering graduates is not keeping pace with the increase in demand. An Action Plan with measurable targets should be developed by MPHEC and the universities. (AE&L to coordinate.)

Literacy Initiative - This initiative is underway, however, it must set measurable targets for success. Features include: community literacy centers, community based GED, retention rates, high school graduation rates, and literacy rates. (Minister of State for Literacy to prepare plan and targets for review.)

ECONOMIC DEVELOPMENT

- (4) Economic Development Strategy
- (5) Food Production and Processing
- (6) Forest Industry
- (7) New Brunswick Quality
- (8) Urbanization
- (9) Maritime Economic Cooperation
- (10) Environmental Strategy
- (11) Land Use and the Rural Environment
- Other Issues

ECONOMIC DEVELOPMENT

- TITLE OF INITIATIVE:** Economic Development Strategy- Toward 2000 Update
- DESCRIPTION:** The Strategy will build on the success of Toward 2000 and will include a comprehensive economic development policy for the 1990's with emphasis on a series of new economic initiatives for the 1992-95 period. Emphasis will be placed on human resource development, the stabilization of our natural resource sectors, industrial development, tourism and the service industries, small business, transportation, communications, and the information sector. Part of the exercise will include a sectorial analysis of the resource sectors. The F.T.A. will be assessed to help identify market niches. Increased exports, trade and investment promotion will play a key role as will technological innovation, research and adaptation. The strategy will also look at a three way partnership approach involving industry, labour, and government.
- OBJECTIVE:** The completion of a comprehensive Economic Development Strategy to guide the province through the 1990's.
- RESPONSIBILITY:** Economic Development Departments
Resources Departments
R.D.C.
Policy Secretariat.
- PROCESS AND TIMING:** The process is to start this fall through an interdepartmental co-operative approach and may include consultation with industry and labour. External resources will also be sought to help complete the Strategy. The exercise is to be completed in 1992 with implementation over 3 years of the mandate.

ECONOMIC DEVELOPMENT

- TITLE OF INITIATIVE:** **Food Production and Processing**
- DESCRIPTION:** "Toward 2000" included an initiative to develop and implement a comprehensive food policy. The Food Production and Processing Policy has been developed around the central goal of increasing demand for N.B. food products with emphasis on increasing value-added activities and employment. It encompasses both agricultural and seafood products, and was designed to guide government in its efforts to encourage and support an efficient and competitive food sector within the province in a free trade environment. Changes in world trading relationships, in consumer preferences, and in technology are creating new and expanded opportunities as well as challenges in the food sector.
- OBJECTIVE:** To implement the Food Policy which is designed to assist the food industry to better position itself to capture trading opportunities, build on N.B.'s comparative advantages and seek ways to improve productivity and efficiency.
- RESPONSIBILITY:** Department of Agriculture
Department of Fisheries and Aquaculture
Economic Development and Tourism
- PROCESS AND TIMING:** An Interdepartmental Coordinating Committee on food production and processing has been established to attain the goals of the Food Policy within the next four years, and to ensure coordination of its development initiatives.

ECONOMIC DEVELOPMENT

TITLE OF INITIATIVE:	Forest Industry
DESCRIPTION:	<p>Present market conditions, and the need for modernization of facilities have induced a state of crisis in the forest industry. The pulp and paper sector is particularly affected, and thousands of jobs are threatened in all industry segments. A Ministerial committee has been struck to address the long-term competitiveness of provincial forest production.</p> <p>Two sets of initiatives will be required, one to maximize productivity in the forests and another to ensure that processing facilities can cope with expected competitive pressures.</p>
OBJECTIVE:	<p>To resolve long-term problems of competitiveness among forest companies, on a joint basis with business and labour.</p>
RESPONSIBILITY:	<p>Natural Resources and Energy Economic Development and Tourism</p>
PROCESS AND TIMING:	<p>The Ministerial committee, supported by officials from relevant departments will deal with the shorter-term dislocations caused by current market conditions, while working on approaches which will yield a competitive and resilient industry over the longer-term. Various immediate cost-cutting measures will be examined, in conjunction with unions and the companies. It will be important to update management of resource protection and harvesting and plant efficiency, to protect short-term investments.</p>

ECONOMIC DEVELOPMENT

- TITLE OF INITIATIVE:** New Brunswick Quality
- DESCRIPTION:** A quality assurance program is already in place to help business compete more successfully on national and international levels. This effort will be expanded throughout the public and private sectors to include a wider range of products, travel facilities, and other services. Businesses would have to meet an established set of high quality standards before receiving authority to attach a special quality designation to their product. The standards would be set through a private-public sector mechanism. The program would be long term and would hopefully result in associating New Brunswick as a producer of high quality products and high quality services. As part of this effort, a NB Institute of Quality will be tested out with the private sector.
- OBJECTIVE:** To establish an image of New Brunswick nationally and internationally as a place where products/services are known for their exceptional quality. (N.B. - The Quality Province!)
- RESPONSIBILITY:** Economic Development and Tourism.
- PROCESS AND TIMING:** The program would be developed in cooperation with ACOA and the private sector in 1992-93 for implementation beginning 93-94.

ECONOMIC DEVELOPMENT

TITLE OF INITIATIVE:	Urbanization
DESCRIPTION:	<p>Municipalities and LSD's will continue to play an important role in the delivery of essential services to residents but ways must be found to reduce cost and increase efficiency. Amalgamation, regional service delivery, larger LSD's, and Metro style governments will be considered for implementation in select communities. A comprehensive plan needs to be developed and it should include a planned approach to the selection of areas in need of attention in the province. Incentives to amalgamation should be looked at, including savings that may result from economies of scale and the use of the grant system.</p>
OBJECTIVES:	<p>To improve the efficiency and cost effectiveness of local government service delivery through the rationalization of local government organizations and structures.</p>
RESPONSIBILITY:	<p>Municipalities, Culture and Housing.</p>
PROCESS AND TIMING:	<p>Analysis and implementation plan to be completed in 1992 and is to include recommended locations where discussions with the municipalities could be initiated in late 1992 or early 1993. Actual implementation would begin in selected communities in 1993.</p>

ECONOMIC DEVELOPMENT

- TITLE OF INITIATIVE:** Maritime Economic Cooperation
- DESCRIPTION:** The governments of the Maritime provinces are committed to achieving economic self reliance for their provinces and improving the well-being and prosperity of their people. One major way of achieving this is through economic cooperation and the work will involve most departments and agencies of all 3 governments.
- Twenty-eight areas of potential cooperation and savings are being examined, among them government procurement, bulk purchasing, export promotion, employment mobility and education.
- OBJECTIVES:** To remove barriers restricting the mobility of goods, services, people and capital in the Maritime provinces and to create opportunities for greater cooperation and common action in selected activities.
- RESPONSIBILITY:** The Council of Maritime Premiers
The Lead Minister for the Province
Ministers for particular topics or subject areas.
- PROCESS AND TIMING:** Twenty-eight working groups are preparing reports and recommendations on their area of interest. These will eventually be submitted to the Council of Maritime Premiers and presented to the Forum of Cabinets in 1992.

ECONOMIC DEVELOPMENT

TITLE OF INITIATIVE:	Environmental Strategy
DESCRIPTION:	<p>A clean environment is a positive ingredient for business development, with the increasing emphasis on quality of life and the location of business activity where people want to live. Economic development which does not take proper account of environmental impacts is expensive for the public treasury.</p> <p>The following initiatives will form the core of the government's priorities in this area:</p> <ol style="list-style-type: none">1. Development of a comprehensive clean air strategy and new legislation, if required.2. Finalization of a Sustainable Development Strategy for New Brunswick, and negotiation of a Sustainable Development Agreement with the Federal Government.3. Development of policies regarding hazardous materials management, including a hazardous waste management regulation.4. Development of a clear, consistent Enforcement Policy.5. Development of a "white paper" proposing changes in New Brunswick's Environmental Impact Assessment process.6. Continuation of the solid waste management program aimed at creating a total of 12 state-of-the-art waste disposal units.7. Continuation of roadside beautification initiatives, forest renewal, clean-up of rivers, lakes and streams and various conservation and education measures.8. Special clean-up efforts would include the Little River in Saint-John, the L'Etang Estuary, and the Miramichi.
OBJECTIVE:	To develop an integrated approach to environmental protection and sustainable development.
RESPONSIBILITY:	Department of the Environment.
PROCESS AND TIMING:	Implementation over the full four years as resources permit.

ECONOMIC DEVELOPMENT

- TITLE OF INITIATIVE:** Land Use and the Rural Environment
- DESCRIPTION:** A variety of land use issues have been identified in N.B. related to environmental and socioeconomic problems resulting from the use of land, conflicts between uses, and land use controls. N.B.'s competitiveness in food production relies heavily on the availability of a well managed and productive land base. A commission will be formed to examine the issues and will include the preparation of a discussion document, broad public consultation, and finally the submission of recommendations to government on land use policies and the most effective ways to implement them. A wide variety of issues will be addressed under the categories of protection and conservation of the rural environment, residential settlement patterns and impacts, and the siting of economic activities. The exercise is expected to have a major impact on the future development of N.B.
- OBJECTIVE:** The objective of the Commission would be to recommend policies to the government that would lead to a reduction in land use conflicts and protect and enhance the quality of the rural environment.
- RESPONSIBILITY:**
- Commission on Land Use and the Rural Environment
 - Department of Environment
 - Department of Municipalities, Culture and Housing
 - Resource Departments
- PROCESS AND TIMING:** Appointment of a 3 or 4 person commission in December 1991 that would operate for 14 months. A discussion document would be ready by March, 1992 and public consultation would take place during the April 1 - June 15, 1992 period. A final report would be ready by December, 1992.

Economic Development - Other Issues

Pool of Capital For Development Purposes - Two major initiatives would be implemented to help increase the availability of risk and seed capital. A Community Bond Program would encourage the establishment of community corporations that would invest in local business projects. A Crown Investment Management Corporation would be created to manage certain public sector trust funds with an emphasis on investment in the local economy. (Economic Development and Tourism to bring forward proposals this fall.)

Cross Border Shopping - Development of program to alleviate a current loss in gross sales of approximately \$200 million and a loss in consumption tax revenues of over \$25 million. Would include reduced gasoline taxes and corresponding increase in vehicle licensing fees, harmonization of GST and PST for out-of-province purchases only, discount beer sales at selected border points, and more liquor agency stores in border communities. (Economic Development and Tourism and Finance to bring forward a proposal this fall.)

Reform of Liquor Taxes and Regulations - A program to be developed in consultation with the tourism industry to help reduce travel costs. Would include a reduction in liquor consumption taxes, more liberalized liquor laws, and integration of the GST in quoted prices. (Finance and Economic Development and Tourism to bring forward a package of recommendations this fall.)

Responsibility Centre for Privatization - A number of areas have been identified for possible privatization (custodial services, highway signs, campgrounds, Bon Accord seed farm, etc.) and a responsibility centre is needed to plan and coordinate a common effort. (Comptrollers Office proposed as centre of responsibility to bring forward a proposal in 1992-93.)

Housing Program - The development of a program to stimulate the housing construction sector. Initiatives to be considered include reduced taxes on building materials, an amendment to the 2nd mortgage assistance program and collection of a certain percentage of real estate fees. (Municipalities, Culture and Housing to bring forward a package of recommendations in 1992.)

Agriculture - Chicken Production and Processing - An investigation of the possibilities of increasing production and processing activity through a major amendment to the supply management system. (Agriculture to carry out an analysis in 1992.)

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N.B. Product Promotion - A redesigned program to promote the use of more N.B. products in both the private and public sectors within the province. (Economic Development and Tourism to develop a proposal for implementation in 1992.)

Tourism - Tourism development activities by the Province will place emphasis on the private sector and will include support to industry associates, cooperative marketing activities, scenic roads and trails, year-round tourism, and more attention to quality and training. Emphasis will also be placed on tourism initiatives under the Maritime Economic Cooperation initiative. (Initiatives to be phased over 4 years and brought forward by Economic Development and Tourism.)

Infrastructure (Highways) - The infrastructure priority will continue to be the Trans-Canada Highway while, at the same time, other arterial highways and rural roads will continue to receive appropriate attention as well. The Province will persist in its efforts to obtain Federal financial participation for this initiative. (Capital development initiative; Department of Transportation responsibility.)

FISCAL ENVIRONMENT/MANAGEMENT OF GOVERNMENT

- (10) Downsizing/Efficient Government Service Delivery
- (11) Basic Program Review
 - Other Issues

FISCAL ENVIRONMENT/MANAGEMENT OF GOVERNMENT

TITLE OF INITIATIVE:	Downsizing/Efficient Government Service Delivery
DESCRIPTION:	<p>The structures and operations of the public service will have to be reformed to meet the socioeconomic and financial realities of the 1990's. Foremost will be the downsizing of the public service, multi-year budgeting, improved labour-management relations, and the possible privatization of some services. New quality management initiatives will be formulated to significantly improve the quality of services that are delivered to the public. Regional access centres (one-stop shopping) and a quality service program will be looked at as part of this overall government service delivery initiative. Fundamental to this initiative will be a review of all major government programs.</p>
OBJECTIVE:	<p>To significantly improve the quality, efficiency, and cost effectiveness of provincial government services to the general public.</p>
RESPONSIBILITY:	<p>Department of Finance. Policy Secretariat</p>
PROCESS AND TIMING:	<p>Finance and Policy Secretariat to work in cooperation with other departments and bring forward a comprehensive proposal. A plan would be developed beginning in late 1991 and implementation would begin in 1992.</p>

FISCAL ENVIRONMENT/MANAGEMENT OF GOVERNMENT

TITLE OF INITIATIVE:	Basic Program Review
DESCRIPTION:	The current fiscal situation, the limited ability to increase taxes, and the current downsizing initiative have led to the need to carefully review all of the basic programs of government. This initiative would provide better guidelines to help downsize government operations. It would also be coordinated with the initiative to deliver more efficient services to the public. Legislation, administrative structures, advisory boards, and the number of committees will be looked at as part of this review. All departments and agencies of government will be called on to participate in the exercise.
OBJECTIVE:	To review all major programs of government to determine whether any of them can be logically eliminated and/or reduced in the interest of efficiency and fiscal rationalization.
RESPONSIBILITY:	Department of Finance Policy Secretariat
PROCESS AND TIMING:	Finance is to take the lead role and bring forward a proposal immediately. The review analysis would be carried out during the budget process with a view to beginning implementation in 1992-93.

Fiscal Environment - Other Issues

Inventory of Federal/Provincial Agreements - In the current period of fiscal restraint, there is concern that the Province does not have adequate control of its own resources. The proliferation of federal/provincial agreements is a matter of particular concern. There is a need to prepare an inventory of all such agreements, and provide an assessment of their effectiveness and priority. (The Regional Development Corporation will be asked to bring forward a report.)

Taxation System - There are a number of critical questions which exist in the public with which require resolution. A discussion paper on taxation will address such issues as: minimum taxation for all income earners and companies; the balance between personal and corporate tax; provincial flexibility within the federal tax scheme; and the tax load being carried by middle level earner's. (The Department of Finance is to prepare a discussion paper on the taxation system.)

Municipalities - Expenditures at the municipal level have increased by 8% in the current fiscal year. There is concern that municipal governments are not placing the same degree of restraint on expenditures as is happening provincially and federally. Expenditure decisions are being passed on to citizens in the form of higher property taxes. It is also felt that the quality of administration at the municipal level varies greatly, with some municipalities spending an inordinate amount on overhead. (The Department of Municipalities, Culture and Housing will be asked to conduct an analysis of municipal expenditure patterns.)

Eligibility for Income Assistance and Workers Compensation - There is concern that the ability to access long-term assistance under these and other programs is far too open. The notion of an independent review panel to assess applications for long-term assistance is suggested as one means of ensuring the integrity of these programs. (The Department of Income Assistance and the Workers Compensation Board will be asked to review their screening procedures for applicants.)

Community Involvement in Capital Projects - Concern has been expressed that community expectations for new capital facilities continues to grow. Financing alternatives that factor in incentives/disincentives need to be considered, including the stipulation of requiring a community financial contribution to community projects (hospital, school, community centre, etc). The concept is in effect in some provinces and needs to be seriously looked at for N.B. Funding formula such as one based on a per capita or per student contribution need to be considered as well as the regular cost sharing method. (Finance to work in cooperation with Supply and Services and bring forward a proposal.)

Partnerships and Renewal - Three areas that can have a major impact on the economic, social, and political life of N.B. are renewed federalism, linguistic equality, and aboriginal participation. Initiatives in these areas will include public hearings by the N.B. Commission on Canadian Federalism, enhancement of the linguistic equality principle, and initiatives that lead to more active participation by aboriginals in the political life of N.B. (Intergovernmental Affairs to pursue these initiatives).

SOCIAL DEVELOPMENT

(12) Comprehensive Health Strategy

- **Other Issues**

SOCIAL DEVELOPMENT

- TITLE OF INITIATIVE:** **Comprehensive Health Strategy**
- DESCRIPTION:** Health services costs are the largest budgetary item of the provincial government and their annual rate of growth far exceeds that of the average growth in revenue. Approximately one third of the ordinary operating account of the province is expended on health services. Using the recommendations of the McKelvey-Levesque report as the point of departure, the Department of Health and Community Services will bring forward a major rationalization plan for the delivery of health services. This plan will cover all aspects of the health care system, including an analysis of the number of hospital beds required around the province, an expansion of the extra-mural hospital program, the single entry point for seniors etc. It must be recognized that the provision of a rationalized system will require additional investment in some types of service and the elimination, in some location of other types of services.
- OBJECTIVE:** The objective of the rationalization plan is to provide an appropriate level of health care in the province.
- RESPONSIBILITY:** Department of Health and Community Services
Mental Health Commission
- PROCESS AND TIMING:** The Department of Health and Community Services will present its rationalization plan to government this fall. It is likely that acceptance and implementation of the plan will require considerable public debate. The plan will contain a schedule for implementation which will begin early in 1992.

Social Development - Other Issues

Administration of the Justice System - The objective would be a revision of the justice system to ensure that it serves all citizens of the province. The key issue to be addressed is equality of access but it would also look at the quality of the judiciary system, operational efficiency, and consistent delivery of service around the province. (Justice to undertake a detailed review of the justice system beginning this fall.)

Culture - Questions about the future of key cultural institutions such as the N.B. Museum as well as concerns about the level of involvement in heritage by communities and special interest groups, point to the need for a new museums and heritage policy as well as an update on legislation. Implementation of the new Cultural Development Strategy should be phased over the period of the four-year mandate. (Municipalities, Culture and Housing to come forward with a policy proposal in the near future.)