

March 25, 2015

[Original]

Atcon

Mr. Fitch: Yesterday, as we all know, the Auditor General delivered her report on the Atcon fiasco, and we expect that her report will lead to further inspection of this shameful chapter in the history of the Liberal Party. First and foremost, it seems that our duty is to make absolutely certain that this type of event can never happen again in New Brunswick, and the Auditor General made recommendations to that very purpose.

I would like to direct the attention of the House to the report, pages 41 and 42, sections 2.66 to 2.71, to be specific, under the heading “Legislative authority to amend security was unclear”. This is in the report that I am referring to today. It refers to “the Minister” a number of different times on pages 41 and 42. Would the Premier please tell the House today who that minister was?

[Translation]

Hon. Mr. Gallant: Obviously, we want to thank the Auditor General for her work, especially on this file. We appreciate receiving her advice and recommendations regarding this situation. I do not have this section in front of me, but I am sure that the member opposite is trying to raise an issue, so I am going to let him name the person involved whose name he is trying to get me to say.

What I can tell you about this file is that our priority is job creation. We have made it very clear that we have to change the way we do things in order to develop the economy. Our approach needs to be more proactive and diversified. We also need to learn from past mistakes, and I am very pleased that we have the Auditor General’s report, because it will help us to accomplish that.

[Original]

Mr. Fitch: That is just unacceptable. The Premier has prided himself on being one of the most well-read persons in New Brunswick. When Richard Saillant’s book came out, the Premier had read it in a very short period of time. We know that the government has probably had this report for a number of days now. I am surprised that the Premier would not know what we are talking about. Perhaps he could just ask some of the other ministers who were present at the time. I am confident that the Premier knows whom I am referring to.

On pages 41 and 42, in sections 2.66, 2.67, and 2.68, and so on, right up to 2.71, there are references to “the Minister”. Will the Premier tell us here today whom they are referring to in this document on pages 41 and 42?



Hon. Mr. Gallant: I am more than willing to answer questions regarding this file. I am more than willing to answer questions regarding the report of the Auditor General. I am not going to venture to say that I know every paragraph, which person the Auditor General is talking about, or what specific situation she is talking about in every sentence. I do read. I cannot remember things of that nature in detail.

I hope the member opposite is going to continue his line of questioning because I certainly think that this is an important topic that we should discuss. However, I hope that he will raise the level of the questions. I apologize for not knowing exactly which sentence refers to which person. If the member opposite will kindly just make the point that he is trying to make, we can move on and discuss this important document and report that was given by the Auditor General.

Again, economic development is our number one priority. We have to do it differently. We recognize that. That means learning from our mistakes, and that is why I am very happy that the Auditor General has done what she has done. We will take her recommendations seriously.

Mr. Speaker: Time, Premier.

Mr. Fitch: This is a very, very important question because it concerns taxpayers' dollars in New Brunswick. The same bunch of people who were involved in the Atcon fiasco are in the Premier's Cabinet and make up 50% of his Cabinet.

If the Premier does not know which section or paragraph, I would be more than happy to have a page take it over to him so that he can read it. It comes right out of the report, on pages 41 and 42. The Premier can try to bluff his way through question period today, and that is fine. He can ask the people next to him, because they were there and they know. I am sure they have had the chance to read this thing.

The question is to the Premier: If he does not know or does not want to tell us today, will he undertake to report back to the House, once he has had a chance to read those two pages, on which minister those two pages are referring to?

Hon. Mr. Gallant: I will do no such thing. This is not a game of *Guess Who?* The Legislature is an important body, an important institution in our democracy. I will gladly answer any substantive question that the opposition has and would like to put before us regarding the report of the Auditor General.

I would like to talk about how we, as a government, are going to learn from our mistakes. I want to talk about how we are going to ensure that we change the way we develop the economy as well as how we focus on what I believe is our collective priority of job creation.

I am sorry, but I will not dive into every sentence and every word in the Auditor General's report to try to guess whom she is talking about. I am sure that the member opposite has a point to make. I will be glad to listen to the point, and I will certainly be glad to answer any questions that



he has. However, I will not resort to having the Legislature become a game of *Guess Who?* I ask the member opposite to ask us questions regarding this important report, and I will be very happy to answer them.

Mr. Fitch: Again, the Premier is the chief elected official here in the province. He says he wants to learn from his mistakes. This is an important question, and he wants to shuffle it under the carpet. This is important because the way you learn from your mistakes is by finding out who made those mistakes. That is why this question is so important. You find out who made the mistake, then you ask what were the person's justifications or understandings as to why his or her actions led to that particular mistake, and then you make the changes, be it legislation, policy, rules, or regulations. You make those changes to make sure that the mistake never happens again.

The Premier has put himself in a corner again today. I have given him the option of asking some of the half-dozen who were there before—he has not done that—and reporting back to the House. Maybe he is getting a call from somebody who is saying: I know who it is. The Premier had better give the answer because we are not going to let up on that. We want to learn from our questions. Who is the minister to whom they are referring?

Hon. Mr. Gallant: If the member would like to know whom the Auditor General is referring to, he can certainly ask the Auditor General. I am sure she will be happy to let him know whom she was speaking about.

I want to make one clarification. The member opposite is trying to give the impression that I have said we have to learn from my mistakes. I said no such thing. We have to learn from the mistakes that our governments have made over many, many years and many, many decades. We have to ensure that we change the way we develop the economy. We have to ensure that we learn from the mistakes of past governments, which is what we are going to do with the Auditor General's report.

We are also going to ensure that we learn from mistakes such as the Orimulsion issue. The member opposite was the minister responsible for that boondoggle. We are going to learn from mistakes like Bricklin and Atlantic Fine Yarns. We are going to ensure that we learn from mistakes like the refurbishment of Point Lepreau.

(Interjections.)

Mr. Speaker: Order. Order.

Hon. Mr. Gallant: We are going to learn from the situation that is before the Legislature today.

Mr. Speaker: Time, Premier.

Mr. Fitch: It is interesting. We could take each of those items that the Premier has just brought up. We could look back, and we could learn from those issues. Whether it was found in a court of



law that a contract actually did exist between NB Power and Venezuela... That was debated in a court of law.

The report came out yesterday. We are looking at exactly what happened here. We are looking at why individuals carried out certain actions. For instance, could the Premier possibly tell us why the minister he will not name released the province's security on the loan back in 2010? Again, we are trying to find out why a minister would release the province's security and put the shareholder, the Bank of Nova Scotia, in front of the taxpayers of Nova Scotia. We want to understand from the individual involved why he or she would have come to the conclusion that it would be good for the taxpayers of New Brunswick.

Hon. Mr. Gallant: I will not speak for others. I will speak for our government. We are very focused on job creation, we are very focused on ensuring that we change the way we develop the economy here in New Brunswick, and we are very focused on learning from the mistakes of past governments.

I think it is quite ironic to have the member opposite today trying to insinuate that the Orimulsion issue was not a mistake and that it was fine. It was actually a mistake that cost this province almost \$1 billion. Then we have Atlantic Fine Yarns. Year after year, more and more money went into that project under previous Conservative governments, and, unfortunately, that went down. On top of that, we had the Point Lepreau refurbishment, on which we found cost overruns of over \$1 billion.

What is interesting is that the Orimulsion issue and Point Lepreau were, at the time, both under the Energy Minister, who is now the member opposite who is asking the questions today. We do not want to talk about those things. We want to learn from them collectively. That includes mistakes by previous Conservative governments and mistakes by previous Liberal governments.

Mr. Fitch: It is interesting. Today, the member opposite wants to rewrite the history of Atlantic Fine Yarns, Orimulsion, and things like that. The interesting part is that the recommendations with respect to those items were all approved through the civil servants and the work that was done. The civil servants said: Do not give the loan to Atcon. They were adamant that would fail. That is where this government and the people involved... Of the 12 Cabinet ministers that the Premier has appointed, 6 were at the table when they went 180° against the civil servants and cost the taxpayers \$70 million.

There is a diametrical difference between what the Premier is trying to allude to and what we are doing here today. Again, we are just trying to learn from the issues at hand and see whether legislation or things can be changed to make sure that it does not happen again.

Mr. Speaker: Time, member.

Hon. Mr. Gallant: One thing that we will do very differently in this government, unlike what the member opposite was trying to do in his last remarks, is that we will understand that ultimately we make the decisions. Ultimately, we will be held accountable and responsible for those



decisions. We will not try to hide behind the civil service, as the member opposite tried to do in the previous boondoggles in which he was involved. We are going to ensure that we learn from the mistakes of the past.

I am quite surprised. I thought that the questions today would be about how we are going to move forward on some of the Auditor General's recommendations. I can tell you that our government is taking them very seriously. We have asked the CEO of Opportunities New Brunswick, Stephen Lund, to make sure that he is in contact with the Auditor General so that we implement as many of the recommendations as possible. He will update us on the progress. In fact, he has already met with the Auditor General. As you can see in the Auditor General's report, the government has been very helpful in letting her know what we are doing and what we are going to try to accomplish with her recommendations.

Mr. Fitch: Perhaps the Premier can tell us why, on September 2, 2009, the Cabinet refused a financing request for Atcon. Yet, a week later—a week later—the same memorandum to Executive Council, with no modifications, was agreed to. Why did the Cabinet change its mind from one week to the other after not approving the loan? The same MEC was put onto the Cabinet table again, and its members approved the loan. The Premier was not there, but perhaps he can ask some of his Cabinet ministers because half a dozen of them were there at the time. Why was that loan approved with no modification after it was refused the week before?

Hon. Mr. Gallant: I cannot answer that question because I was not there. We can guarantee you that we are not trying to run away from this issue whatsoever. In fact, it is very much the opposite. I am willing to answer any question that the member opposite has and that I can answer in terms of leading this present-day government.

I will certainly tell the member opposite and all the people of New Brunswick that we take this matter very seriously. We thank the Auditor General for her good work. As well, we thank the Conflict of Interest Commissioner, who dove in and did some good work on this file. We completely understand that New Brunswickers are frustrated. We completely get that. They are frustrated by files like this and by files that I have named already.

We are not going to spend time trying to place blame on one party or the other. What we are going to focus on is how we can move forward, how we can learn from these mistakes, and how we can put in place things to make sure that we protect New Brunswickers' money and their trust in government as much as possible. That is what we are going to do.

Mr. Fitch: The Premier was not there so he obviously has not done his homework on this file. It is an important file. A number of MLAs who were elected in the last election were involved with this. Perhaps I will start going down the list.

Would the member for Shediac—Beaubassin—Cap-Pelé answer the last two questions that I have just put to the Premier?



Hon. Mr. Gallant: I think that it is unfortunate. We could be having a strong debate about how we improve economic development in the province moving forward. Again, I do not want to spend time talking about the Orimulsion issue. I do not want to spend time talking about the Point Lepreau cost overruns or about Atlantic Fine Yarns. What I would like to talk about collectively, with everyone in the Legislature and with all New Brunswickers, is how we move forward and learn from these mistakes.

What I find interesting is that the member opposite was a minister in the previous government. The Auditor General had recommendations in 2010 and 1998 on how to improve economic development. Many of those recommendations were not implemented by the previous government.

The difference is that we will work with the Auditor General. Our Opportunities New Brunswick CEO will work hand in hand to ensure that we improve economic development in the province, we protect taxpayers, we protect the people of New Brunswick, and we focus on creating jobs so that people have opportunity at home.

Mr. Higgs: I would suggest that we, in fact, worked with the Auditor General to update the guidelines surrounding access so that the Auditor General would have more visibility and more opportunity to question the actions of the government. It was the first time in 30 years that it was done. That is real, meaningful change.

We have spoken about the Jobs Board, and the Premier has mentioned this many times. When we look at the members, the taint of the Atcon scandal is unmistakable. Over half of the members are connected to Atcon. When we read the opening line of the October 9 Jobs Board press release, it is a real concern. "Changes to the cabinet committee structure will shift power from unelected advisors to cabinet ministers and allow for an increased focus on government priorities, Premier Brian Gallant announced today."

Is that not what caused the Atcon scandal? Is that not the concern that we have? If we want to do government differently, do we not have to have a mechanism where we do not have a free-for-all decision that can be done by Cabinet independently at any time? I would like to know this: Is that doing government differently, or did we learn anything?

Hon. Mr. Gallant: First off, Opportunities New Brunswick, under the new structure that we are creating, will have a board comprised of people from the private sector helping to decide where we invest our money to grow the economy and create jobs. That is number one.

Number two is the Jobs Board. We are balancing the fact that we want all departments and all ministers within the government to have their eyes on creating jobs and on opportunities to grow the economy. That is why they are invited to participate in the Jobs Board.

On top of that, the Jobs Board secretariat, which will help us to make the crucial decisions of major investments in terms of growing the economy and creating jobs, is now comprised, as we



all know and as we have announced in the Legislature, of three people from the private sector to help us make the right decisions on where to invest taxpayers' money to help us create jobs and grow the economy. One of those people is one of the most renowned economists in New Brunswick, David Campbell. We are sure that the structure is going to help us to grow the economy and to keep taxpayers' money safe.

Mr. Speaker: Time, Premier.

Mr. Higgs: It has been suggested that, certainly, Invest NB had a structure that was unique in terms of looking for job opportunities and growing the economy. It has been indicated that it was best-in-class. Why is that? It is because it had measured results and performance.

When you look at the case of making decisions, the same thing applies. How do you get better decisions if you do not measure the outcomes of past decisions, learn from their mistakes, and then move forward? I would suggest that we had much discussion during our mandate. I would say that it is 80% written, which would be a portfolio management structure. The idea was to take the criteria—maybe it is changed for a province—that the banks use to define when loans, grants, and guarantees would be administered and to make it very objective so that the subjectivity of it all would be removed.

I would like to ask the Premier whether he would dig that document out, complete it, and make the changes that he feels are necessary. However, let's have criteria that allow people to have guidelines to be followed. We will know, when the hole gets too deep, to stop digging because there is no future...

Mr. Speaker: Time, member.

Hon. Mr. Gallant: With all due respect to the member opposite, I appreciate his comments. I have said many times that Invest NB had some good things that we are going to continue with in Opportunities New Brunswick.

However, one of the major changes that we are doing when it comes to economic development is that we are taking the two major bodies and putting them into one under Opportunities New Brunswick. This is important because, for some of the good things that Invest NB was doing, such as having measurements, we want to implement that culture into Opportunities New Brunswick.

The "with all due respect" part is because I have to correct the member opposite. In a past life, in an alternate universe, had Invest NB existed when the situation which we are talking about transpired, there would have been no change. Invest NB would have been looking at only high-growth sectors, looking at people who are investing from the outside. This demand would have gone to Business New Brunswick under the model of the previous government; therefore, there would have been no difference in terms of the structure that the previous government had regarding this situation. I think it is important that we clarify that for all New Brunswickers.



Mr. Speaker: Time, Premier.

Mr. Higgs: I certainly agree that the opportunity is there to take what works, take what you can develop from, move that forward, put your own stamp on it, and make it better. That will be a continuous improvement process on which every government should follow through.

The situation that we have today is that we are looking at repealing Acts that were designed to have greater accountability and greater visibility and to ensure that we all were talking off the same sheet—month over month, quarter after quarter, year over year. No one was inventing numbers. They were what they were. The most important aspect of alignment is having common measurements.

As we discuss the repeal of many of these Acts today, I want to ask this of the Premier: Are we in a position now that we can look at what works and what does not work? I understand that, in the election, the electorate put the party in place in a manner that does not allow it to follow through with some of those conditions, but there are a lot of good conditions that are just good business practice. Will the government support the amendments?

[Translation]

Hon. Mr. Gallant: Without seeing the amendments the member opposite is suggesting, I cannot commit today. That being said, I can certainly say that we are willing to find ways to be more accountable when it comes to job creation and economic development. We are certainly open to any new way that allows for more ways of measuring and evaluating successes or even results that are not going in the direction we would like. Certainly, we are open to that.

That is precisely why I am here today, to tell New Brunswickers that we are going to take the Auditor General's recommendations seriously. We are going to work with Opportunities New Brunswick to follow through and implement as many recommendations as possible.

[Original]

I thank the member opposite for the question. We are certainly open to having a conversation about how we can be more accountable when it comes to our investments, as a government in general and specifically when it comes to economic development.

Mental Health

Mr. Coon: My question is for the Minister of Education. To address youth mental health, an Integrated Service Delivery approach for children and youth was instituted at two demonstration sites in 2011—one in Charlotte County and another in the Acadian Peninsula. As a result, children and youth have received more timely and comprehensive services than were available before. In fact, the waiting lists for mental health and addiction services have been eliminated in those regions.



My question is for the Minister of Education: When will an Integrated Service Delivery Child and Youth Development Team be established in every region of New Brunswick?

Hon. Mr. Rousselle: Mr. Speaker, with your permission, I will take that question under advisement, and I will get back to the House with the information.

Mr. Coon: Youth and children have a right—an actual right—to access mental health services, but, outside the two regions that have been piloting Integrated Service Delivery over the past four years, no such access is available. Only one in five children and youth will be diagnosed, and those who are diagnosed wait far too long to receive appropriate care. Until Integrated Service Delivery Child and Youth Development Teams are rolled out across the province, my question is this: What does the minister propose to do in the meantime to ensure that students can exercise their right to access mental health care?

[*Translation*]

Hon. Mr. Rousselle: As I said, with your permission, as far as this entire topic is concerned, I would be pleased to reply later to the question from the third-party leader in the House.

[*Original*]

Mr. Coon: I appreciate that. However, New Brunswick has a high rate of hospital visits by children and youth presenting with mental illnesses. This is really a symptom of a failure in our mental health care system. We need to intervene much earlier in child and youth mental health. My question is this: Will the minister undertake to meet with the Minister of Health and report back to this House on how this need for early intervention with students will be achieved and achieved quickly? Thank you.

[*Translation*]

Hon. Mr. Rousselle: I will be happy to come back to the House and give you an answer on this important topic.

[*Original*]

Atcon

Mr. Jody Carr: Getting back to the Atcon affair, it is certainly, without a doubt, an embarrassing and serious injustice regarding power and influence. Yesterday, the Auditor General revealed Cabinet documents from September 2009, when the Liberal government of the day changed its security position on the \$63-million loan. The staff at the department strongly made recommendations. They said: “Every step taken by the Province further erodes our security position, from bad to worse.” They also said: “Agreeing to the request will weaken the Province’s security position by \$33 million”. Despite this warning to the Liberal Cabinet ministers and the



senior staff of the Liberal government, the Cabinet instead agreed to lessen the security position in favour of the bank, putting the government at serious risk.

A forensic audit would paint the timeline and trail of the Atcon affair. People want to know: Where did the Atcon money go?

Mr. Speaker: Time, member.

Hon. Mr. Gallant: I appreciate the question. That is a good question to ask, but I have to disagree. I do not think that is the right course of action, and I will explain why.

There is no doubt that we appreciate the Auditor General's recommendations and report. We also appreciate that New Brunswickers are frustrated with this file, of course, as we all are. We want to see economic development go in the right direction. Unfortunately, in this situation, that certainly was not the case.

I want to make something very clear. We have seen that a lot of information about this situation came out before the 2010 election. I believe that that was part of the election results. People sent a strong message to the Liberal Party at the time. We then had the Conflict of Interest Commissioner look into this. There were many media reports, and many others looked into this file and released almost all the information regarding this file.

Now, we have had the Auditor General look at it. The Auditor General did not reveal any new information. We appreciate her recommendations, but she herself says that there is no other place to go. We have recommendations...

Mr. Speaker: Time, Premier.

Mr. Jody Carr: The Auditor General said yesterday that she is willing to do a forensic audit if asked to do so by the Legislative Assembly. The Liberal government MLAs agreed to an initial Auditor General review. Will the Liberal government now agree unanimously to ask the Auditor General to go to the next step and undertake a forensic audit? People want to know: Where did the Atcon money go? Who benefited from the decisions of the Gallant ministers? Who is still benefiting from these decisions at their hands?

Hon. Mr. Gallant: Again, I will go through the timeline. We had many media reports, and many people were talking about this issue. We had the 2010 election. After that, I think it was very clear that New Brunswickers sent a strong message to the past government of the day. Then we had the Conflict of Interest Commissioner look into this as well. This made many, many more pieces of information public.

New Brunswickers are well aware of what happened. We are well aware of what happened. The Auditor General, in her detailed report, did not come up with new information because it had all been made public. With that said, we very much appreciate her recommendations. We think they



are very helpful. We will work closely with her, if she will allow it, so that we will be able to implement those recommendations, improve the way we do economic development in the province, and ensure that we learn from past mistakes.

We are committed to that because it is our priority to create jobs for New Brunswickers. We want to do that in the most prudent way possible and the most strategic way possible, and that is what we will do.

Mr. Jody Carr: In the Cabinet documents, it says: “The Company is on the verge of collapse.” It also says: “The Province would incur a loss, potentially in the \$50-\$71 million range, if the Company were to fail in the next 6 months.”

Despite these clear warnings by staff, the ministers of the day signed the MEC and brought it into Cabinet—despite these warnings. This is very serious. This needs to be followed on a timeline. A forensic audit would paint a clear timeline and follow the money trail—where the money went and who benefited.

All the Liberal MLAs agreed to the initial Auditor General’s report and review. Will the Liberal MLAs now support a forensic audit to get the answers that the people are asking for? Why are the Liberals saying no to a forensic audit? What are they scared of?

Hon. Mr. Gallant: Again, all the information is out and is public, to the point that we have seen many media reports. Many people commented on this file before the 2010 election and, again, before the election of 2014.

Despite the fact that we believed that all the information had been made public before, we still joined the past government, when we were in opposition, and unanimously supported, in June 2013, the request that the Auditor General look at this issue. Despite the fact that all the information had probably already been made public, we still said: Let’s send in the Auditor General to make sure that everything is public and that there is nothing else, no other stone left to turn over. We did that. We supported a unanimous motion to look more deeply into this.

The Auditor General came out with a report. She has found nothing new. New Brunswickers are still just as frustrated. We recognize that, and that is why we will take her recommendations seriously and improve the way we do economic development to help create jobs for New Brunswickers in our province.

Mr. Speaker: The time for question period has expired.

