

December 8, 2015

[Original]

Human Resources

Mr. Fitch: Yesterday, we learned that the government fired the Chief Medical Officer of Health. In her statement, Dr. Cleary said: “Although no cause is now alleged, the Government of New Brunswick has let me know that they have come to the conclusion that my particular skill set does not meet the needs of my employer.” Can the minister fill in the blanks and explain what this means? Does it mean that if a person’s skill set includes the ability to disagree with the Gallant government, the person does not meet the needs of the Gallant government and will be fired?

We have certainly seen this happen repeatedly over the past 14 months. We are wondering this: Is Dr. Cleary another victim of this government’s heavy-handed administration? Will the Minister of Health stand up today, fill in the blanks, and clarify why you really fired Dr. Cleary?

Hon. Mr. Boudreau: I answered this question repeatedly on Friday.

I want to make a few facts clear for the opposition members. They should know this. The Leader of the Opposition should know this. He has been a minister of the Crown. He should know that all departments fall under the *Civil Service Act* and that, in the *Civil Service Act*, it is very clear that all human resources matters fall under the responsibility of the deputy minister of the department. Ministers do not hire and fire people. Under the *Civil Service Act*, it is the responsibility of the senior bureaucrat in that department.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Boudreau: The senior bureaucrat put out a statement last week, which is quite unprecedented, to explain that this is a human resources matter. This is a personnel matter, and it is not something that we can discuss. We can say very clearly that this is not politically motivated and that it does not affect the ongoing work or the independence of the office.

Mr. Fitch: It is unfortunate the minister cannot clear the air. A lot of people are filling in the blanks and speculating on the situation. I will not ask him specifically why he fired Dr. Cleary, but I will ask him this.

The minister has fired other civil servants in the past year, and we have talked about that quite regularly. The minister has also brought in legislation to limit the severance packages and to protect the government from being sued. Again, those were very heavy-handed political



decisions. Will the minister be bringing in legislation so that the former Chief Medical Officer of Health will not be able to sue for wrongful dismissal or receive the entitlement of a severance package?

Hon. Mr. Boudreau: Once again, the member opposite is asking me to talk about human resources issues on the floor of the Legislature. He knows very well that is not appropriate. He also knows very well that if I were to talk about a personnel matter or a human resources matter, he would be the first one to jump up on his feet to ask for my resignation because it is not appropriate and we are not allowed to do so. We are not allowed to do so as per the *Right to Information and Protection of Privacy Act*. The member opposite should know that. He has been a minister many times, and he has dealt with the civil service over many years. He should know how the *Civil Service Act* applies and how the *Right to Information and Protection of Privacy Act* applies in a situation such as this.

This is a human resources matter. It is not something that I can discuss on the floor of the Legislature. However, people are trying to link it to other things, which I have also addressed, and it is clearly not the case.

Mr. Fitch: It is interesting that the minister takes that tack. I will ask whether there are any backbenchers working for the government who would like not to work for a government that fires dedicated, hardworking civil servants. If that is the fact, call me, maybe.

Again, after the speech from the throne, I said: If the Gallant government is going to be rough on New Brunswickers, we will be rough on it. The member for Moncton East took offence at that and took a jab as she shook my hand after the throne speech. I wonder whether the minister could ask the member for Moncton East whether it is rough on a dedicated, hardworking civil servant to hear the words: You are fired.

[*Translation*]

Hon. Mr. Boudreau: Once again, the member opposite is trying, through different questions, to make us comment on a situation about which we cannot make any comments. As a former minister, he should be familiar with the *Civil Service Act* and the *Right to Information and Protection of Privacy Act*. These two Acts ensure that we cannot discuss details about human resources and decisions concerning civil servants.

We have very clearly indicated that this situation has nothing to do with partisan politics, the independence of the Office of the Chief Medical Officer of Health, or the ongoing work done by the office. It is a human resource issue, and we cannot say anything more on this subject.

[*Original*]

Mr. Fitch: Obviously, the minister has his pat answers that he is going to repeat time after time on the firing of Dr. Cleary, and the question remains this: Why did you really fire her?



Atcon

I wonder what CRA would find this week if it were polling. Besides Clearygate, the lack of government's willingness to call a forensic audit on the Atcon affair, even after the Auditor General offered to perform one, has caused the official opposition to turn over the backup servers to the RCMP, hoping that its members would have the expertise and resources to recover the data that the official opposition was unable to with its limited resources.

It is interesting that we discovered that there is an executive house right here in Fredericton, on Poets Lane, that is assessed for over \$400 000. It was built and furnished with funds out of the shareholders' account of Atcon. This same account leased a \$65 000 Lexus. Was the Minister of Health aware that these kinds of expenses were coming out when he signed the \$50-million guarantees?

Hon. Mr. Arseneault: I would be willing to give the Leader of the Opposition my watch because he obviously has no clue what time it is and what year we are in. This is an opposition that is stuck in the past. It is not debating the election of 2014. It is actually debating the election of 2010, and that is quite unfortunate. That is why its members are on that side. We inherited a \$600-million deficit because the former government could not reach any of its financial targets.

Mr. Speaker: Order. Order. Member for Rothesay, come to order.

Hon. Mr. Arseneault: When the former government said that it had a plan for a balanced budget, it never reached any of those targets. It also said that it had a plan for the economy. It was the only government in the past 40 years that had a net job loss during its mandate. That is why it is on that side. I encourage the opposition, if it wants to get out of that side...

Mr. Speaker: The member for Southwest Miramichi-Bay du Vin will come to order.

Hon. Mr. Arseneault: Maybe the opposition should start addressing the issues of today. A week and a half ago, the Minister of Health brought forward the *Choices* report, and that is what New Brunswickers want us to focus on. Maybe that is what the Leader of the Opposition should start focusing on.

Mr. Speaker: Time, member.

Mr. Fitch: I will tell you that this is the issue of today: The same people who are sitting on the Cabinet benches right now are the ones who made the decision on Atcon. How can we, as the people of New Brunswick, trust their ability to make good decisions when it comes to the taxpayers' money in New Brunswick? That is the issue of today.

We are looking at information that we found with our limited resources. On the servers that we gave to the RCMP, we found that annual RRSP payments from the owner of Atcon and family members were being made with company funds. We found that there was a particular



purchase of jewellery from Aruba at over US\$13 000. I certainly would like to see that rock. Of course, we have other transactions, such as a \$55 000 cheque that was sent to the Marriott Vacation Club for what appears to be a luxuriously furnished timeshare.

That is the issue today. The same people who are making decisions today made those decisions to turn over \$50 million to Atcon. Why did you do it?

Mr. Speaker: Time, member.

Hon. Mr. Arseneault: This is the same front row that said it had a plan to balance the budget but never reached one of its financial targets. It is the same front row that said that it had a plan for the economy, yet it was the only government in the last 40 years that had a net job loss—that whole front row.

I could go on. I gave examples last week. Most of those people in the front row are the same people who forgot to sign the contract when they converted Coleson Cove for \$750 million. In fact, I think one of the members in the front row was actually the Minister of Energy at the time, the one who made that decision. It was also some of those people in that front row who did not have the proper safeguards for the Point Lepreau refurbishment, which cost the taxpayers of New Brunswick over \$1 billion. That is that front row.

I would encourage the member opposite: If you want to talk about the past, I love talking about the past, but do you know what? New Brunswickers elected us to make some tough choices, and those are the choices that we will make.

Mr. Fitch: The minister wants to talk about the past. Does he remember that Point Lepreau is now up and running and producing, for the people of New Brunswick, electrons, which are considered to be one of the causes for reduced greenhouse gases? Does he realize that, regarding the refurbishment of Coleson Cove, it was found in a court of law that we made the right decision and that Venezuela was giving us the amount of money equivalent to the amount needed to refurbish for that particular fuel?

(Interjections.)

Mr. Speaker: Order.

Mr. Fitch: The fuel on the other side is such that they want to rewrite history.

Well, let's look at the past because, if we do not look at the past, we will continue to make the same mistakes. The minister across talked about being fair, honest, and open, so why does he not tell us this today: Why did he let the Atcon deal go through? Why did he fire Dr. Cleary?

Hon. Mr. Arseneault: I am very proud of the fact that Point Lepreau is working today, but do you know what? If the former government and, in particular, the member opposite, had done



their job the right way, maybe the ratepayers of New Brunswick would not be faced with an extra \$1 billion in cost overruns.

It is the same thing with Coleson Cove. We had to sign a contract for Orimulsion, and today we are not even buying Orimulsion. That is \$750 million. The same front row brought forward Bill 18 last year. Just because of that, we are faced with two lawsuits by Enbridge Gas totalling \$830 million. That is that front row.

Again, New Brunswickers want us to make tough choices, and tough choices, we will make.

Ms. Wilson: I think that the minister over there has forgotten that his government, the Graham government, added \$3 billion to the debt.

The Minister responsible for the Strategic Program Review is holding rural New Brunswick for ransom. He is effectively telling us to choose between losing an arm and losing a leg. He has effectively said that if we want health care, we cannot have education. He calls these choices.

In the meantime, everybody wants to know where our \$50 million from Atcon went. People want to know why the Gallant government has chosen to ignore the Atcon money. What I want the minister to answer here today is this: Why has the Gallant government made the choice to bury the Atcon file?

Hon. Mr. Boudreau: I am happy that one member across the way has actually talked about the *Choices* report, because that is what we should be debating today. We are focused on the future of New Brunswick, not the past, as the opposition is.

(Interjection.)

Mr. Speaker: Order.

Hon. Mr. Boudreau: The member has referenced the *Choices* report and the fact that there are choices to be made. That is correct, and people very quickly talk about the choices that they do not like in the report. What we are asking New Brunswickers to do is to share with us the choices that they could live with, the choices that they think are the right ones to help us put our fiscal ship back on the right path.

Organizations like the Atlantic Provinces Economic Council were out early this week and already talking openly about some of the choices that they think make sense for the province. Why can APEC, a think tank that is based in Nova Scotia, participate in these discussions when our own opposition cannot get up to talk?

Mr. Speaker: Time, minister.



Ms. Wilson: I cannot understand why the Gallant government does not care about our Atcon money. That \$50 million would help to keep our rural schools or hospitals open. Even if we got some money—say, the \$2.1 million that the receiver says is still owed by the Tozers—we could put the bookmobiles back on the road for a good, long time. Will the Minister responsible for Strategic Program Review explain why finding the Atcon money is not on the table, along with closing our rural schools and hospitals? Can the minister answer why his government is not trying to find out where the Atcon money went?

Hon. Mr. Boudreau: Again, we released, last week, the *Choices* report. Now, what we are asking New Brunswickers to do is to take a look at the various options that have been brought forward and to help us make the right choices to put New Brunswick back onto a path of prosperity. Unfortunately, although the former Conservative government promised that it had a plan to do that—it had a plan where it was going to be able to balance the books without cutting programs, without raising taxes—everybody knows that it failed miserably at that. That government missed every single target that it set for itself.

We now have work to do. We have to continue because we cannot continue... We are now eight years with a deficit budget. That simply cannot continue. Choices need to be made. There are close to \$1 billion worth of choices in this document. We have yet to hear from the opposition on which ones it is prepared to support.

Ms. Wilson: It is unfortunate that the minister has selective memory. I just wish the minister would flip-flop on what he is doing to rural New Brunswick in the same way that he flip-flopped on Moncton's event centre funding. I cannot recall if that was before or after he flip-flopped on the genetic equipment for Saint John. My point is that he knows how to flip-flop. He certainly has the necessary skill set required by the people of New Brunswick as far as flip-flopping is concerned.

The other flip-flop that we need the minister to do is on getting our Atcon money back. Will the minister please do a flip-flop and go after our Atcon money?

[*Translation*]

Hon. Mr. Boudreau: Once again, the member opposite wants to talk about her government's record. That being said, the former government led the province to a cumulative deficit of \$1.655 billion during its four years in power. Let's also note that it added \$2.483 billion to the provincial debt.

[*Original*]

(Interjection.)

Mr. Speaker: Order.



[Translation]

Hon. Mr. Boudreau: This situation cannot go on, and that is why we tabled a report that presents the choices to be made. These are choices that we must make as a government; they are choices that our province has to make as a society to address the imbalance between its revenue and its expenditures.

If we want to dream about the days when we will be able to invest surpluses in education, health, and wellness, the books must be balanced once and for all. We are going to do so with our report, but, unfortunately, the opposition does not want to take part in the process.

[Original]

Mr. K. MacDonald: To the Premier or whomever, by August 2009, the Bank of Nova Scotia had a \$20-million borrowing base deficiency with Atcon. Atcon needed an additional \$9.4 million on its BNS line to get it to the end of December. The Bank of Nova Scotia had already taken the unsecured risk on the \$20 million. Why did we not just partner on the additional \$9.4 million? In other words, why did the Liberal government give the bank 100% security when it was asking for only 20%?

Hon. Mr. Arseneault: I wonder what the member opposite and his colleague did over the last couple of years of their mandate while they were in government. All the questions that they have now could have been answered over the last four years. You would think that they would have those answers.

(Interjection.)

Mr. Speaker: Order.

Hon. Mr. Arseneault: We keep going back and back in time, and I find that quite unfortunate. We answered all those questions from the Auditor General. All the work that she wanted to do, she was able to do. The CEO of Opportunities New Brunswick accepted to adopt all those recommendations. It is time to move on and time to look at the choices in front of us. That is what we are asking the Leader of the Opposition and his caucus to do—to start looking at the situation of today. They left us with a \$600-million deficit, and we have tough choices to make. It is simple.

(Interjection.)

Mr. Speaker: The member for Rothesay will come to order.

Hon. Mr. Arseneault: What are your choices moving forward?

Mr. K. MacDonald: Here is a novel idea, Mr. Minister: Answer the question.



At the request of the Liberal government, a portion of the sale of Envirem would be accessible to Atcon to reduce payables. At some point in time, I would like to know exactly which payables were addressed with the Envirem proceeds. For today, why, after securing the bank's money, did the Liberals give the funds from the sale of company assets back to Atcon to spend as it pleased? Why did you allow Atcon to pay only the bills that it wanted to pay? Why did the Liberal government give the bank 100% security when it was asking for only 20%?

Hon. Mr. Arseneault: What we are seeing from the opposition members is quite unfortunate. A couple of weeks ago, they pulled this stunt with the computers that they had bought in, I believe, 2013—Atcon computers. At that time, they looked at them. They did not find anything in them, so they kept them. During the election, there was still nothing in them. They did not bring this up during the election. All of a sudden, when they were lost for ideas, because the new session had started, they took the computers to the RCMP.

For the past week, they have had more questions on Atcon than on any other issues facing New Brunswick. Why do they not let the RCMP do its work? Why are you asking questions day in, day out? Let the RCMP do its work. It is pretty obvious to me that you know that there is nothing in those computers.

I have a question for the member opposite who is so upset about Atcon. In 2010, Robbie Tozer held a fundraiser in Toronto for former Premier David Alward. How come you are not worried about that?

Mr. Speaker: Time, minister.

Mr. K. MacDonald: The minister either does not know or will not answer. Either way, that should be of concern to the people of New Brunswick.

In addition to millions of dollars in forgivable loans, between January 2007 and June 2009, the Liberal government extended repayable loans to Atcon Industrial, Nutritec Inc., and Atcon Holdings Inc. in the amount of \$17.2 million. By the time of the \$50 million, that initial \$17.2 million had grown. How does a provincial exposure grow when a company does not make its interest payments?

Business New Brunswick did not support the deal. Neither did the deputy ministers. Atcon was not making its interest payments on what it had already been given. Why, why, why did the Liberals give the bank 100% security when it was asking for only 20%?

Hon. Mr. Arseneault: Again, we have an opposition that is stuck in the past and is going to be stuck in opposition for a very long time. That is how it reads.

Again, I will ask the member opposite... As much as he wants to complain about Atcon and Robbie Tozer, he did not mind having Robbie Tozer, with his Rolodex, trying to wrap up a fundraiser for the former Premier in Toronto in 2010. Those members did not mind getting all



those thousands and thousands of dollars. Why will you not be up-front with New Brunswickers about how much money Robbie Tozer raised for the Tory Party of New Brunswick during that fundraiser in Toronto in 2010?

Government Finances

Mr. Higgs: I am pleased that the Minister of Energy wants to be up-front. I am hopeful that the Minister of Health and Minister responsible for Strategic Program Review wants to be the same.

In many comments, including comments made today and last week on the CBC panel, there was talk about a \$600-million deficit. That was repeated here today. There was also talk about the poor record and how we ever got there. I would like to quote from the 2010–11 fiscal update. When we arrived in office, there was a deficit of \$820 million, with the debt expected to increase by \$1.2 billion. Let's compare that to when this government put the budget together. There was a deficit of \$255 million, with a debt increase of only \$530 million.

We hear this quote, on and on again, about how much the net debt increased and the net deficit, the accumulated deficit. This government inherited a budget that was reported at \$377 million, then \$255 million, then \$158 million, excluding the teachers' pension plan. Why is it now \$300 million more?

Hon. Mr. Boudreau: The former Minister of Finance, the member for Quispamsis, is great at throwing all these numbers out there. He thinks that the more numbers he throws out there, the more he gets to complicate the lives of New Brunswickers, throwing them off their game. I am going to stick to a very clear set of numbers.

In the 2012–13 budget, which was the first budget tabled by the former government, a deficit of \$183 million was anticipated. That is what the former government anticipated when it tabled the budget. If you fast-forward one year to when the actual results came out, to when the audited financial statements came out for the 2012–13 fiscal year, guess what the deficit was? I can tell you that it was not \$183 million, it was not \$283 million, and it was not \$383 million. It was \$508 million. How is that for hitting...

Mr. Speaker: Time, minister.

Mr. Higgs: Once again, it is easy to pick and choose. For any of those years, you can look at the actual deficit and you can look at the one-time hits that would have been taken, whether it be a capital project, such as Route 1, or the teachers' pension adjustment. That is exactly what happened in those years. However, this government had the same thing happen this past year.

Here is its statement from September 30. This is the statement the government did not use in the *Choices* document, the one it did not want to talk about. The government members did not want to talk about it because it says that our deficit is \$388 million, including a one-time payment of



\$229 million to the teachers' pension plan. That means the real deficit is \$158 million. What happened to it? It sprung to \$476 million. If you want to put vagueness in the system so that you never have a target to hit, throw in a \$150-million contingency fund. What do you get then?

The reason we have a problem is spending. We continue to spend, and this government does not know how to stop. We are asking taxpayers to dig into their wallets to pay the HST and to be thankful for it. What is the reason for this facade?

Mr. Speaker: Time.

Hon. Mr. Melanson: The former Finance Minister seems to be ranting to try to defend his record, which is pretty clear when you look at the numbers.

(Interjections.)

Mr. Speaker: The Leader of the Official Opposition will come to order.

Hon. Mr. Melanson: My colleague raised the numbers for 2012–13. The former Finance Minister could never, ever meet a deficit target, based on what he wanted to do and the actual results. In 2013–14, he was projecting a \$99-million deficit. The result was a \$600-million deficit.

Since he has been in the opposition, the former minister has completely changed his language. He is on the defensive so much, trying to explain his record that failed New Brunswickers. That is why those members are in the opposition today. That is why, today, we want to talk about the future, the *Choices* report, and making a real difference.

Mr. Higgs: Maybe at some point, there would actually be a willingness to have an arbitrator go through the numbers to see where we get with that. I would welcome such an opportunity because, at that point, the rhetoric would have to end. I will put my hand up to participate in a very public forum with regard to that.

We have been accused of not participating in the Strategic Program Review. I am here to say that I had a long meeting with the current Minister of Health and Minister responsible for Strategic Program Review. I presented a document, *Playing with New Brunswick's Future*, and all the things that we learned during that process, with a legitimate belief that it would be used credibly and that it would not be used to front a spending free-for-all, which was not talked about in the election platform, nor was how it would be paid for.

We have a situation about lists and choices. We have a situation that says: Put the HST on, and we will all feel better because it is an easy way out. I would suggest this. Let's include something in the *Choices* document. Add a list of all your over-the-top spending, and let the people choose from that.



Mr. Speaker: Time, member.

[*Translation*]

Hon. Mr. Melanson: Let's talk some more about the record of the former Minister of Finance. For the 2014–15 fiscal year, he put forward that there would be a \$6 million surplus in his budget, while the result was a \$389-million deficit.

On our side, after the second quarter of our first budget, we had already exceeded by \$24 million our expectation of getting a smaller budget deficit than estimated.

The so-called plan from the former Minister of Finance did not work; it simply did not work. Why is the official opposition not talking about true facts? Let's talk about the real facts that New Brunswickers are facing.

The report on the choices the province must make has been published. We have important choices to make, so let's stop talking about the past; let's talk about the present and certainly about the future. I expect the former Minister of Finance to at least talk about the choices that we must make.

[*Original*]

Mr. Speaker: Time, minister.

Postsecondary Education

Mr. Holder: This government is failing in many areas, but, today, I would like to ask the Minister of Post-Secondary Education, Training and Labour about the blatant and absolute failure to deliver on the government's promise to make postsecondary education more affordable. In March, I stated that this government did not have a plan for postsecondary education. It does not have a plan now, and it does not even have a plan to get a plan. Students are waiting, universities are waiting, and average, everyday New Brunswickers are waiting. Will the minister end this crisis now and tell us when we can expect a plan?

[*Translation*]

Hon. Mrs. Landry: Our government's vision is to make postsecondary education affordable and accessible for New Brunswick students. So, we want to make changes to Student Financial Services. We also want a postsecondary education system that is accountable to the people of the province with regard to how the money invested in the system is used.

I can tell you that, up to now, the funding formula, which dates back to 1979, has not been working. With an 18% drop in enrolment, a 25% increase in tuition, and a 34% increase for the



university system, you can see that the funding formula does not work. That is where we are now; we are currently assessing all the possibilities.

[*Original*]

Mr. Speaker: The time for oral questions has expired. Do we have unanimous consent to revert back to Introduction of Guests?

