

February 9, 2016

[Original]

Harmonized Sales Tax

Mr. Fitch: Last Friday, I asked a reasonable question during question period. None of the ministers present in the House could answer it. I will repeat it. I am sure that the Premier has read the transcript and has had time to prepare a witty comeback.

The Premier of Newfoundland, Premier Dwight Ball, is on record as saying that a 2% HST hike is a job killer. Over the weekend, we had others from the business community weigh in, saying that the increase will hurt the fragile economy in New Brunswick. Again, I wonder whether the Premier could tell us whether he agrees with Premier Ball of Newfoundland that an HST increase is a job killer and with the business community that this will hurt the economy.

Hon. Mr. Boudreau: As the Minister responsible for Strategic Program Review, it is clear to me again today that the Leader of the Opposition did not pay attention to the process and did not participate in the consultations. During the past 13 months of consultations that we had, crisscrossing the province, meeting with New Brunswickers, and meeting with stakeholders, New Brunswickers were very clear that they wanted a balanced approach. They wanted a balanced approach. They did not want us to balance the books only on the revenue side or only on the expenditure side.

That is why, when we tabled our budget last week, we identified \$589 million to address the fiscal challenges of this province. That amount was split almost right down the middle, 50-50. We identified \$296 million in expenditure reductions and \$293 million in revenue measures, which is exactly what New Brunswickers wanted us to do.

Mr. Fitch: We get calls in our office from people saying that the Minister of Health does not answer his emails. I guess that is the case today, because I sent him an email with our position on his *Choices* document and on the budget. Apparently, he does not read his emails.

Again, I am asking the Premier whether he agrees or disagrees with Premier Ball from Newfoundland, who has said that a 2% increase in the HST is a job killer. We know that today is Fat Tuesday. This evening, there is a Fat Tuesday Liberal fundraiser and there is an opportunity for the Premier to ask Premier Ball face-to-face whether he still concludes that a 2% increase in the HST is a job killer. We also know that Premier Ball will be arriving sometime today and he will be around tomorrow. Would the Premier like to invite Premier Ball to come to the Legislature, address the audience—the members—and tell us why he thinks that the 2% is a job killer?

(Interjections.)



Hon. Mr. Boudreau: Thank you, thank you.

Again, if the Leader of the Opposition had participated, he would know that New Brunswickers want a balanced approach. I did get the reply from the Leader of the Opposition. We wrote to all the leaders of the parties, asking for their feedback. What the member opposite sent was an article that had been published a couple of weeks prior by the former Finance Minister—the failed Finance Minister—who was still struggling to...

(Interjections.)

Hon. Mr. Boudreau: Okay, I retract that, Mr. Speaker.

He was still struggling to try to defend his record, which is a record of missed targets and of missed opportunity.

Mr. Fitch: Once again, the member opposite is trying to rewrite history. The question here today is very clear. The Liberal Web site talks about how jobs are a priority. It has been said many times in this House over the past 18 months or 14 months that jobs, for the Liberals, are a priority. We have seen the result of their priority, which is the fact that they have not created any jobs while they have been in office. They lost 4 600 full-time jobs on Friday, yet they put on the floor of this Legislature during the same week a budget that is going to increase the HST in the province by 2%. Some of their Liberal counterparts have said that is a job killer.

Tonight is the Fat Tuesday Liberal fundraiser dinner. The Premier and the minister will be face-to-face with Premier Ball from Newfoundland. Can he ask him if he still believes that a 2% hike in the HST is a job killer?

[*Translation*]

Hon. Mr. Gallant: I am a bit surprised that the member opposite wants to talk about job-creation track records. I know that the member opposite is aware, as is everyone else in the province, that he was Minister of Economic Development in the first government in 40 years not to have a net job gain during its mandate.

[*Original*]

It is interesting to hear the Leader of the Opposition quote some stats that he saw on Friday. I do not understand why he would not have been quoting stats before. He could have mentioned that, since July, there has actually been a net gain of 4 000 jobs in New Brunswick. He would maybe mention that, in the last few months, we have had some of the lowest unemployment rates that we have had since 2010. He might even say that there was a report that came out not too long ago saying that New Brunswick was second when it came to wage increases. Or he could talk about how, for example, the city of Moncton was one of the best cities in the country



to go to if you wanted a job. Why would he not be talking about those stats here today on the floor of the Legislature?

Mr. Fitch: Once again, we want to use the same yardstick that the Premier used when he was in opposition to measure the government's results. It is clear that, when he was in opposition, he had one set of criteria but now, when he is in government, he has a second set of criteria.

When we look at the job numbers that came out on Friday, we can see that, since the members opposite have been in control of the coffers and in control of the chequebook, they have had a dismal record on job creation. The Premier talks about the low numbers for unemployment, but what he forgets to add to that conversation is that the workforce has shrunk dramatically because of some of the policies and some of the items that the members opposite have put on the floor of this Legislature.

Will the Premier ask Premier Ball tonight whether he wants to come to this Legislature to tell us why a 2% hike in the HST rate is a job killer?

[*Translation*]

Hon. Mr. Gallant: The question from the Leader of the Opposition has nothing to do with the preamble, which I will certainly broach with him. We will be very proud to compare our job-creation track record to the one from the previous government. In fact, the former government is the only one in 40 years that did not have a net job gain during its mandate. Also, we saw record unemployment rates; far too many people in New Brunswick were actively looking for work under the previous government, David Alward's government, in which the Leader of the Opposition was a minister. Once again, we have very clearly said that job creation and economic growth are our priorities.

However, it is also important to put into perspective the fact that we must turn our public finances around. Without a doubt, our decisions can have an impact on a number of measures, and that is why we are adopting a balanced approach that will help us balance the budget and further grow our economy during our mandate.

[*Original*]

Federal Funding

Mr. Fitch: No, Mr. Premier, the balanced budget will not occur during this mandate. It said it in the budget. It said it in the *Economic Outlook*. Again, the Premier needs to look at what he is releasing from his office because the balanced budget will not occur during his mandate. That is a fact. If we had continued, we would have had a balanced budget.

I guess that is why some of the questions are coming from the media, the commentaries, and the economists. They are looking at this situation. The Premier has taken \$300 million out of



the pockets of the taxpayers of New Brunswick, yet he is not reducing the debt or deficit this year. There is an opportunity tonight because the Premier has a chance to talk to Dominic LeBlanc, the House Leader of the federal Parliament, who seems to be making all the decisions. Maybe he could ask Dominic for \$300 million to put where the money should have gone—toward the debt and deficit of this province. Will the Premier ask Dominic LeBlanc for \$300 million of infrastructure money at the fundraiser tonight?

Hon. Mr. Gallant: Fantastic question.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Gallant: What is very interesting is that, in the 2010 election, the previous government promised that it would balance the books in four years. It did not even come close to doing that. In fact, it missed all its targets when it came to reducing the deficit. During the election of 2014, we promised that we would balance the books by 2020. Unlike the previous government, we are going to ensure that we fulfill our promises—balancing the books by 2020, creating jobs, and growing the economy in New Brunswick.

The Leader of the Opposition thinks that, if he were still a minister, the books would be balanced by now without raising the HST. Therefore, I ask him today on the floor of the Legislature to tell the people of New Brunswick which hospitals would he close, which programs would he cut in education, and how would he make cuts to the Department of Social Development.

Mr. Fitch: One of the first things that we would do is stop spending like the drunken sailors that the government members are.

Tonight, there is an opportunity for the Premier to approach five very influential Cabinet ministers at the federal level—Foote, MacAulay, Brison, Bains, and, of course, Dominic LeBlanc. Prime Minister Trudeau went to Alberta with a bag full of money, a bag full of cash, to help the Albertans in their situation. We need some help here because this government is not able to manage the books. Will the Premier do what his other counterparts have done across the country and ask the feds for some money? He has their ears tonight at the big fundraiser in the capital city. Will he ask for that money, which will go toward reducing the debt and deficit here in the province?

Hon. Mr. Gallant: I can understand why the Leader of the Opposition is a bit upset today. I can understand it because he certainly was not able to ask Stephen Harper anything. He certainly was not able to get anything from Stephen Harper. In fact, I would argue that the last government could not even get the federal government to answer phone calls from its members. I can understand that they are a bit jealous that we have a good working relationship, not only with the federal government, but also with our counterparts in Atlantic



Canada. That is why I am so pleased that we in New Brunswick will be hosting the four Premiers and the four regional federal ministers in our beautiful province tonight and tomorrow, to show them some of the challenges and, of course, some of the opportunities that we have. I am very proud.

(Interjections.)

Mr. Speaker: Order. The member for Fredericton-York will come to order.

Hon. Mr. Gallant: I will certainly not stand back and let the Leader of the Opposition try to pretend that it is a bad thing that we actually have a good relationship with the Trudeau government.

(Interjections.)

Mr. Speaker: Order. Order.

Mr. Fitch: I appreciate that speech—not really—from the Premier. His provincial budget has been nationally condemned. In the commentary on Saturday, Norbert Cunningham listed “economists, policy experts, media pundits and editorialists, business groups, citizens reacting online, public service unions, the arts community and other interest groups”.

When the Premier is talking to the other Premiers here in New Brunswick, what he can say is what has been said many, many times: Look, this is what we do, and you had better not do it because we are getting trashed in the media and by the economic people of the province. Will the Premier, tonight, tell the groups, tell the other Premiers, that they should not do what they did—go around and tell the people that they are going to do one thing and yet do another? Will the Premier commit to having an open and honest discussion with the other Premiers? Thank you very much.

Hon. Mr. Gallant: Yes, I will have an open and honest discussion with my counterparts and the federal ministers when they are here. No, I will not say that our budget was not the right thing to do for the province. Are there some people who would be critical of our budget? Absolutely. We have said for months that we knew that this would be a tough budget, it would not be fun, and it would not be easy. Every decision and every choice that we, as a government, made had consequences, and we recognize that.

What we can tell the people of New Brunswick is that we worked incredibly hard to listen to their ideas, get their feedback, analyze their suggestions, and come up, in a very transparent way, with the choices before us, as a province. That is exactly what we did. As a province and as a government, we were presented with the choice between raising the HST, making significant cuts to the civil service, and raising the corporate taxes or cutting health care and education. We protected health care and education. That is what people wanted.



[Translation]

Social Programs

Ms. Dubé: Last week, we saw the Minister of Social Development meet the press to try to explain the reduction of the amount in her budget for the health benefit plan intended for people with special needs.

We learned from the media, for example, that people in need of a wheelchair might abuse the plan. So, the government decided to impose a budget restriction. Ultimately, the amount allotted to this program could be eliminated or reduced by more than \$2 million. I would like the minister to tell me this: How many New Brunswickers with special needs who require a wheelchair to live definitively abuse the system?

[Original]

Hon. Ms. Rogers: First, I would like to explain and be very clear that people are not being removed from this program. The services that are being provided by the Health Card, commonly referred to as the white card, to clients on income assistance will still be offered. The only changes to this program are changes that had no criteria in the past. We are simply adding criteria. This is where the efficiencies are being found in the program.

[Translation]

Ms. Dubé: If I understand the minister's comments correctly, there will still be a program and a card to allow access to equipment and health benefits, but services will be reduced. The minister did actually give wheelchairs as an example. She says that criteria will now be added; it is certainly to keep people from having access to wheelchairs.

The government is starting from the premise that some people in the province are abusing this program, more specifically with regard to wheelchairs. I am going to ask the minister my question again. I am asking her to explain herself regarding the more than \$2-million cut to her budget. My question is still this: How many New Brunswickers who have a wheelchair are abusing the system significantly enough to justify adding criteria to keep them from having access to the equipment they need for their daily lives?

[Original]

Hon. Ms. Rogers: The members opposite want to criticize the changes to the program, but it would be nice to remind them that it was in 2012, when they were in government, that the review to the program began because it was necessary. Since 2010, the costs for equipment, services, and supplies under this program have increased by \$4 million.



It is very important that we try to keep this program sustainable. We expect to find efficiencies in the program while we still cover people's prescription drugs and everything that is prescribed by medical doctors. We are not impacting the needs of our clients. We still expect to find efficiencies of about \$2 million from our in-depth review. This is to make our program sustainable.

[*Translation*]

Ms. Dubé: A society is judged on how well it treats its most vulnerable people. Therefore, the Gallant government will certainly be judged severely for the way it treats the most vulnerable people.

Did the minister mention that our government increased funding for this program by \$4 million, since people in need were cared for? The Progressive Conservative government increased the budget because there was a need, and demand for the service had gone up.

So, once again, my question for the minister is this: According to her, how many people in wheelchairs abuse the program enough to justify cutting almost \$2 million? I ask again: Under this program, how many people who need a wheelchair abuse the system to the extent that criteria have to be added to limit access to it?

[*Original*]

Mr. Speaker: Time.

Hon. Ms. Rogers: I would like to remind the member opposite that, between 2010 and 2014, caps and limits were put in place—and this was by the previous government—on three programs that were offered by Social Development. The programs were the dietary supplement benefit, the diabetic supplies benefit, and the treatment program transportation benefit, which was the methadone program.

(Interjections.)

Mr. Speaker: Order.

Hon. Ms. Rogers: It is important for the public to be reminded that the previous government also put caps and limits on other programs. We want to make sure that these programs are sustainable.

(Interjections.)

Mr. Speaker: The minister has the floor.



Hon. Ms. Rogers: We are doing everything that we can to protect this program and to find savings because costs are increasing. Thank you.

New Brunswick Arts Board

Mr. Wetmore: The Gallant government is continuing its predictable practice of saying one thing and doing another. This time, it is with the arts community. The Gallant government has said that the private sector can provide administration of programs more efficiently. The next thing you know, the Tourism Minister seizes financial and administrative responsibility for the New Brunswick Arts Board from the private sector and places it under political control. It is incredible.

The Chairman of the New Brunswick Arts Board is in today's paper saying, "The actions Minister Fraser is taking right now will wreck something that has been working for over 25 years through successive Liberal and Conservative governments." Can the minister explain how he knows better than literally everyone in the New Brunswick arts community?

Hon. Mr. Fraser: What is incredible is that the member opposite gets up and puts out information that is not factual.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Fraser: I am going to correct that right now. As a government, we went through an SPR process. We were very clear in that process. We went through a budgetary process. We looked at every department, every program, and every service to see where we could find efficiencies and how we could deliver services better for frontline people. That includes our arts community, our artists, and our arts organizations.

We identified a funding envelope of \$1.7 million that is transferred to the Arts Board from the Department of Tourism, Heritage and Culture. When you look at its annual reports, you see that \$900,000 of that money goes directly to the artists and the arts organizations. We are simply looking at finding administrative efficiencies to ensure that the maximum percentage of money goes to the artists and the arts organizations—where it belongs.

Mr. Wetmore: Even high-level Liberals are saying that this government is the most bitterly partisan political outfit in many decades. The arts community has expressed its concerns that this maneuver by the Tourism Minister will politicize how arts funding is distributed. I must say that it has a valid concern. I would suggest that this is precisely why this move is being made against the authority of the Arts Board.

I can envision painters being told: No blue paint, only red. I can envision sculptors being told: No money for you unless you are crafting busts of the most beautiful politician in Canada—at



least, according to separatist journalists. What assurances can the minister give this House that politics is not going to enter into arts funding?

Hon. Mr. Fraser: Again, it is very unfortunate to hear the member opposite, with the rhetoric that he puts out there day in and day out to try to discredit the people in the arts community and discredit the work that the Arts Board is doing.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Fraser: What we are doing is simply ensuring that the maximum percentage of money that is being distributed through the Arts Board goes to the artists and the arts organizations, where it belongs.

There are two key principles here that I will speak of. The first is that the board maintains arm's-length distance from government and that there is no political interference. That will continue, just as it does today. The second key principle...

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Fraser: The member opposite should listen very clearly so that he gets the facts right. The second key principle is that all the funding that is distributed through the Arts Board is done through a peer jury system—just as it is today—and that will continue tomorrow.

Mr. Wetmore: The minister should talk to the Chairman of the New Brunswick Arts Board. The minister has taken a program that has been working for 25 years, and he claims he wants to find a new way to distribute the funds in a nonpolitical way. It is worth remembering that it was another Liberal Premier, Frank McKenna, who created the arm's-length board back in 1989. Just this minister's use of the phrase "nonpolitical way" should set the alarm bells ringing. Remember, this is a government that prides itself on saying one thing and doing another.

The whole claim that moving administration into government will save \$400 000 is laughable. Can the minister explain to the House how he came up with the figure of \$400 000? Is he just picking the numbers out of the air, or does he actually have documentation to show to back up his ludicrous claim?

Hon. Mr. Fraser: Again, I would ask the member to maybe check with one of his former political staffers who sent out a message on Twitter the same day that the announcement was made. Stephen Smith said: I applaud Bill Fraser and the tourism department for making the decision to find administrative efficiencies to ensure that the maximum amount of money goes to the artists in the province and to the arts organizations.



That is exactly where it should be, and that is precisely what we are doing. We are going to continue to work with the board of artsnb. I met with the president and the two vice-presidents of the board on the weekend. We have another meeting scheduled for Thursday evening in Saint John. We are going to continue to work with them on the transition to ensure that the money is going where it belongs. It is just as Stephen Smith said in his tweet: Congratulations. I applaud the work of Bill Fraser.

[*Translation*]

Mr. Coon: Last week, people throughout the province were surprised to learn that the government was going to transfer the administration, management, and leadership of the New Brunswick Arts Board to the Department of Tourism, Heritage and Culture. The New Brunswick Arts Board is an agency that operates at arm's length from the government; it is registered as a charity, so it can raise funds and receive donations from the private sector. Does the minister intend to increase subsidies for New Brunswick artists to compensate for the loss of private funds that were intended for them?

Hon. Mr. Fraser: I thank the member opposite for his question.

[*Original*]

I am pleased to answer the respectful question from the member opposite. Certainly, as I have said, we want to continue to uphold the principles. The board will continue to be at arm's length from government. It will be completely independent of government, with no political interference.

(Interjections.)

Hon. Mr. Fraser: I am not sure what the joke is, but this is a very serious topic.

I want to make sure that the artists in our province and the arts community in our province are very clear on this. We are doing this for them, to ensure that the maximum amount of money is distributed to them—to the artists and arts organizations in the province. That is where the money belongs. We are going to continue to work with our partners at the Arts Board. As I said previously, we have a meeting coming up on Thursday evening in Saint John to work on the transition and on how we can work together collaboratively and not in silos so that we can work together to ensure better services and better programming for the artists.

Mr. Speaker: Time, minister.

Mr. Coon: The minister did not actually answer the question about whether or not he is going to make up for the loss of money that results from private donations to the Arts Board. Let me try this. A major role of the executive director of artsnb, who is going to be lost, is to serve as an advocate and champion for New Brunswick artists and New Brunswick arts. In eliminating the



leadership and advocacy function of the Arts Board by removing the executive director position, this government will dismantle the capacity of artsnb to fulfill this role. Can the minister tell me and this House who will champion New Brunswick arts and artists under this new model?

Hon. Mr. Fraser: It will be the board of directors. The independent board of directors that works at arm's length from government will champion it. It is the same people who champion it today. It is nothing different.

I will pose a question to the members opposite. Some \$400 000 in efficiencies were identified. Would the members opposite rather see that \$400 000 come from the grants that go to the artists and arts organizations?

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Fraser: Would they rather see government and other organizations in the province working together collaboratively and not in silos so that we are working for the best interests of the artists to ensure the money goes where it belongs, which is in the pockets of the artists and the arts organizations in our province? I would like the member opposite to answer that question.

Mr. Speaker: This is the final question.

Mr. Coon: I would like to see artsnb kept whole.

As part of the department's internal program review, the Arts Board commissioned a third-party assessment of the funding model the province has been using, identifying strengths, weaknesses, and opportunities. The study, completed by Dr. Monica Gattinger of the University of Ottawa, a leading expert on public arts funding delivery models, was introduced at a press conference at the artsnb office this morning. Why did the minister not wait for the results of this report before making a unilateral decision that will be detrimental to the arts in New Brunswick?

Hon. Mr. Fraser: I want to reiterate that the board of directors of artsnb will continue to be operated at arm's length. Let's get that straight. It will be at arm's length, with no political interference whatsoever, which is the same as it is now. It will continue to administer the money that taxpayers provide to the artists and arts organizations through a peer jury system, which is the same as is done now.

We are looking at administrative efficiencies and a new administrative model. We are going to work on it with the board of directors and with our other partners. There are other partners that work with the arts community in New Brunswick, such as AAAPNB and ArtsLink NB. We are going to work with all three groups collectively—they represent all organizations within the



province—to provide the best model for the artists and the arts organizations in the province. It will maximize the amount of money that goes to those people who are out there creating the art and doing the work in our province for our cultural community. Thank you.

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

