

April 5, 2016

[Original]

Legislation

Mr. Fitch: If a government—any government, anywhere—changes legislation to diminish the power of the legislative officers who watch over the government’s spending, I would think that the alarm bells would start ringing. When a provincial government does this, it should be a national story. Just think of the harm to a province’s reputation in the national spotlight. Think of what the bond agencies would think upon learning that a provincial government, run by people who have a blatant disregard for the taxpayers’ money, has changed the rules to allow itself to get away with even more things. Would the Premier agree that this would be a very, very bad situation?

Hon. Mr. Gallant: I am certainly not going to indulge the member opposite by answering a hypothetical question.

I will say two things. First, the Attorney General of our government will be more than pleased to talk about the legislation to which the Leader of the Opposition is referring. From my point of view, I would say that it is important that we recognize that the bill in question has been one which governments—and I say “governments” in the plural—have been consulting many people about, including the member opposite when he was in government. In fact, there were consultations with the Auditor General with regard to exactly what has been presented. However, the Attorney General would certainly have more to say about that.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Gallant: Just really quickly, I am very confident that the bond agencies understand that we take the finances of the province seriously. We have made the bold decisions that will ensure not only that we get our fiscal house in order, but also that we are going to grow the economy and invest in the priorities of New Brunswickers.

Mr. Fitch: Okay. We will not make it so hypothetical this time. The Auditor General asked for a certain authority to be further strengthened, which was what we did. In response, the Gallant government has actually taken it away entirely. It is kind of ironic that we are talking about the authority that came into play with Justice Ryan’s Atcon investigation, when it was found that the bureaucracy was noncompliant. That is what is being taken away here. Why would the Gallant government strip this authority—this particular authority—away from the Auditor General? It certainly looks bad. It is something that the Auditor General felt should be



strengthened. However, the Gallant government removed it entirely. Does the Premier see how bad the optics look on this?

[*Translation*]

Hon. Mr. Gallant: First of all, nothing has been done yet; a bill was tabled, and I can tell you that the civil service consulted all stakeholders on the matter. I can also tell you that we were informed that the stakeholders who were consulted clearly agreed with the bill. Now, it seems like this is no longer the case. Once again, I would point out that one of our ministers will speak about this file more in detail.

That being said, I want to remind the Leader of the Opposition that it is important to note that consultations on this same matter started under his government. There were even consultations with the Auditor General. Also, I think it is important to mention that we are having a dialogue, and that is fine. We are going to have another discussion with the stakeholders, members of the opposition, and the people of New Brunswick. The Auditor General herself said that she was not under the impression that these changes were related to a specific file, and I would like to point that out to the Leader of the Opposition.

[*Original*]

Mr. Speaker: Time.

Mr. Fitch: Let's get even more specific. The bankruptcy of Co-op Atlantic brought to light some Atconian-type activity and behaviour by the Premier and his Cabinet ministers. Just as in the case of Atcon, a company just months away from collapse received a loan guarantee from the government. This time, it was only \$7.5 million, but that was put at risk. There has to be an inquiry into this situation as well. We need to know whether civil servants again advised against a loan guarantee, and we need to know whose signature was on that loan guarantee. Was it the Premier? Was it the Minister of Health? Was it Stephen Lund? Who signed off on this, and was our creditor status changed for the worse?

The Auditor General should be conducting an inquiry into this, and, unless the government is hiding something, would it not be a perfect time for it to change the rules, so to speak? Would the Premier not agree that the timing on this is suspect?

[*Translation*]

Hon. Mr. Rousselle: I realize that the Leader of the Opposition seems to have a lot of concerns regarding the *Inquiries Act*. I want to start by clarifying that, as the Premier just said, it is an important Act. For 11 years, since 2005, each consecutive government has worked on reforming it. It is not necessarily a priority for our government, but we decided to go ahead following all the work done by the law reform team at the Office of the Attorney General.



That being said, I can confirm that, in a spirit of cooperation and willingness to listen to what everyone has to say, I will have the opportunity later on today to propose an amendment so that changes to the *Inquiries Act* are referred to the Standing Committee on Law Amendments.

[Original]

Mr. Fitch: Since the topic is on the floor, I wonder if the Attorney General or the Premier can answer some questions because that section is pretty bad, but section 12 is even worse, if that is possible. It removes powers to get evidence. A new section limits the power of the Auditor General to an audit. We look at the definitions section, which limits audits to things using accounting and financial standards. In section 9, audit is reserved largely for financial transactions and the mechanical work of verifying financial instruments. The so-called performance audits are the more general inquiries into whether documents meet their mandates, whether the authority was abused, whether contracts are properly tendered, or whether government loans are properly backed up. Can the Auditor General still do them?

Again, we are seeing a situation where the government is changing in midstream, going to the law amendments committee. Can the Attorney General confirm that this was done because of the pressure that the public has put on him at this time with regard to this Act?

Hon. Mr. Rousselle: I will do even better. Last week, when we heard about the serious concerns of the Auditor General, my office, the Office of the Attorney General, reached out to the Auditor General and left a message on her voice mail telling her that we were ready to discuss this with her because we were ready to keep subsection 12(2). Unfortunately, she did not receive the message, from what I am told. Now, she knows about it, and she has indicated that if we retain subsection 12(2) and allow her a bit more time, which we will do, because we are going to the law amendments committee, she will be ready to look at it and maybe support the bill. Thank you very much.

Mr. Fitch: At least we are making some headway. We are pushing back. We are causing the government to have sober second thought on some of these issues, and that is good. It shows how effective you can be in question period and how effective you can be in the Legislature.

If the minister across the way thinks that consultation is leaving a voice mail message, he has another think coming to him. It is just like the minister who says that the consultations with the firefighters, the firefighters' unions, and the police unions are such that she can send out her deputy minister, show them options, and then take those options back off the table—to say that we will meet, but nothing will be changed. Can the Premier admit the fact that, since he has reversed this, he will do even one better today and break up the omnibus bill? Let's have a discussion on all those issues that are so important to the firefighters, the police officers, and other unions across the province.



[Translation]

Hon. Mr. Gallant: First of all, I would like to reiterate that these consultations happened months and years ago.

As the minister said, various governments have been discussing these amendments and reforms with stakeholders for a decade now.

[Original]

The consultations have been ongoing for months and years, much further back in time than when we formed the government.

We have no problem whatsoever, and I agree with the Leader of the Opposition. This is great. This is democracy at work. There are concerns. This is not a problem at all. We will put them to the law amendments committee, we will have a good discussion, and we will find a pathway forward. I have to agree with the Leader of the Opposition again. I think that to have people voice their concerns and to have a government that is willing to work with them is a good thing. I also agree that the opposition is very good at being the opposition, and I suggest that it stay there for quite a few more years.

Mr. B. Macdonald: Since this Gallant government took office, what has emerged is a pattern of behaviour that is now amounting to a serious breach of the public trust. When the government repealed the *Taxpayer Protection Act*, it said that it would not raise the HST, but now, a year later, it is raising the HST. When it brought in rule changes to the Legislature, it said that the changes would have no effect, but, a year later, the government is closing down the Legislature and limiting the number of question periods. It is also attacking the judiciary to the point where the Chief Justice has had to speak out. Now, it is muzzling the Auditor General.

Here is the reality. The Premier has stacked his Cabinet with the Atcon ministers, and they fear the Auditor General's Atcon investigation because it will reveal the layers of corruption that lie inside the Cabinet of this government. Therefore, the government is limiting the Auditor General's ability to do her job and conduct that investigation. Will the Premier now reverse his position and, instead, empower the Auditor General and give her the resources that she needs to conduct that investigation to show the people of New Brunswick where the truth lies with Atcon?

[Translation]

Hon. Mr. Gallant: We have already answered these questions several times. In fact, we have debated these issues many times here in the House. I would like to emphasize this: I do not think that the opposition member listened to the minister's answers.



[Original]

We have made it very clear that we are more than willing to bring the amendments to the *Inquiries Act* to the law amendments committee. We will have a great discussion. The members opposite will be able to ask a lot of questions. We will have other people participating in the dialogue, and we will make sure that there is a nice consensus to move forward. If there is not, there is not. Maybe the bill will not go anywhere. We will see, and we have no problem having that conversation. As the minister stated, this is not a priority of ours.

We are focused on creating jobs and on creating the right climate for economic growth. I am surprised that the Leader of the Opposition did not mention WestJet Airlines in his remarks today. We think that is a fantastic announcement, I absolutely have to say. There is real momentum in New Brunswick, and we are going to keep working with the business community to keep it going.

Mr. B. Macdonald: I did not really get an answer to my question. The trend of this government has been a desire to consolidate power in the Premier's Office. In fact, it is unprecedented. It has stripped away the rights of judges to control how and where they work. It has stripped away the rights of people to be represented in this House by shutting down this Legislature and limiting the number of question periods to do this very basic challenge function. It has stripped away the rights of taxpayers to be represented, which is a fundamental principle, by repealing the *Taxpayer Protection Act* and then launching its tax increases. Now, it is going after the Auditor General again.

My question is this: Will the Premier at least tell us when this will end? Does it end now? Does the Premier's attempt to consolidate power end now? What other things does he have planned to attack other institutions in our democracy?

Hon. Mr. Gallant: I would remind the member opposite that his questions are supposed to be about the same subject. I have no idea what he is trying to get at. He is changing within his questions, and, within two questions, he has very many different topics.

However, in terms of making sure that we have good governance, we put in our platform that we would refer more matters to committees. That is exactly what we are doing. The member for Fredericton South has always said that there should be more stuff happening within committees. We think that is a valid point, and we agree. Good questions are asked most of the time. It is a "tribune" and a vehicle for really getting all the information out there. We are trying to ensure that we prioritize that.

We are trying to do that, especially with our budget. We wanted to talk about it during estimates because it was one of the most transformational budgets we have seen in years, if not decades. We are very happy that we have made the tough choices and the right choices to ensure that we are going to be able to invest in the priorities of New Brunswickers: health care, education, and jobs.



Mr. B. Macdonald: It is clear that the Premier does have trouble following this line of questioning because there have been so many examples of where this Premier and this government have been abusing their power to consolidate power in their own hands. The members opposite have consistently been saying one thing and doing another. Their attack today on the Auditor General amounts to a serious violation of the public trust, as did their attacks on rule changes and on taxpayers. There are any number of examples.

My question is this: When will the Premier start being straight with the people of New Brunswick as to why he is really attacking the Auditor General? Will he empower the Auditor General once and for all? Will he give her the resources, the rights, and the legislative ability to conduct an investigation into Atcon? Will he commit to us today that he will give her the resources that she needs to do that investigation on behalf of the people of New Brunswick?

Hon. Mr. Gallant: As I have said, I would invite the member opposite to stick to the same subject for his three questions. I would also ask him to listen to the answers that we have been giving.

The minister made it very clear—crystal clear—that we are going to make the *Inquiries Act* go through the law amendments committee, which means that there will be a fruitful discussion. Any concerns, questions, or suggestions can be raised at that time. That includes questions from the opposition, stakeholders, and the Auditor General. As the minister made very clear, the Auditor General is more than willing to ensure that there is a positive dialogue about the potential reforms. It would be great if the opposition took her lead and ensured that there was a constructive conversation about it.

I am not really sure why the member opposite is so upset this morning. I think that he should listen to the answers. We made it very clear that we are going to work with the opposition, with stakeholders, and with other people to make sure that the law amendments committee provides a good conversation about the reforms.

Mr. Higgs: If there ever was a time in the history of our province when the Auditor General needed more authority and expanded oversight, it would be with this government. This is why it is disappointing, yet not a bit surprising, that this government has chosen to unfairly restrict or, in some cases, eliminate the Auditor General's powers of inquiry. There has been speculation that the ongoing Atcon investigation, with the upcoming Co-op Atlantic investigation, is a driving force behind the stripping of power from the Auditor General.

Can the Premier confirm whether the changes that are being proposed would actually limit the AG's ability to complete her investigation of the Atcon file, as she is planning to do?

Hon. Mr. Gallant: I will do one better. The AG said herself that they do not, so I am not really sure why the members opposite are still on the subject. I get it—the first questions, I understand. I believe that the minister made it very clear that nothing is passing, nothing is



moving forward, except to have the bill go to the law amendments committee to have a really good discussion about how we should move forward.

The Leader of the Opposition got up on his feet and said: This is great. He said that they are awesome at being the opposition. It is all because of them. They put on pressure. They are screaming and hollering. They are very proud of that. That is fine. They can take the credit, if they will, but the leader admitted that he understood. He understood that the bill is going to go to the law amendments committee.

Nothing is moving forward. We will have a conversation. The Auditor General can chime in, others can chime in, and the members opposite will be able to chime in as well.

I understand that the last two who were asking the questions are running their leadership campaigns. I know that they are very busy organizing their campaigns across the province, but I ask them to take the time to listen to the answers that we are giving them on the floor of the Legislature.

Mr. Higgs: While it is encouraging to hear the words “we are going to send this to the committee, we are going to answer the questions, and we are going to look at making modifications as necessary”, all we have ever seen from that actual suggestion is words. We have never really seen any results from that, and we have seen bills move on through with little, if any, change. Closure seems to be a way of life with this government, as we have seen it more times now than with any previous government.

If the Premier has just created a \$1-billion fund and made himself minister in charge of that \$1-billion fund, what is the first thing for him to do? I would get out to the taxpayers every detail of how every penny is going to be spent. That is what would seem to be appropriate. However, what the Premier has chosen to do, now that he has put himself in charge of a \$1-billion fund, is to eliminate the Auditor General’s oversight. This does not send a good signal. Does the Premier agree that eliminating the oversight at a time when he has given himself control over a \$1-billion fund does not send a good signal to the people of this province?

Hon. Mr. Gallant: Nothing has been decided, as I think I am saying for about the fifth or sixth time on the floor of the Legislature. Added to the minister’s comments, it is probably almost 10 times now. Nothing is moving forward without the bill going to the law amendments committee for a fruitful discussion and debate about what it should look like. That will include suggestions from the opposition, it will include suggestions and concerns from the Auditor General, and it will include input from other stakeholders as well. I am really not sure how I could be more clear.

I understand that the members opposite all have the pages written out for their questions and they do not really want to listen to the answers. When we actually answer the question, they are not sure what to do with their pages and their preset questions. I get that. I would ask them to move on to something else because we are going to have ample time to discuss this in the



law amendments committee. They have our word that we are going to work with them to make sure that this is a bill that everybody can live with and support.

The member opposite just cannot get over the fact that we are going to do that. I get his skepticism. He worked under the previous government, and he understands that the previous government did not listen. However, I am here to tell the people of New Brunswick and the opposition that, through the law amendments committee...

Mr. Speaker: Time, Premier.

Mr. Higgs: I do understand the actions of the previous government, and I do understand that we spent long, hard hours working with the Auditor General to increase the abilities of the Auditor General to look at the government and to look at how it operates. We updated a program that had not been updated since the mid-eighties. That was change. That was reform that brought more visibility, not less. It allowed scrutiny over the government's actions on a continual basis. It did not allow less. Forgive me if I do not quite take you at your word that things are going to be looked at and changed as necessary—it is because we have not seen those actions.

What this government is doing to the Auditor General amounts to a huge attack on the watchdog of the public purse. The government is putting in place obstacle after obstacle while diminishing the authority and power. This appears, once again, to be very skillfully and carefully crafted to give the executive branch of government greatly unbalanced powers. Can the Premier explain to this House why giving him further unrestricted powers should not be viewed as extremely dangerous to the financial and democratic...

Hon. Mr. Gallant: First of all, the minister could answer the question himself. The government in which he was the Finance Minister started the conversation and consultations with the Auditor General regarding these potential changes. To have the member opposite get up today in a sanctimonious way and try to say that the sky is falling, I think, is unfortunate.

What is even worse is to have the members opposite get an answer from us almost a dozen times now—we are getting there—when we have made it very clear that nothing is moving forward. We will send it to the law amendments committee. The members opposite heard me say in the last reiteration of my answer that we will work on a consensus basis. We will ensure that the legislation is going to be something that everybody is comfortable with, including stakeholders and the opposition. If they are not comfortable with it, we will not move forward with it. No problem. The *Inquiries Act* is not our priority. Creating a climate for economic growth, ensuring that we are investing in education, and protecting health care—those are our priorities.



Home Heating

Mr. Coon: We have entered that strange and somewhat ominous land called the new fiscal year. Last year, when the government eliminated Efficiency NB and transferred responsibility for energy efficiency programs to NB Power, I asked the Minister of Energy and Mines whether New Brunswickers who heat their homes with oil, propane, wood, or natural gas would continue to qualify for help insulating their homes. He assured me that NB Power's home insulation program would not discriminate against New Brunswickers who do not heat with electricity.

Can the minister confirm that, as of May 1, NB Power will continue to help families save on their heating bills only if they heat with electricity?

Hon. Mr. Arseneault: I am very proud of our government, which has reinvested in home energy efficiency programs at a time when... I remember that, back in 2014, the former Tory government slashed a whole program for home renovations. It was our government that brought it back. Yes, we did transfer the responsibilities of Efficiency NB to NB Power. So far, we have invested more in energy efficiency over the past five years. We did that as a Liberal government, in cooperation with NB Power.

Let's take the heat pump program. Not only did we have an objective of 1 500 heat pumps to help families all across New Brunswick, but also we more than quadrupled that objective. We did not stop that program when we reached our objective. We let it go. Today, over 5 000 families and homes around New Brunswick are benefiting from energy efficiency programs.

[*Translation*]

Mr. Coon: All New Brunswickers are looking for ways to reduce their heating costs, and they all want to do their part in the fight against climate change. Everyone knows that, by improving the energy efficiency of our homes, we kill two birds with one stone, and we create jobs.

So, how does the minister plan to make sure that all New Brunswickers get the same help to reduce their heating costs if they do not heat their homes with electricity?

Hon. Mr. Arseneault: I appreciate the question from the opposition. As I said earlier, since NB Power has been responsible for delivering energy efficiency programs, we have seen their numbers go up. We brought back a program that the former Tory government had completely eliminated. We brought back the renovation program that was provided when Efficiency NB existed. We also created a new heat pump program. There is also a home insulation program. These are all things that will help families reduce their energy consumption. Ultimately, this will help reduce power bills, and that is our goal for New Brunswick families.



[Original]

Mr. Coon: We know that energy efficiency is the quickest and cleanest way to create jobs and strengthen our economy while cutting carbon pollution. Yet, families who now heat their homes with carbon-based fuels will no longer be eligible for help from NB Power to cut their fuel use as of May 1. We need ideas now to solve this problem quickly.

My *Green Jobs Act*, which will come up for second reading this week, suggests a stand-alone agency called Renew New Brunswick, which would not discriminate among New Brunswick families and businesses who are trying to save money on their energy costs, whether they heat with oil, propane, natural gas, wood, or electricity. Does the minister support the establishment of a stand-alone agency with a mandate to help all New Brunswickers become more energy efficient without discriminating against them, based on the fuel that they use to heat their homes?

Hon. Mr. Arseneault: I appreciate the member opposite's continuing to push his *Green Jobs Act*. One thing that I would recommend to him is to stop thinking that we are not actually creating some green jobs in New Brunswick. We are doing that.

Not that long ago—a couple of weeks ago—I was in Saint-Quentin with Groupe Savoie, which has tremendous value-added forest products. It takes the biomass from the forest floor and creates pellets. Actually, it has the first pellet delivery truck in the country. It actually delivers pellets to families and institutions across northern New Brunswick and various parts of the province. Those are green jobs. People in the forest and people in the plant are doing that. In Belledune, we have Shaw, which is creating jobs with biomass by creating pellets. There are stories all around the province. We have windmills in our province. We have all sorts of green types of jobs.

The member opposite continues to stand up and pretend that New Brunswick is not doing its fair share when it comes to creating green jobs, but he is totally wrong. I would love to take him on a tour of New Brunswick to show him just that.

Mr. Speaker: Time, minister.

Government Funding

Mr. K. MacDonald: In June 2009, a loan guarantee was extended to Atcon by the former Liberal government. Eight months later, it went bankrupt. In March 2015, the current Liberal government, with many of the same players, gave a loan guarantee to Co-op Atlantic. Three months later, it went bankrupt. These members seem to be speeding up the process of losing taxpayers' money.



In February 2015, Stephen Lund was named the head of Opportunities New Brunswick. In March 2015, the loan was made to Co-op Atlantic. My question to the minister is an easy one. What involvement did Stephen Lund have in the loan to Co-op Atlantic?

Hon. Mr. Doucet: I appreciate the questions from the member opposite. As a matter of fact, if we were to go back through Hansard, we would probably find that I am giving the same answer as I have given many times before. The Co-op Atlantic file is currently in court under the *Companies' Creditors Arrangement Act*. Opportunities New Brunswick and the Attorney General's Office are closely monitoring the ongoing court proceedings to determine what, if any, effect the liquidation of co-op assets might have on the guarantee. I cannot comment any further on that particular matter.

I do not know where the members are getting the numbers from, but we are going to be concentrating on job creation. I think job creation is so very important. We have a tremendous opportunity here. It just really surprises me that there has been no mention whatsoever in the House about the great jobs and the opportunities with cybersecurity—the IBM jobs—that were announced just last week. There will be 350 new jobs in the province. For the life of me, I cannot understand why the opposition would not paint that white.

Mr. Speaker: Time, minister.

Mr. K. MacDonald: The minister is looking for a number. How about \$7.5 million? That is how much money the taxpayers of New Brunswick are going to lose because of the actions of this Liberal government.

The Auditor General made some very specific recommendations as the result of her first investigation into the Atcon scandal. There is another investigation coming. Stephen Lund of Opportunities New Brunswick was trotted out to the media as the person who would implement these recommendations so that another Atcon would be less likely. Of course, these recommendations were never implemented. That is a big surprise. If Stephen Lund had any involvement in the Atconian loan to Co-op Atlantic, then he must be removed from his position as overseer of the Atcon recommendations. Again, I ask: What was his involvement in the Co-op Atlantic file?

[*Translation*]

Hon. Mr. Gallant: Once again, as the minister said, the answer was given, and we cannot discuss this file any further at this time. The last two times, the minister was very clear on this, and he repeated the same remarks today.

Since the opposition member wants to point out numbers, I will also take the time we have left to share some numbers as well.



[Original]

At IBM, there are 250 jobs, and 100 have been created right here in Fredericton. There are 40 jobs in Florenceville-Bristol and 110 in Saint John. We have 39 jobs created with some good family-owned businesses in Sussex, and there are more to come. We have 113 jobs that are on their way to OrganiGram, and, with over 400 jobs at WestJet, you could say that, in New Brunswick and specifically in Moncton, we are flying high.

(Interjections.)

Mr. Speaker: Order. The time for oral questions has expired.

