

May 2, 2017

[Original]

## Property Tax

**Mr. Higgs:** Well, the Premier is on a roll. He has a perfect record on questions asked, no answers. At this point, maybe this is the goal for this session—lots of questions but no answers. The list of unanswered questions is growing as fast as public anger over the property tax scandal is.

The Premier has created his own crisis by giving different accounts of his involvement as the scandal unfolded. On April 6, the Premier said this about the fast track: “These ideas that it was blessed by the premier’s office... completely unfounded”. Yet, an e-mail released by the Premier’s Office to media hours later says emphatically: “Let’s do it.” The Premier’s credibility is shot. The credibility of the Premier’s Office is no longer in existence. How does the Premier expect New Brunswickers to ever again give him the benefit of the doubt on any statement that he makes? Thank you.

**Hon. Mr. Gallant:** Since 2011, thousands and thousands of errors have occurred when it comes to the property assessment process. That is why we have made it very clear that we think that it is a problem-plagued property assessment process and that we have to fix these problems once and for all.

We have taken bold action and aggressive action to make sure that this situation is rectified. We have ensured that we will find out what happened this season and every season since 2011 that created thousands and thousands of errors every single year. We have done this by asking former Justice Robertson to do an independent and exhaustive review of what happened every single year to create these errors. We have also committed to ensuring that there will be an agency that is independent from the provincial government that will do the property assessments in the future. We look forward to getting the review so that we can ensure that we fix these problems once and for all.

**Mr. Higgs:** This is not like any time in history. The real error here is the Premier’s push to get more money, to get more money out of every resident in this province as fast as he possibly can. On March 31, the Premier was asked by a reporter whether his office or the minister responsible were aware of the discussions to make the change in the assessment program in one year rather than in three, the basis for this problem. The Premier responded: “At this point it may be the case, I’m not aware.”

A week later, the Premier’s own office advised the media that, in May 2016, the Premier’s Office received a 14-page presentation and that the Premier raised questions about the



presentation. The Premier has yet to answer whether he was actually at the presentation or whether he made his demand for a fast track based on a conversation with his chief of staff. This is not like in 2011. This is not like any time in the past. This is a case where the Premier messed directly in assessments. Would the Premier answer these questions today? Did he authorize it? Did he make this happen?

**Mr. Speaker:** Time, member.

[*Translation*]

**Hon. Mr. Gallant:** Since 2011, our property assessment system has been causing thousands of errors, and New Brunswickers deserve better. Every time an error is made, it has an impact on people, on their families, and sometimes even on New Brunswick communities. It is therefore very important to know exactly what happened, every season since 2011, to cause thousands of errors this way.

This is why we asked former Justice Robertson to carry out a comprehensive and independent review to determine what happened this season—with the arbitrary formulas used for approximately 2 000 property assessments—and every year since 2011. We want answers, and New Brunswickers deserve answers. We look forward to the review being complete, so that we can then fix these problems once and for all.

[*Original*]

**Mr. Higgs:** Once again, no answer, evasive answers, and deflection of the situation. It is simple. This has never happened in the past, where the Premier got directly involved in the assessment process because he wanted more money to spend for every place in the province, for whatever wish list he could come up with to buy votes. The Premier's Office ordered the fast track. Of that, we are now sure. It came out of the Premier's Office.

Among the questions the Premier has so far refused to answer is whether his office advised Cabinet of the added expenditure of almost \$1 million to fast-track the assessment program. We paid more to get more. I guess that he thought that it was a good return on investment—a 6-to-1 return in the first year. That is not what you do to New Brunswickers. You do not gouge everyone who lives in their home and tries to make a living. Would the Premier advise the House as to whether Cabinet approved the extra expense of taxpayer funds or whether his office alone approved the extra spending on the assessment fast track? Thank you.

**Hon. Mr. Gallant:** Again, there will be an independent and exhaustive review done by former Justice Robertson to get the answers to the questions that New Brunswickers deserve to have answered. We are also going to act aggressively to make sure that we fix these problems moving forward by creating an agency, independent from the provincial government, to do the property assessments in the future.



I have been sitting here for about a week now. I let it slide the first four or five times. I have to take issue with the way that the Leader of the Opposition is saying that there is money being spent and giving the impression that it is wasted. Investments in health care, investments in education, and investments in things that stimulate the economy and create opportunities for New Brunswickers are investments. They are not wasteful. Investing in improving primary and acute care and investing in helping those with mental health challenges and addictions is money well spent. That is what we, as a government, are doing for the people of New Brunswick.

**Mr. Higgs:** The Premier has changed his story several times since the property assessment fast-track scandal story first emerged. On April 6, the Premier said that he thought the media should realize that making accusations should be founded on some type of document. On April 10, the document became public. With the document, the last of the Premier's credibility evaporated. So far, the Premier has done nothing to acknowledge or refute this evidence. Would the Premier care to tell New Brunswickers about the document prepared by senior civil servants that says that he ordered the fast-tracking of the assessments? Does the Premier dispute the very existence of this document? Thank you.

**Hon. Mr. Gallant:** Again, we think that we should allow former Justice Robertson to do his work. He is doing an independent and exhaustive review of what happened this season and what has happened every single season since 2011 that created thousands and thousands of errors every single year. There is a problem-plagued property assessment process, and we are going to fix it. With the review, we are going to have the findings that we need to then be able to ensure that we set up the agency independent from provincial government that will do property assessments in the future.

To the thousands of New Brunswickers that have been impacted throughout the years, we want to make it very clear: If there are any errors that they want to report, they can do so at any time and we will make sure that the errors are rectified. We have extended the request for review timeline, allowing people to ensure that they got the right type of assessment for their property. There are problems with this process, and we are going to fix them once and for all.

**Mr. Higgs:** This is a review that reports directly to ECO, a review that has restricted the power of Judge Robertson. It has restricted the power to compel witnesses. He can request witnesses. It has restricted the power to compel documents. He can request documents. He is not allowed to make any findings on the political direction in the phony renovations. He cannot disclose the full findings on what he is about to look for. Did the Premier not give Justice Robertson the power to make any findings regarding the Premier's Office? The whole problem started in the Premier's Office, and Justice Robertson's hands are tied. He is not allowed to look at where this all began—in the Premier's Office.

We have a document that is going to be provided to this government in order to say: We need to outsource Assessment NB. We need to outsource Service New Brunswick because it did not do the job properly. Why do we not give the judge full rein to do what is right?



[Translation]

**Hon. Mr. Gallant:** We have no doubt at all that former Justice Robertson will be able to carry out a comprehensive and independent review for New Brunswickers. This review will help us understand what has been happening every year since 2011, meaning why a situation arose where thousands of errors were made in the property assessments of people of this province.

I cannot speak on behalf of former Justice Robertson, but I can tell you that he signed the contract specifying the mandate and the resources he was being given. We can therefore assume that this former justice thinks he is able to do the work for New Brunswickers with the mandate and the resources he was given.

We are very proud that we are finally going to resolve this situation once and for all. Thousands of errors have been made since 2011, and New Brunswickers deserve better, since each error can have a negative impact on the people of the province. Yes, we will rectify the situation once and for all.

[Original]

**Mr. Higgs:** This is not a past problem, as the Premier would like to suggest. This is a problem that was created in 2016. This is a problem that residents are paying for in 2017. The 2017 property tax scandal story first hit the media on March 1 with the LNG assessment drop. While New Brunswickers were seeing their assessments jump by 40%, 50%, 60%, and more, the LNG terminal saw its assessment drop by 67%. The Premier has yet to explain why his government hired a company that specialized in dropping taxes for oil industry businesses to assess the LNG terminal while ordering another company to rush a program to take more property taxes from New Brunswick citizens. What is the rationale for that?

**Hon. Mr. Gallant:** In 2005, a tax break was given to the Canaport LNG terminal. We took away that tax break. Because of our government, the Canaport LNG terminal will have to pay more property taxes. Because of the tax break that we repealed, the city of Saint John will receive almost five times more in taxes coming from the Canaport LNG terminal.

Since the Leader of the Opposition raised this, again, I would be very curious for him to answer the following question. He boasts that he was an Irving Oil executive, landing the deal between Repsol and Irving Oil. What role did he play in 2005 and in the years before and after to get the tax deal that Canaport LNG got? He boasts that he was the one that brought those two companies together when he was an executive of Irving Oil. Hopefully, he will answer that question today so the people of New Brunswick will know the truth.

**Mr. Higgs:** There we go again. The Premier quotes a comment from my résumé. Actually, I have a résumé to be quoted from, and I am proud of that.



For the Premier's education, I will again explain how question period works. The opposition asks questions, and the government, theoretically, answers questions. In the case of the Premier, he provides, not answers, but spin, smoke, and rhetoric.

I will, however, be happy to answer any question that the Premier has at a charity event at the Fredericton Playhouse moderated by Terry Seguin, who has volunteered to do so. The Playhouse holds 709 people. If each donated \$10, that would be a good boost for charity—in fact, a charity of the Premier's choice. Is the Premier willing to take part in this event, a Q & A moderated by Terry Seguin? If he agrees to do this, the people will demand real answers. Can the Premier handle that?

(Interjections.)

**Mr. Speaker:** Order.

**Mr. Higgs:** I will give a real answer. I will give a truthful answer. Will the Premier do the same?

**Hon. Mr. Gallant:** First, I do not refute that question period is about the opposition asking questions of the government. I know that, and that is fine.

The Leader of the Opposition said that he would do politics differently. He raised the LNG terminal taxes himself. I think that he owes it to the people of New Brunswick to answer the question. What I find a bit interesting is that he will only answer the questions that New Brunswickers would have with regard to his past and with regard to his policies if I accept the debate.

I want to tell you that I have enjoyed the past two hours that we have been debating over the past week, even though they were one-sided debates. I think that the Leader of the Opposition had ample time to be able to raise his points during those debates. I would add that we sat together for probably an hour or two again in estimates so that we could have yet another debate.

The public venues are there. The Leader of the Opposition is trying to hide behind some debate that he wants to have with me to not answer the question. I suggest that he use the people's House to answer the people's questions.

**Mr. Higgs:** Once again, it seems that confusion has set in. We ask the questions, and the government is supposed to answer. In all those references that the Premier made to where those questions were asked, not one answer was given. Therefore, we are trying to change the format. Let's change the format. Maybe the Premier would like an opportunity to actually face the public in an open forum. I am very prepared to do that.

If a live audience at the Playhouse is something of a concern for the Premier, that is okay. Terry Seguin has offered to moderate a program on his own radio show, where the Q & A between



the Premier and me could be broadcasted. That way, the Premier will not have to listen to the boos and cheers from the audience. Maybe that is a better venue. Mr. Seguin can be the judge of whether a question has been answered or whether it has been responded to with smoke and spin. I am prepared to subject myself directly to the public. Let the Premier do the same and not hide in this House.

**Hon. Mr. Gallant:** With the people in the gallery, the cameras on us, and the media watching, I do not think that anybody is hiding in this House. I would like to add that I have been to numerous public venues since I have been Premier. If you would like, I can list them all. It would take up the rest of question period, however. I would also like to add that we, the Leader of the Opposition and I, have debated for about three hours over the past week alone and it has been one-sided. It has only been him asking questions and him refusing to answer them.

Again, I am not refuting that question period is about the opposition asking questions. That is fine. However, if the Leader of the Opposition wants to do politics differently and if he wants to have other venues to answer questions, I suggest that he choose the people's House as the venue to answer the question of what role he played in securing the tax break for Canaport LNG when he was an Irving Oil executive. He boasts about playing this role on his Web site. Tell the people of New Brunswick in the people's House.

**Mr. Higgs:** Once again, there is confusion about the process in the Legislative Assembly. I am prepared to subject myself to any forum where the Premier also has to answer the questions. Let's look at the record. There were probably 40 or 50 questions asked, and there was not one single answer—none. What is the point? One-sided is correct. I ask questions, and I get no answers. He tries to ask questions in a forum that does not allow for that. I am trying to change it so that the Premier will have that opportunity.

The Premier has held at least two media events on the property tax scandal, trying to get control of the crisis that he created. Each time, the Premier has managed to make matters worse for himself, his office, and his government. Calls for his resignation are coming from all around the province. The Premier has tried to deflect his crisis onto the civil service, and, now, he is hiding behind a bogus inquiry that he has created. Nobody is fooled. When will the Premier stop hiding, face the people of New Brunswick...

**Mr. Speaker:** Time.

**Hon. Mr. Gallant:** I have answered every single question in question period in the last week about property assessments. I have indulged the Leader of the Opposition during estimates, even though his questions had nothing to do with estimates. I have been debating with him for hours now over the last week alone. I have had well over a dozen interviews with media in which I discussed the property assessment issue. I can tell you that we are going to ensure, as the government to the people of New Brunswick, that we fix the problem-plagued property assessment process once and for all.



The review that is being done by former Justice Robertson will help inform us of what we need to do to correct the process moving forward, to give New Brunswickers a property assessment process that they deserve. I can tell you that the agency independent from the provincial government will be one of the main components of ensuring that we deliver that for the people of New Brunswick.

**Mr. Flemming:** I have a question.

(Interjections.)

**Mr. Speaker:** Order.

**Mr. Flemming:** It is with respect to this property tax issue. In New Brunswick, the government wishes to look into this issue, as the Premier has framed it, and I am prepared to take him at his word that he wants to get to the bottom of it. We have a specific Act in New Brunswick that outlines these procedures. It is known as the *Inquiries Act*. The Act states that the Lieutenant-Governor in Council may by order establish a commission. It gives the commission particular powers. It strikes me that this is a perfect statute to conduct an inquiry. That is why I find it difficult to understand why the Premier has taken the time to craft a different set. Why would you not use the very Act that would complement an inquiry?

[*Translation*]

**Hon. Mr. Rousselle:** As the Premier very clearly said, we are talking about a person with a great deal of integrity here, whose worth everyone recognizes, and who has agreed to preside over a review to look into the situation. This is someone who would obviously not agree to sign his name to a contract if he did not agree to each one of the clauses. So we have someone of unimpeachable credibility who is going to carry out an independent review. We are therefore talking about an independent review that will provide the answers we are looking for here.

As we have been saying for at least a month and a half, a very large number of property assessment errors were made in this province. Finally, a government will take the bull by the horns and provide clear answers moving forward.

[*Original*]

**Mr. Speaker:** Time.

**Mr. Flemming:** I am a little hurt that the Premier blew me off, but anyway. I thought I would even wish him a happy birthday.

In any event, look, this is not about former Justice Robertson. I know former Justice Robertson. I know him well. I have known him since before the Premier was born, which ages me a bit. It is not about his ability, which is unquestionable; his integrity, which is unquestionable; his ability,



which is unquestionable. It is about the tools that he is given to carry out his task. If you want Michelangelo to paint a great painting, you do not give him a Bic pen. You give him the tools and everything that he needs to produce a particular work. That is what the *Inquiries Act* is about. It gives people the right, the power, and the authority to inquire. Why would you not use this statute?

[*Translation*]

**Hon. Mr. Rousselle:** I am very pleased to hear my colleague, the member for Rothesay, recognize what a good choice we made when we chose former Justice Robertson to carry out this investigation. Listening to my colleague, the member for Rothesay, list the many qualities of the former justice, I gather that he is confirming we made a good choice.

The second issue mentioned by the member opposite has to do with determining whether former Justice Robertson has the necessary tools to do his job. Well, I am convinced that he does. I am pleased to state in the House that, under the contract, the government has committed to giving him access to all the information he needs. So, he will be able to carry out the appropriate investigation to find out what has not been working since 2011, the year when thousands of errors started to be made. Finally, we will get answers.

[*Original*]

**Mr. Flemming:** It is unfortunate that they pass off the answer to the question on the integrity of former Justice Robertson, which is not in question here. It is about the tools which he will be given.

We have a *Motor Vehicle Act*. It deals with motor vehicles. We have an *Insurance Act*. It deals with insurance. The list goes on. We have an *Inquiries Act*. It deals with inquiries. I have looked at his terms of reference. I have looked at the *Inquiries Act*. The *Inquiries Act* gives him significantly more power: the right to order people, the right to call witnesses, the right to bring people in under oath, the right to access anyone in the Premier's Office. These are extensive powers. If the Premier wants to get to the bottom of it, as he says, then not giving someone all the available tools that our legal system allows makes me wonder how sincere it is. Why will you not let the...

**Mr. Speaker:** Time.

[*Translation*]

**Hon. Mr. Rousselle:** I am so pleased to hear my colleague opposite acknowledge that we probably have the best possible person to carry out the investigation. He is also trying to make sure that former Justice Robertson has all the necessary means at his disposal to find the answers to the questions we are asking ourselves. I can confirm to the member that former





Justice Robertson will have all the necessary tools to look at what has been happening since 2011, when thousands of errors started to be made.

So we have, then, a government that is appointing a credible person and giving him full access to the tools he needs to find the answers that New Brunswickers have a right to expect, so that we have the best possible system going forward.

[*Original*]

**Mr. Higgs:** Over and over again, we have tried to get straight answers to very straightforward questions. Throughout the last couple of months, there have been many times when the Premier has made reference to the fact that there is going to be a full understanding by Justice Robertson that he is going to have access to all the information. I would like to understand... This is just a very clear question. I am going to ask several very clear questions, but I am going to stick on one until I get the answer because all the arrows point to the Premier's Office. We have never had a situation like this where the Premier, directly from his office, directly authorized fast-tracking a system that would impact so many people—15 000 appeals, record appeals, double or more.

Why did the Premier not give Justice Robertson the power to make any findings regarding the Premier's role?

[*Translation*]

**Hon. Mr. Rousselle:** As I have said in answer to the member's colleague from Rothesay, we are talking about a review that gives former Justice Robertson all the tools he will need to get to the bottom of things. He will be able to examine the entire chain of command, which includes everything that happens from the top down and from the bottom up, to determine exactly why errors were made, not only this year, but also since 2011. Since nothing was done in the past, we must once again solve a problem that was not solved by the previous government.

[*Original*]

**Mr. Higgs:** Maybe there is confusion there. I was asking the Premier that question. Why did the Premier not give Justice Robertson the power to make any findings regarding the Premier's role in this whole situation? Why can I not get an answer from the Premier?

[*Translation*]

**Hon. Mr. Rousselle:** I do not know if it is because I am not managing to make myself clearly understood, but I have just said that the entire chain of command will be open to examination.

We will be able to find out exactly why thousands of errors have been made since 2011. I can tell you that this is not about just a few errors, as the Leader of the Opposition said last week. In



our view, as I have often repeated, one error is one too many. We want to get to the bottom of things and not merely say that a few errors were made. Over 35 000 errors were made; for me, this is certainly not just a few errors.

I can understand that the opposition is already trying to cast doubt on the review being done by former Justice Robertson, because I think some people on the other side of the House will perhaps be surprised by what will be found, unless they already know it too well and are worried about it.

*[Original]*

**Mr. Speaker:** Time.

**Mr. Higgs:** This is not about errors. This is about a direct order—a direct order to fast-track a system to impact thousands of New Brunswick citizens through fraudulent bills that were sent out to each and every household that had fake renovations.

This is again my question to the Premier: Why did the Premier not give Justice Robertson the power to make any findings regarding the Premier's role in this whole affair?

*[Translation]*

**Hon. Mr. Gallant:** The review we are talking about gives former Justice Robertson the necessary tools to look at the entire situation in order to see what has been going on for years.

I am a little surprised, because the Leader of the Opposition seems to be saying that the review will not be comprehensive enough, but, at the same time, he also seems to be saying that some things should be eliminated. Actually, I am not sure I understand what the Leader of the Opposition is getting at.

What I do know is that we will have an independent review, which will get to the bottom of things and will finally make it possible for the people of this province to have an independent system to fairly assess properties. This is contrary to what the Leader of the Opposition said, after 35 000 errors were made, which was that we had a fair and equitable system. We are getting to the bottom of things, and, once again, we will resolve the situation.

*[Original]*

**Mr. Speaker:** Time. This is the final question.

**Mr. Higgs:** There is a difference between making an error and making a judgment, even if the judgment is poor. If you have given direction to SNB to fast-track a system that is not prepared to be fast-tracked, you have given the order and you take responsibility. That is where it started.



I will ask the Premier again. You cannot do an investigation without providing all the tools, as has been mentioned many times here today, and you cannot get to the bottom of it if you do not allow Justice Robertson to look everywhere and have access to all the information. I will ask again. Does the Premier continue to hide behind this fake process of limiting exposure? Why did the Premier not give Justice Robertson the power to make any findings regarding the Premier's role in this whole property assessment scandal?

**Hon. Mr. Gallant:** Again, former Justice Robertson signed the contract to do the independent review on behalf of the people of New Brunswick. One can only assume that he feels that he has the mandate and the resources he needs to be able to do his work. Also, we have made it very clear that former Justice Robertson will look at the decision-making process as well during his review of the past few years, when there were far too many errors. One error is too many, so thousands of errors for the people of New Brunswick...

For those listening, I do want to let them know again that we are focused on their priorities. New Brunswickers want us to invest more in health care. We are doing that by improving primary care and acute care and access to them. We are helping to support those with mental health challenges and addictions. We are investing more in education to help advance literacy, numeracy, and trades. We are making day cares more affordable and accessible. By investing in infrastructure, innovation, and people, Statistics Canada said that, in 2016, the GDP of our province grew again by 1.4%.

**Mr. Speaker:** Time, Premier. The time for question period has expired.

