

February 16, 2018

[Original]

Government Finances

Mr. Higgs: A traveller sitting today in the Toronto airport might pick up a copy of the *National Post* and read the story below a headline that reads: “Spend-happy New Brunswick gets set to make the same old mistakes all over again”. When that traveller finishes reading that article, he or she might look up to see a sign that says: New Brunswick is a “growth leader in Canada”, with “a soaring economy” and “3 000 jobs”. Hopefully, he or she is not eating a doughnut or something because he or she might choke on the very conflicting messages. The truth is that this government is creating the conditions for financial catastrophe when interest rates rise again. The Gallant government has already created the conditions for the New Brunswick population to shrink, for businesses to close, for 5 000 people to leave the workforce, and for 3 500 jobs to disappear last month. Thank you.

Hon. Mr. Gallant: I certainly hope that this person in Toronto is not going to tune into question period and listen to the doom and gloom coming from the opposition about the state of New Brunswick. Do we have challenges in our province? Absolutely. Do we have opportunities? Yes, we do. The economy grew in 2015 at a record pace. It was the best economic growth rate that we have seen in New Brunswick since 2004. In 2016 and 2017, the economy of our province was estimated to grow in each of those years—not at the same rate, but it is compounded on the back of a great year in 2015. New Brunswickers, businesses, and the people of our province are working so hard to get these things going in the right direction. Why will the opposition not focus on all the positives that are happening in our province, such as our economic growth rate over the past three years?

Mr. Higgs: The Premier has indicated that he has made a deal with the six chiefs representing six First Nations. However, as we know, there are 15 First Nations in our province. Has the Premier also reached an agreement with the remaining nine First Nations communities? Does the Sisson mine project require their agreement also before it can proceed? Thank you.

Hon. Mr. Gallant: As the Leader of the Opposition would know from when he was the Minister of Finance, consultations started with the 15 First Nations communities in 2011 with regard to the Sisson mine. It was identified that we would have to continue negotiations and make sure that we accommodate to the best of our ability the Maliseet communities of this province.

I can tell you one thing: There is no way that there would have been a deal with the Maliseet communities had the Leader of the Opposition still been the Minister of Finance. I can tell you that we are very proud of the fact that there is a deal with the First Nations communities with regard to the Sisson mine. This is a project that, during the 18 months of construction, would bring \$579 million to our province. Approximately 500 jobs would be created during



construction, with an additional 300 jobs over the 27-year lifetime of the project. Why will the Leader of the Opposition not focus on that good news instead of still trying to project doom and gloom about the state of the province?

Mr. Higgs: Which First Nations communities must agree for the Energy East Pipeline project to proceed? Is it the same six? What about the Minco mine outside Woodstock? What about our potential natural gas industry? Is the Premier trying to employ the same divide mentality that he participated in with Justin Trudeau on the First Ministers' Health Accord? Thank you.

Hon. Mr. Gallant: We have demonstrated our willingness and our efforts to have a good relationship with First Nations communities for this very reason. It is because we want to be able to advance important projects that will help create jobs and economic growth in our province. We are very proud that we were able to sign these agreements with the Maliseet communities, allowing one of the last hurdles for the Sisson mine project moving forward to be jumped over.

We are also very proud of the work that we are doing—and the opposition wants to mention the federal government—with them. We are very proud of the fact that we have been supportive of the Canada-European Union Comprehensive Economic and Trade Agreement. It was a great hurdle that we jumped over yesterday, having this ratified by the European commission. There are good things that are happening around New Brunswick and in our province that are going to help create jobs for New Brunswickers, that are going to help create economic growth. The Sisson mine and CETA being ratified yesterday are good-news items for the people of New Brunswick and our economy.

Mr. Higgs: The budget indicates that First Nations tax agreement amounts will increase by \$7 million in 2017. Can the Premier advise the House if that figure was calculated using the old agreements or the new agreements? If it was made using the old agreements, will there be a revised figure provided to the House in the near future? Thank you.

Hon. Ms. Rogers: I am very pleased to get up and talk about the First Nations tax sharing agreements that the previous government wanted to cancel and that we support very much. We want to be strong partners with our First Nations communities to help them do economic and social development in their communities and work collaboratively for the good of all New Brunswick. This gives us great opportunities to work collaboratively for the good of everyone.

The value of these agreements goes beyond even what you see on the surface. It helps First Nations communities with schools, health care, and social services, and we are very, very proud to be partners with our First Nations communities. When it comes to the interests of maintaining these important relationships, we will continue to work collaboratively and we will protect the revenue for New Brunswick taxpayers.

Mr. Higgs: The new agreement that the Premier announced regarding First Nations gasoline and tobacco tax makes no mention of the so-called grey gambling machines. Can the Premier



advise the Assembly whether his government has made any progress with this issue? Have there ever been any efforts made in that regard? Thank you.

Hon. Ms. Rogers: I would like to thank the Leader of the Opposition for the opportunity, again, to talk about the collaborative relationships that we value with our First Nations communities. We are working together, unlike what we saw in the past, and we are working with our federal partners as well. When it comes to protecting revenues and when it comes to responsible gaming, we will continue to work collaboratively. We have been in continuous discussions with our First Nations communities. We will continue this. It is in everyone's interest to protect our revenue sources and to have responsible gaming, and we will continue to work toward the best solutions for everyone.

Mr. Higgs: In the third-quarter fiscal update, the government goes into detail about a \$1-million expenditure for the consulting work in relation to the Strategic Program Review. MC Business Solutions is mentioned as having received \$882 000. However, in the Public Accounts supplementary supplier list, McInnes Cooper Business Solutions is listed as having received \$480 000. Can the Premier explain the discrepancy between the Public Accounts figure of \$480 000 and the third-quarter fiscal update figure of \$882 000? Thanks.

[*Translation*]

Hon. Mr. Gallant: Once again, as we said yesterday, we will not discuss issues specifically related to human resources, at this time, on the floor of the House. However, I can tell you that the Strategic Program Review that our government did was tremendously useful to us as we move New Brunswickers' priorities forward. It helped us to know exactly how we could balance our budget by 2020, as we always intended to, while investing more in education, in the health care system, and in areas that will help build a healthy economy.

So, I am very proud of the work the government and New Brunswickers have done and of the efforts they have put into the Strategic Program Review process. I am very proud that this has helped us to invest record amounts in education and significant amounts in the health care system, while working on balancing the budget by 2020 and growing the economy of our beautiful province.

[*Original*]

Mr. Higgs: As we know, the Premier's political appointee Len Hoyt had a GNB e-mail address that redirected people to his McInnes Cooper e-mail address. Mr. Hoyt was also listed as the lead on the Strategic Program Review organization chart, replacing Michael Horgan. Mr. Hoyt is also listed as the lead on the deliverology organization chart. Can the Premier advise the House how much of this \$882 000 spent on consulting and billed against the Strategic Program Review is, in fact, compensation for Mr. Hoyt?



Hon. Mr. Boudreau: As the Minister responsible for Strategic Program Review, I want to remind the opposition and those listening of how successful an initiative that was. Because of the Strategic Program Review, we are actually going to be able to keep our commitment to balance the books, unlike the Leader of the Opposition when he was on this side of the House.

The Strategic Program Review has allowed us to identify \$293 million in savings within government and \$296 million in new revenue, to take that balanced approach in identifying just about \$600 million to help us achieve a balanced budget in the province by 2020-21, which was what we committed to in our platform. It was exhaustive consultation and a lot of work within the civil service, but we are getting the job done.

Mr. Fitch: The Minister of Finance talks about protecting the revenue stream, yet she sits idly by as the independent gas retailers go out of business because of an unlevel playing field. In the budget document and the multiyear plan, we see revenues decline by over half a billion dollars in the next four years, from \$9.189 billion in this fiscal year to \$9.729 billion in 2021. Will the minister give us a breakdown of where this additional revenue is coming from? Half a billion dollars is a hefty increase. The minister is a self-confessed budget nerd, so she must have a fairly accurate analysis of how this increase will occur. Please give us the sources and amounts for where this increase in revenue will come from.

Hon. Ms. Rogers: It might be a nice segue to pick up where my colleague left off, which was how successfully we were able to find both revenues and efficiencies with our Strategic Program Review. Last year, we laid out a budget which was a base, a foundation upon which to build this budget, where we can very successfully meet our targets, meet our fiscal plan that was laid out for multiyears, and, in fact, even exceed our target. We have cut the deficit in half, and we have announced increases in revenue with a small HST increase last year.

(Interjections.)

Mr. Speaker: Order.

Hon. Ms. Rogers: This year, we are still seeing increases in household spending. We are seeing increases in wages. We are seeing increases in consumption, and we see economic growth. With our revenues, we are always looking for opportunities, but we value...

Mr. Speaker: Time, minister.

Mr. Fitch: A lot of people would debate the small increase in the HST. That \$300 million out of the pockets of taxpayers is a lot of money. In fact, some people would say that an increase in the HST was the lazy way out—oh, that was the Finance Minister.

Anyway, on page 172 of the *Main Estimates*, overall tax revenue is expected to increase by \$200 million each year over the next four years. Bearing in mind that we have a shrinking population and we are already the most highly taxed jurisdiction in North America, can the



minister advise us as to how her government intends to have an increase of an additional \$200 million per year in tax revenue over the next four years? Is this tax increase going to come from a carbon tax? Is it going to come from a sugar tax? Maybe it is going to come from “Joe Trudeau”. Tell us.

Hon. Ms. Rogers: It gives me great pleasure again to stand up and proudly speak to our team and our team’s work on this excellent budget—in fact, this incredible budget—that we just put forward. It might be a good time to remind the opposition as well that, while we have \$300 million projected from the HST, \$100 million of that went back into the hands of low-income and middle-income New Brunswickers. New Brunswickers are getting cheques quarterly through HST credits based on income. We take care of New Brunswick families. We continue to always think of them as we make decisions. We always want to take a balanced approach.

I also want to address the repetitive HST...

Mr. Fitch: The minister may be proud of the job that her team has done, but John Robson of the *National Post* says New Brunswick is getting ready to make the same old mistakes all over again. The government members have not learned anything in their time in office. They are still a tax-and-spend Liberal government.

The minister has made projections of revenues and deficits through to 2020-21. However, does the minister have a revised net debt figure to share? The government members have been very quiet on this during their speeches, but the Liberal election platform indicated that the net debt would grow by \$1.695 billion through to 2020-21. The minister should know that the net debt has already grown by \$2.4 billion, and it will be almost four years before we get to 2020-21. What is the new revised net debt growth through to 2020-21?

Hon. Mr. Gallant: I would like to get up to address some of the things that the Leader of the Opposition has touched upon. He wants to talk about taxes. Let’s talk about when he was a minister—when the Leader of the Opposition was the Minister of Finance—and about the tax increases that the members opposite thrust upon the people of New Brunswick. The personal income tax went up, the corporate income tax went up, the tobacco tax went up, the liquor tax went up, the gas tax went up, and user fees went up—all of which asked New Brunswickers to pay hundreds of millions of dollars more.

What is interesting is that, now that we have a balanced approach to get our books to balance by 2020, all the while investing in things that will help us continue to grow the economy, such as investing record amounts in education and investing in things that will help health care—and we are advancing things to move on those things—the members opposite are opposing it. They raised all those taxes, yet they will not support a \$100-million HST tax rebate to the people of New Brunswick, taxing the richest 1%, the CPP enhancement, the minimum wage, and free tuition for those who need it.

Mr. Speaker: Time, Premier.



Forestry

Mr. Wetmore: My questions are for the Minister of Energy and Resource Development. In Volume II of the Auditor General's 2015 report, paragraph 4.124 says: "we recommend the Department establish goals and objectives for the Private Land Silviculture program to measure the benefits of the program to the Province." Private silviculture RDC funding was cut in 2016-17. The program went from \$1 million in 2014 to zero. Has the minister put the recommendations in place, or was the answer to axe the funding to the program?

Hon. Mr. Doucet: I would like to thank the member opposite for the question. He has been bringing forward some good questions. The fact of the matter is, to remind everybody in the House and in New Brunswick, this is how we pay for things. The forestry sector, the agriculture sector, and the fishery sector, the pillars of our economy, are very strong. It is really good to talk about this. Job creation and economic growth are priorities of our government, and it is good to be talking about that.

That is a very important question that the member opposite brought forward about the silviculture budget. We will be working on the silviculture budget, and I am sure that we will have the opportunity to talk about that when we get to the estimates stage.

The fact of the matter is that we have 22 000 people that are boots on the ground in the woods. They are part of the economic fabric that makes up New Brunswick. It is great that we have a very vibrant forestry industry and a very vibrant forestry sector. It is very great that we have some very good operators in the province that stretch the fibre as far as it can go.

Mr. Speaker: Time.

Mr. Wetmore: I am certainly concerned about the 40 000-plus private woodlot owners.

I am going to keep asking questions about the same volume. In Chapter 3, paragraph 3.118 recommends that the department continue the silviculture monitoring. Funding has decreased for planning and monitoring silviculture on Crown and private lands. In 2014, the funding was \$559 000. This year, the budget is \$130 000. This budget has been slashed. Could the minister please tell us what the status of this recommendation is?

Hon. Mr. Doucet: As I said, it is good to get some questions on the floor of the House on some of our vibrant industries, the industries that are helping to pay for roads, schools, and hospitals. They are very important parts of our fabric.

The marketing boards process wood sale transactions and deliver the Department of Energy and Resource Development's private woodlot silviculture program. We will continue to work to try to find efficiencies and to work with the woodlot owners on how we can do things better. We will continue down that road.



I am sure that we are going to have a great conversation when we get to the estimates stage. I know that the member opposite would like to keep bringing up the volume that has been put forward by the Auditor General, but we are all working on that.

The fact is that some of the good things that are happening... I mentioned a few moments ago that the forestry sector is one of the industries that is paying and helping to pay the way in the province. We have some good things that are happening. We have some tremendous... We have challenges in front of us, but we also have some great opportunities. Look at the CETA program that is in front of us and that was ratified just yesterday.

Mr. Speaker: Time, minister.

Mr. Wetmore: Item 3.132 recommends verifying information that is self-reported by licensees for accuracy. Can the minister give me the status of this recommendation? Would this not also fall under the decreased planning and monitoring budget?

Hon. Mr. Doucet: As I say, it is always good to get questions with respect to some of our prime industries in the province. I started talking about CETA and what it means for this province—the opportunities. I mentioned that we have some tremendous challenges in front of us but, even better, opportunities. As I just mentioned a few moments ago with regard to CETA, so many of the tariffs will be dropped. There are so many opportunities for us in the fish and seafood sector. Some of the tariffs are going to be flatlined, so what an opportunity as we stretch across the arc—we call it the arc—right across from us, right across the ocean, not very far from us.

What are the opportunities in the forestry sector as it starts to develop new products, new resources, and new technologies to stretch the fibre further? I am very proud of the industries that we have in the province. Some of the significant investments that the forestry sector has brought forward... It is vibrant...

Mr. Speaker: Time, minister.

Sexual Assault

Mr. Coon: Since the *Globe and Mail* reported on the high rates of sexual assault cases classified as unfounded by police forces across this country, with the highest rates right here in New Brunswick, the Ontario Minister of Community Safety has been on the front page of the *Globe and Mail* calling on her province's police forces to incorporate outside oversight of sexual assault case files. She is promoting the Philadelphia Model, a civilian oversight program that invites frontline advocacy groups to review sexual assault files alongside senior officers. This has worked in Philadelphia, with unfounded rates plummeting from 18% to 4%. Will the Minister of Public Safety join Minister Lalonde and call for the implementation of the Philadelphia Model in New Brunswick?



[Translation]

Hon. Mr. Gallant: Once again, I very much appreciate the questions from the leader of the third party. As Minister responsible for Women's Equality, I want to repeat what I said a few days ago: As a government, we are very concerned about this serious situation, and we will ensure that an analysis is done. Also, we want to make sure that steps are taken to rectify the situation.

As I noted a few days ago, we will work with our colleagues, whether they be from the federal government or from the Atlantic Provinces, to see exactly how we should work together to address this very serious issue.

I can tell you that when we are able to provide an update, we will do so here on the floor of the House.

[Original]

Mr. Coon: What we need is action in New Brunswick. What we need is action to protect the safety of women in New Brunswick. The provincial rate of sexual assault cases deemed unfounded here in our province was 32% on average, but, for Saint John, it was 50%. In an interview with Terry Seguin yesterday morning, Chief Paul Fiander, the President of the Association of Chiefs of Police, indicated that, in fact, each year, the Department of Public Safety does audits of our police departments. That is what I want to ask the minister about.

Can the Minister of Public Safety tell the House whether or not he was made aware of the results of his department's audits regarding the rate of unfounded sexual assault case reports? If not, why was he not?

Hon. Mr. Gallant: Again, I appreciate the questions. I think we have to make sure that we recognize that we are all in this together. We do not want to start pointing fingers here, and I certainly hope that is not what the leader of the third party is trying to do during question period. What is very clear is that this is a very serious situation that we have to address. I said it just days ago. We have spoken to our colleagues in Atlantic Canada. We want to cooperate with them, and we want to cooperate with the federal government as well. We want to make sure that we cooperate with the appropriate authorities. I spoke to the Women's Council about this just days ago and days after the report came out. What I can tell the member opposite is that we are on this and we are certainly going to take action. We want to make sure that it is a coordinated effort with all of those who need to play a role.

With that said, the member talked about taking action. We are very proud that, today, we will be taking action, as we will be introducing legislation to protect against gender-based violence and intimate and domestic violence. We think that is something that is definitely action-packed to help women.



Mr. Speaker: Time, Premier.

[*Translation*]

Mr. Coon: Police forces in North Bay, Ontario, indicated they would involve outside experts in reviewing sexual assault cases. The New Brunswick Women's Council asked this government to ensure that community organizations with direct experience in service delivery in cases of sexual abuse are involved in reviewing sexual assault cases in New Brunswick. I am asking the minister responsible for this file whether he will ask police forces in this province to involve these outside experts in their review process.

Hon. Mr. Gallant: Once again, I thank the leader of the third party for asking these questions. As I indicated a few days ago now, we will make sure we address the situation. However, once again, we want to work with all our partners.

[*Original*]

I know that there are some representatives from our police forces here in the gallery. They are here because they care about this issue deeply. They are here because we are going to be introducing legislation to help try to put an end to intimate violence and to protect those who are in those very terrible situations. We are all in this together. I can tell you that, within a very short time, we will have an update for the Legislature.

However, again, we are in talks with our counterparts, colleagues, different authorities, and people we want to have play a role in ensuring that we address this very situation in a timely fashion. Again, I thank the member opposite for his questions, and I guarantee that we will be back with an update on this very serious situation soon. Thank you.

Child Care

Mr. Jody Carr: At election time, the Liberals said that early childhood development was a priority, but, since that time, all we have seen is that major campaign promises have been left unfulfilled, including the day care operator funding being cut by \$2.3 million. Early Childhood Care and Education New Brunswick represents early child care workers and operators in New Brunswick. This week, a copy of a letter was sent to the operators of New Brunswick saying that Early Childhood Care and Education New Brunswick will be closing. Can the minister explain to this House why the government is closing the offices of Early Childhood Care and Education New Brunswick and laying off all the Early Childhood Care and Education staff?

Hon. Mr. Kenny: As the Minister of Education and Early Childhood Development, I want to say that we are making record investments in early childhood. We have been working with our child care operators throughout the province on their curriculum. We are working on making



sure that we have accessibility for more New Brunswick parents and their children. I am very proud of our record, as a department, in the past two years.

We are actually working one-on-one. In fact, a few months ago, we had many of the day care operators from around the province come here for a two-day consultative process to be able to look at ways to improve our Day Care Assistance Program and curriculum and to look at how we can work with the operators throughout the province in both the nonprofit and the for-profit sectors.

I do truly believe that we have some really great operators in the province. It is by working together that we are going to have a better day care program in the province.

Mr. Jody Carr: Again, the key themes from the Premier and his ministers are that the government said one thing at election time and did another afterward, putting into question the credibility of this government as well as not wanting to be accountable for major decisions that are affecting the people of this province.

Early Childhood Care and Education New Brunswick represents all early childhood workers and operators in New Brunswick. This week, a letter was sent to those operators saying that the association's offices will be closed and that seven employees will be laid off due to the provincial government's cut in funding. Early Childhood Care and Education New Brunswick spoke very loudly against the \$2.3-million cut to the operators last year. Can the minister explain to this House why these offices are closing and how much of this closure is related to the association's advocacy?

[*Translation*]

Hon. Mr. Gallant: I would like to rise in the House today to talk briefly about the importance of early childhood development, which is crucial for the future of our province, for our economy, and for our social fabric.

[*Original*]

We take education and early childhood development to be one of the biggest priorities of the people of New Brunswick. That is why we are investing record amounts in the Department of Education and Early Childhood Development. That is why, in the budget that was just introduced, we are increasing the department's budget by 4.9%. That is why we increased it in the last budget, and that is why we are the government that has invested the most in education and early childhood development in the history of our province. We will continue to make these investments because it is going to help our economy.

I can tell you that we are proud of the fact that we have created 2 300 day care spaces and that we are going to be doubling the Day Care Assistance Program by January 1, 2018.





Legislative Assembly of New Brunswick

Oral Questions

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

