

February 2, 2018

[Original]

Budget

Mr. Higgs: On Wednesday, anxious to defend his election budget here in question period, the Premier rose to quote Robert Kavcic, a senior economist at the Bank of Montreal, when the Premier was questioned. He was quoting this report and said: Never mind the question about the road conditions. That was the question he was asked.

Here is what the Premier said about Mr. Kavcic's comments: "I am going to quote his whole statement here". That is what the Premier said in reference to Mr. Kavcic: "I am going to quote his whole statement". There is no mistaking it. The Premier said: "I am going to quote his whole statement". Then the Premier did not quote the whole statement. Would the Premier care to rise and quote the rest of Mr. Kavcic's statement? Thank you.

Hon. Mr. Gallant: Do you know what? The Leader of the Opposition is absolutely right to say that. It was not his whole statement. What I meant was that there were quite a few statements, so I should have said that better. But I will repeat the statements by this senior economist of the Bank of Montreal, who said:

firmer underlying economic momentum, which will help hold net debt steady at 40% of GDP this coming year...

*Interestingly, New Brunswick has seen the **economic backdrop** improve significantly. After stagnating earlier in the cycle, real GDP likely expanded 1.5% in 2017, which would leave three-year average growth at 1.7%. While still lagging well behind the big-three provinces, that is a well-above-potential pace for New Brunswick, and has come alongside an upturn in population growth and stability in the labour force.*

We are investing in the priorities of New Brunswickers, and through our multi-year economic growth plan, we are getting results.

Mr. Higgs: The Premier said that he was going to quote the whole statement, so he talks about it a little bit more today. This is part of what the Premier omitted from the quote:

the Province now does not expect to balance the budget until FY21/22, a year later than previously planned, while cumulative deficits between FY18/19 and FY20/21 are now expected to run \$272 million larger than estimated a year ago.

That is the end of the quote, and the Premier left that part out. Would the Premier care to explain, not that this is a new thing, that after very emphatically stating "I am going to quote his



whole statement” ... Most times, he just does not say “I am going to quote his whole statement”, but in this case, he did and he omitted this very important line. Why would he do that?

Hon. Mr. Gallant: First, I corrected myself. He is right to say that I should not have said it the way that I did. I should have specified that it was a lot of his statement. It was going to take up the minute of the answer. That is why I said it. I certainly do not mind clarifying that whatsoever. I did not raise the point that was just raised because we are not disputing that. We know that we have asked New Brunswickers to accept that we are going to balance the books one year later so that we can invest more in education, invest more in health care, and grow the economy.

I raised the quotes that I cited yesterday because what was in dispute was the Leader of the Opposition saying that his austerity way is the way to grow the economy. What is in dispute is we believe we have to grow the economy by investing strategically in things that will create jobs and opportunities in New Brunswick. That is why I did not raise the citation from this economist that we were balancing one year later. I think that we all agree on that. Why are we doing it? It is so that we can create jobs and invest in the priorities of New Brunswickers. That, we seem not to agree on.

Mr. Higgs: Spending without results. Here is some more of what the Premier left out:

There were few new major policy announcements in this budget, but the spending taps remain mostly open ahead of a September election. Recall that a stiff round of tax increases was delivered two years ago, and the priority shifted to firmer spending growth last year

The economist continues and has a good understanding of the Liberal reelection strategy. Why did the Premier leave this paragraph out after claiming that he was going to quote it all? Spending—spending is out of control. Spending without results and then not telling the whole story is a common theme.

Hon. Mr. Gallant: We simply do not agree with the Leader of the Opposition. Austerity is not the answer for our province. It was not from 2011 to 2014. It was not when we became the government of New Brunswick, and it still is not today. We have to have a balanced approach where we are making the strategic investments necessary to grow the economy, strengthen education for our children, and improve health care for our families.

I can tell you that the austerity ways of the Leader of the Opposition have clearly not worked. We tested that here in New Brunswick. From 2011 to 2014, through the austerity measures of the Leader of the Opposition, we saw what happened. We saw the results. It was a retracted economy. The opposition shrank the economy through its austerity ways. Since then, we have been making investments in our Economic Growth Plan. With our multiyear approach, we are creating jobs, growing the economy, and ensuring that we do it all in a balanced way.



Mr. Higgs: We are the last in the country on growth. “I am going to quote his whole statement here”, said the Premier just before omitting this important paragraph:

Note that spending growth over the past two years ran in excess of 4% per year—that with a population that is doing very well to grow at just 0.4%.

Here is another omission by the Premier:

Past tax increases and a stronger-than-expected economic backdrop have allowed spending growth to remain firm heading into this year’s election, without digging a much deeper deficit hole. The consequence, of course, is that an opportunity to build fiscal capacity is being deferred

The Premier left out the last line.

The opportunity to help future generations and really restore fiscal stability, as the Minister of Finance would have alluded to, was lost because of spending restraint. There was spending at 4% and the growth was at 1%. The spending without results continues, and the Premier cannot help himself but to buy the next election.

Mr. Speaker: Time.

Hon. Mr. Gallant: It is very clear that the Leader of the Opposition still does not get it. I get it. I get it because he was making cuts from 2011 to 2014. The only result that he was interested in was reducing the deficit, but he was not hitting his targets. He was not able to balance the books despite his austerity ways. Every day, he woke up saying: I do not understand. I am spending less. I am cutting here. Why is it not cutting the deficit, hitting our targets, and balancing the books?

The reason is that you cannot cut your way to prosperity. You need to have a balanced approach. We made tough decisions as a government. We made them so that we could invest more in education, we could invest more in health care, and we could invest in things that will help advance our multiyear Economic Growth Plan, creating opportunities for New Brunswickers. We have to have this balanced approach that is focused on making the right investments to ensure that we are improving the lives of New Brunswickers. That is exactly what we have done again in this budget, by investing in senior care, youth employment, and economic growth.

Mr. Higgs: No results. Investments get results. Spending without any objective to get results loses focus and is just a waste of taxpayers’ money. It is unmanaged spending without results. The deficit, after \$1 billion ... Every year, this government is spending \$1 billion more. It is costing taxpayers in this province \$1 billion more than when this government started, with no results. That is pretty sad. The deficit is where it was when this government started, \$1 billion later. That is pretty sad.



We have uncontrollable spending and no results. Does the Premier really think that is the recipe for success, spending at three times the growth? Growth is at 1%—last in the country.

You tell me who would invest in a program like this. No one but this Liberal government. The Gallant Liberal government is spending our future into the ground, and he cannot deny it.

Hon. Mr. Gallant: I do not know what he is talking about. The deficit has been cut by more than half since we have been in government. The guy, again, is allowed to have his own opinion. He ain't allowed to have his own facts.

I will tell you that we are going to stand very tall and proud and say to New Brunswickers that we are going to invest to create growth. We are going to invest to help our businesses compete in a world that is a little uncertain right now when it comes to trade. We are going to invest in senior care because we want to help not only the seniors and their quality of life but also the families of those seniors and we want to avoid costs in the future.

Yes, we are going to invest so we can create more youth employment opportunities here in New Brunswick and so we can keep our young people here and bring our young people back. I can tell you what the code of the opposition, “better spending”, means. It means cuts and austerity, and that just will not be what we do as a government.

Mr. Higgs: There you have it. We have experts from all around telling us what a bad budget this is and telling us where our province is heading—the wrong way. If the Premier cares to go back and look at the beginning, when he started his mandate, he will realize that the deficit projections when he arrived were equal to or less than what he is projecting now. He should look at those numbers because they are all reported numbers from the Finance Department. But the facts do not matter to this Premier because it is all about the political spin.

We are last in the country and \$1 billion poorer in the sense of what was taken out of every taxpayer in the province, and the Premier thinks that is a good thing. Could he speak about better results? We are eighth in education. No, we cannot speak of better results there. We have the longest wait times in the country. We cannot speak of better results there. Now, they are throwing out more and more election promises. The only rate of return that this Premier focuses on is the return on votes, and he is hoping to buy the votes once again. Our province cannot afford another buying-votes election.

Mr. Speaker: Time.

Hon. Mr. Gallant: It is too bad for the Leader of the Opposition that I remember the facts. When he was Finance Minister, in his last year and with his last budget, he presented a budget that was not balanced despite the fact that he had said he would balance the books without raising taxes or cutting services. He did both and did not balance the books. I remember because I was sitting in his chair when he introduced a budget with a shadow \$100 million or \$150 million worth of cuts projected for the next fiscal years. He did not want to tell a soul



where that \$150 million would come from. He put his nice little projection out to have the books balanced in Year 8 of his government if he got the chance to do it, but he did not because New Brunswickers do not want his austerity approach.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Gallant: The austerity approach that he proponed got no results. Our approach is investing in the priorities of New Brunswickers, growing the economy, and strengthening education and health care.

Education System

Mr. Holder: The Gallant government came up with its 10-year education plan a week before school started in 2016. The plan promised to measure results by establishing benchmarks. Testing for Grade 4 and Grade 10 students was to be done in 2017. A week ago, we learned that the Grade 4 and Grade 10 test results were conveniently and secretly canceled. It is one thing for the Premier to brag about spending more in education than ever before, but the New Brunswick taxpayers have a right to know whether their children are getting the results that they need and deserve. Will the Minister of Education please tell this House when he learned that the Grade 4 and the Grade 10 testing had been canceled?

Hon. Mr. Gallant: First, the opposition should recognize the hard work of our educators in our education system, where we saw assessment results go up in many ranges across the evaluations. Why are the members opposite not celebrating our educators, parents, families, and communities that are working hard to give the best education possible to our children? Instead, they are fearmongering and—sorry, Mr. Speaker—making things up. It has been clarified in the media by the deputy minister in an unprecedented move he felt that he had to make.

I would like the Leader of the Opposition to stand up on his feet again. I think that his sitting down after I asked him about his shadow \$100-million to \$150-million cuts in his last budget is shameful. He should get up and tell New Brunswickers where he was going to get the \$100 million to \$150 million in his shadow cuts that he presented in his last budget.

(Interjections.)

Mr. Speaker: Order. The member for Gagetown-Petitcodiac will come to order.

Hon. Mr. Gallant: He should get up and explain to New Brunswickers why he thinks austerity, which he tried, will work this time, even though when he did it, the economy retracted in our province.



Mr. Holder: The question was this: What did the minister know and when? Why did the Premier feel compelled to get up on his feet to answer that question? Does he know more than he is telling us? Did the Premier or someone in the Premier's Office call the Department of Education to get its staff to cancel those test scores? It certainly would not be the first time this year that someone called a department and meddled in its affairs. We all know that.

(Interjections.)

Mr. Speaker: The member from Shediac will come to order.

Mr. Holder: Will the Premier tell us whether or not he canceled the test scores, the testing, and if he did not, why did it happen?

Hon. Mr. Gallant: We did not, and I would like to quote the deputy minister, who, I would mention, in his preamble to the media, said he felt this was a bit unprecedented but he felt compelled to do. Regarding the 2016 testing or political interference with the school system, he said that this is "categorically incorrect", and he said:

"The delay was caused by staffing issues affecting the relatively small group of individuals who work in this area ...

"Designing assessments for specific age groups is complex and specialized work which cannot be done by individuals who do not have the appropriate expertise and experience. Therefore when staffing issues arise, they can be difficult to resolve."

[Translation]

Period.

[Original]

The deputy minister felt compelled yet again to correct media statements and wrongful accusations from the opposition.

I ask the Leader of the Opposition to get up again. He remembers.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Gallant: He remembers when he presented a budget with a shadow \$100 million to \$150 million worth of cuts. Those mystery cuts deserve to be explained and unraveled. New Brunswickers deserve to know.



Mr. Holder: Once again, there was nothing from the minister. It was not the minister who went out to speak to the media. It was the deputy minister. Today, it is the Premier. Either this minister has known for some time that these were canceled or he was asleep at the switch. Either way, it is problematic. Four days later, the government admitted that the test scores had been canceled and, just as it did today, blamed a staffing shortage. If this is not a symptom of a broken education system, what is it? Can the minister stand up today to tell us what measures have been put in place to guarantee that another staffing shortage does not occur this coming spring?

[Translation]

Hon. Mr. Gallant: We have quoted this deputy minister, who felt the need to correct what the opposition said to the media and what the media said, as well. I can tell you that the situation arose because of the factors mentioned by the deputy minister.

That being said, I still want to ask why the opposition is not congratulating the educators in our system, who have worked hard to improve a significant number of our school assessment results. The opposition prefers to play petty politics in order to try to score points.

Once again, I am asking the Leader of the Opposition to rise in the House today and explain to New Brunswickers where he was going to make cuts to find from \$100 million to \$150 million in the last budgets he tabled as Minister of Finance. These mystery cuts need to be explained because New Brunswickers deserve to know where they were going to be made to finally try to balance the budget.

[Original]

Health Care Services

Mr. B. Macdonald: Earlier today, my colleague from Fredericton South got up and described what many New Brunswickers see in the Gallant government, and that is a wall of secrecy. We have seen secrecy around a lot of issues in this government: Parlee Beach, the property tax scandal, and, finally, the Medavie deal. When the Premier discussed the Medavie deal in this House, he promised us that once it was signed, we would know the details immediately. Yet, he did not do that. He referred it to the Conflict of Interest Commissioner.

The Conflict of Interest Commissioner told us that his advice should be made public. When will the Premier give us the details of the advice of the Conflict of Interest Commissioner to the government on the Medavie deal?

Hon. Mr. Bourque: I am happy to rise on this because, once again, the Medavie deal is out there for everyone to see, as we promised it would be. We followed the Act, as we needed to. We asked the commissioner for some comments. He gave the comments. It was a period of about eight days, which is very quick when you deal with that Act normally. Eight days was very fast. We were able to have that contract online for everybody to see, and people in New



Brunswick are seeing what we have been saying all along. It is fair, it is good, and it will be efficient. It will allow more visits for extra-mural patients, and it will allow fewer visits to emergency rooms. We will keep the same quality level of care. That is why, as a government, we are proud to have signed that partnership with Medavie, and we will ensure that the key performance indicators are met.

Mr. B. Macdonald: There are a lot of concerns about secrecy around the Medavie deal. It was negotiated in secret. It was negotiated as a sole-sourced contract so that there was no open competition. The minister and the Premier promised this House that they would release the details immediately. They did not do that. Instead, they referred it to the Conflict of Interest Commissioner. The reason that they had to do that was not in the interest of the people of New Brunswick and not in the interest of transparency but, rather, to protect the interest of Medavie. That is why there are concerns about secrecy around this deal.

My question to the Premier was very straightforward. The government referred the Medavie deal to the Conflict of Interest Commissioner for advice. The Conflict of Interest Commissioner has said that this advice can be made public. When will the Premier make that advice public?

Hon. Mr. Bourque: Once again, the period of eight days is very, very quick when we deal with the Act of privacy, which I have to remind New Brunswickers protects all New Brunswickers, including the parties involved. If the members opposite were involved, that Act would be there to protect them as it would protect anyone in New Brunswick. That is the fair thing to do. That is what we have done. Following his comments, we put the contract online.

All this secrecy that the member is talking about ... What secrecy? It is all there for everyone to see but for the two small parts that are redacted. Most of it is with regard to salaries, which we cannot divulge anyway. In reality, we have been nothing but transparent on this deal, and I am proud to serve in this government that believes in having better quality care for all New Brunswickers. That is what we are doing with this partnership.

Mr. B. Macdonald: The honourable member says that he has been nothing but transparent. We would argue that he has been anything but transparent. First of all, he said that he was going to release the deal immediately, but he waited. He referred it to the Conflict of Interest Commissioner. It is only because that office is so efficient that we got it eight days later. More than that, we have seen examples where the same letter is released by both the government of New Brunswick and Medavie/Ambulance New Brunswick with different redactions. There are concerns about secrecy around this deal.

I ask the minister again. This government has received advice from the Conflict of Interest Commissioner. It held up the release of the Medavie deal for that advice. The Conflict of Interest Commissioner has said: That advice can be made public. If this minister wants to be transparent and if this government wants to be transparent, I would suggest that they could release that information today. I ask the Premier this: When will that information be released?



[Translation]

Hon. Mr. Gallant: I find it a bit strange that, while his colleague wanted the minister to answer, the member opposite wants the Premier to answer. They cannot even decide with whom they want to speak.

However, I can tell you that we are working very hard to ensure our health care system, particularly home care services, is a high-quality system that is accessible. That is why we have undertaken this project. The idea that referring everything to the commissioner to get his advice caused a completely unwarranted delay is ridiculous. Obviously, I think it is important to do things the right way. Waiting about a week or 10 days to get a response from the commissioner was, I think, prudent and responsible.

[Original]

Again, I want to ask the Leader of the Opposition to get up. We all saw him lose his cool and get mad at Jacques Poitras when he was asked what he would cut. He did not like that because he does not think that he has to answer what he would do if he became Premier. Well, he is going to have to, and he is going to have to tell people about the \$100 million to \$150 million of mystery cuts. Where would it come from?

[Translation]

Universities

Mr. Coon: Last January 25, the government signed a memorandum of understanding with only three of the four public universities in the province. St. Thomas University is again being treated unfairly. Indeed, students at this university receive far less financial support through the provincial operating grant than those attending the other universities. This inequity was flagged in 2007, when the Commission on Post-Secondary Education in New Brunswick noted that St. Thomas University “clearly suffers from the results of a funding anomaly that needs to be addressed”. How can the government think for one second that students at St. Thomas University are worth less than those at the other universities?

Hon. Mr. Melanson: I thank the member opposite for his question. If there is one thing that is clear on this side of the House, it is that we greatly value the programs offered by our four public universities in New Brunswick, and that includes St. Thomas University.

We are in ongoing discussions with St. Thomas University, and we certainly want to come to an agreement. We want St. Thomas University to be able to sign a memorandum of understanding that will ensure stable funding for this university.

It must also be remembered that, historically, previous governments have resolved certain underfunding situations at St. Thomas University. Historically, this university has leveraged an



extra \$1.2 million to rectify the situation. We will continue to work with St. Thomas University, and I hope we will be able to sign a memorandum of understanding.

[Original]

Mr. Coon: St. Thomas University receives significantly less funding than Mount Allison University, a comparable university. Consider that 73% of STU students are from New Brunswick compared to only 37% at Mount Allison. Despite this, Mount Allison receives \$9 388 per student compared to the \$7 263 per student at STU. In other words, Mount Allison receives \$2 125 more per student. That is a 25% difference. That is more than STU students are getting, yet 63% of Mount Allison students are from outside the province. How can the minister possibly justify that New Brunswick taxpayers provide more support for students from other provinces than they do for New Brunswick students at STU?

Hon. Mr. Melanson: The funding formula for universities is very complex. But certainly, when this flat funding formula was put in place many years ago, it took into account the types of programs and courses offered. The funding is weighted based on the different programs that are offered. I think that it is probably too complicated to be able to explain the formula here in a minute, but I do want to insist that we are in continual discussions with St. Thomas. I met with the president a few weeks ago, and there is ongoing conversation. We want to resolve this issue.

We want to see stable funding for our publicly funded universities and predictable tuition for the students, and we want to make sure that our students who go to postsecondary education have the highest quality of education so that they are ready for the labour force when they get into it.

Mr. Coon: This is about equity and fairness. STU's board of governors has made it clear that it cannot sign a new agreement with the province unless it makes progress in correcting this long-standing injustice that was recognized over 11 years ago. The Premier has said time and time again that education is a priority for his government. This is a chance for him to back up his words with actions and fix this long-standing problem. Students have done their part by paying more tuition. STU has done its part by keeping its costs as low as possible. Now, it is time for the government to do its part. Will the minister finally correct this funding inequity and treat these students as fairly as the rest of the students in this province?

Hon. Mr. Melanson: I think that all universities have done their part to be cost efficient. St. Thomas University has certainly done some hard work also. I want to say it again. Over the years, St. Thomas University has received an incremental \$1.2 million to address some of the challenges that it had. It was able to increase tuition by 28% over the past few years compared to the other universities that were at 8%. It has been in a position to better the services at the university.



However, we will not negotiate or discuss this with St. Thomas University on the floor of the Legislature. We want to discuss it with the university administration. We are discussing it with the university administration, and we are doing everything that we can to resolve this issue. With the MOUs that have been signed by others, they are all getting incremental money and they are certainly getting stable funding. We can do this with St. Thomas University. Let's get to the table again.

Mr. Speaker: Time.

Jobs Board

Mr. Fitch: It turns out that along with not creating any jobs, the Jobs Board staff could not even hold on to their own jobs. The Premier was the first to jump ship. He was the chairman of the board, and he bailed. Next to go was the chief economist. He had a nice soft landing in a new Gallant government Crown corporation. The chief of business relations moved on and is now running as a Liberal candidate. The last to go was the chief executive officer, who is now in charge of deciding who gets the RDC money. Will the Premier please tell us, after the CEO turned out the lights at the Jobs Board, whether the Jobs Board is a thing a past, or is it still duplicating the work of ONB?

Hon. Mr. Gallant: What an unfortunate choice of words. He talks about one of those employees moving on. She went on maternity leave.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Gallant: She went on maternity leave, and we are very pleased that she has decided she wants to run to become the next MLA for Fredericton South.

(Interjections.)

Mr. Speaker: The member for Gagetown-Petitcodiac will come to order.

Hon. Mr. Gallant: What a missed opportunity for the Leader of the Opposition to finally get up to tell people where he was going to find the mystery millions. He was going to find almost \$150 million, if I am not mistaken—per year, I might add. It was a secret. He did not want to tell anybody, but I think that he is going to have to tell people over the next few months. He is not going to be able to get away with telling New Brunswickers that he was going to find \$100 million to \$150 million in the system but not say where he was going to cut. Do not get mad. I would ask the Leader of the Opposition not to get mad when we fill the void and answer the question for him with regard to where he was going to get the mystery millions. He thinks there are too many hospitals, too many schools, and he wants to cut.





**Legislative Assembly of New Brunswick
Oral Questions**

Mr. Speaker: Time, Premier.

