

February 17, 2015

[Original]

Civil Service

Mr. Fitch: On Friday, I asked the Premier a general question about the firings of deputy ministers in the government, and he hid behind the Department of Human Resources, even though the mandate letter states that all hirings and firings will be at the discretion or through the Premier's Office. Then the Premier said that he would not comment on hypothetical questions, which was very, very interesting because I was asking questions based on fact.

Again, I will go back to the facts. Can the Premier confirm that all hirings and firings, as per the mandate letter, are directed through his office?

[Translation]

Hon. Mr. Gallant: Regarding the questions that the Leader of the Opposition asked me last week, there are two options.

First of all, there is the one based on what the Leader of the Opposition says are facts, and I clearly told him I could not discuss human resource files. I cannot do so as a general rule, and I most certainly cannot do it here in public, in the House, or anywhere else either, really. So, this is the first option, namely questions based on what the Leader of the Opposition says are facts, and I cannot answer those because I have absolutely no right to comment on human resource matters.

Hypothetical questions are the second option. The Leader of the Opposition is trying to step outside of facts and specific files regarding human resources by asking hypothetical questions that I am most certainly not going to answer either.

I hope we can answer questions about and further discuss what is important today, namely job creation.

[Original]

Mr. Fitch: That is not a hypothetical question, nor is it an HR question. This is a question that goes to management style.

Let's look at a few things that are based on fact: (1) we had a committee that was entitled to change and to look at areas of government that would save substantial amounts of money—that is a fact, (2) that committee was disbanded—that is a fact, and (3) the deputy minister was



fired—that is a fact as well. On Items 1 and 2, based on fact, would the Premier confirm with us today that he actually disbanded that committee himself?

Hon. Mr. Gallant: Number one, as the Leader of the Opposition classified it in his comments, is actually his opinion. His opinion is that they had a plan to actually try to reduce the deficit. If they had had a plan to balance the books, they would have done it within four years, as they promised New Brunswickers in 2010. They did not accomplish that.

[*Translation*]

While the previous government did not have a real plan to balance the budget, we are focusing our energy on getting our fiscal house in order, and we are doing it in a responsible and balanced way. We are going to try to increase revenue through economic growth, by developing the economy and creating jobs.

[*Original*]

We have also been very forthright with the people of New Brunswick and with the opposition. We are also going to have to look at our expenditures. With the Minister responsible for Strategic Program Review, we have launched an exhaustive and inclusive process. I certainly hope that the opposition will participate fully. I can tell you that New Brunswickers are participating and that we appreciate their thoughts and ideas.

Mr. Fitch: Once again, this goes back to a question of management style and a question of the structure within the government and how orders are filed. Who is running the department? Is it the Premier? Is it the minister? Is it the deputy minister? Is it a bunch of directors? We want to know how things happen in government now that there is a different way of doing business, a new way of running government.

You see, the fact of the matter is that we had a committee in place. We had a committee with ideas going forward that would find enough savings and create enough revenues within the government to have a balanced budget by 2017. If, in fact, the Premier can give the direction to disband a group like this, can he not give the direction, if there is a bad decision within government, to reverse that order, whether it is from the minister, the deputy minister, or the director—whoever is giving the directions over there? Can the Premier step in, reverse the order, reassemble the group, and move toward a balanced budget in 2017?

Hon. Mr. Gallant: Let's speak a little bit about what was in place. There were ideas left for us, and we acknowledge that. I will—for, I think, the third or fourth time—acknowledge the fact that there were ideas left by the previous government that it did not implement. I have made it very clear on the floor of the Legislature that every single one of those ideas will be looked at. I can guarantee you that some of them will be used. I certainly do not think that all of them will, because we will certainly want to make sure that they fit within our vision and within our



priorities. They will all be considered, and a lot of them will be implemented. To answer the question from the Leader of the Opposition, we will certainly look at what was done.

As for the government's style, I do not really know what the Opposition Leader is getting at. I can tell him that I am very focused on the priorities of growing the economy, creating jobs, getting our finances in order, and making sure that ours is the best place in the country to raise a family. I have a wonderful team of Cabinet ministers and a wonderful team of great MLAs who are working very hard to make sure that we do those three things.

Budget

Mr. Fitch: There was a unit in government that was mandated to find savings within government. If that is what this government wants to accomplish, why did it disband that team? In fact, we were so confident in that team, in the direction forward, and, actually, in the plan that the former ministers said that they would take a financial penalty if, in fact, we did not meet the objectives of the reductions in the budget. Unlike the fanfare that was held last week about reducing ministers' salaries by 10% and the Premier's by 15%, which disappeared like that in their blame-the-people tour, we had the plan, we had the mandate, and we had the commitment, because we were prepared to take those financial hits if we did not meet the expenditure reductions.

Will the Premier look at the plans that were left, the ideas that were in place? Will he look at curbing his spending spree and going back to a balanced budget in 2017?

Hon. Mr. Gallant: Where to start? First off, the status quo was not working. Very clearly, we had the first government in history that did not create jobs in its mandate, that did not have a net gain. It was the first government in 40 years not to do so. The status quo—what the members of that government were doing to try to get rid of the deficit—was not working. They missed every single one of their targets.

With that said, we are still going to consider the ideas left by the members of the previous government, but I think it is very important to say that they did not have a plan to balance the books. Again, had they had a plan, they would have done it. In fact, if you look at the budget that they prepared when they were in government, they made it very clear that there would still be a deficit in 2017. The only thing that they did was create a fictitious line that said a bunch of mystery millions—upward of \$300 million—were going to be found. They were going to find \$300 million out of thin air somewhere to balance the books.

We are not going to do that. We are going to talk to the people of New Brunswick, get their ideas, create jobs, and get our finances in order—something the last government could not do.

Mr. Fitch: I think the Premier might be breathing thin air, because the reality of what he is saying here is really ironic. When you look at what the members opposite put in their platform, there is up to \$250 million—or at least \$250 million—in savings. That is very similar to what we



talked about—\$300 million. Now, they have upped the ante to \$600 million—out of thin air, as the Premier likes to say. When the government members talk about balancing the budget, again, in their platform, my recollection is that they had no plan to balance the budget during this mandate.

When the Premier talks about the last four years, he has to look at the four years going into the future. They are making the decisions now. They are supposed to be doing things differently, so why, with this extra shot in the arm from the transfer payments, with the extra shot in the arm from NB Power, and with all this extra revenue that has come in... If they can curb their spending spree, why can they not go back to a balanced budget in 2017?

Hon. Mr. Gallant: First off, let's maybe just clarify a few things. Actually, what we presented to New Brunswickers during the election was that we would balance the ordinary budget within the fourth year, within our mandate. Then, because of the capital spending that we want to do—to invest in our infrastructure, create jobs, stimulate the economy, and set ourselves up for economic growth in the long term—the full books of the province will be balanced by Year 6 if we are lucky enough to gain the privilege of continuing to govern after the next election.

I have to point out that we have a plan. We have been very forthright with this plan. We have asked New Brunswickers to participate, and we have asked the opposition members to participate as well. However, all they do is come on the floor of the Legislature and... On the one hand, they say that we are cutting too much. On the other hand, they are saying that we are on a spending spree.

What we are doing is exactly the opposite of those two things. We are being very prudent when we invest the money of New Brunswickers, and we are certainly going to have a strategic discussion about how we spend that money. We are going to ensure that we grow revenues by creating jobs. You can be certain of that.

Health Care Funding

Mr. B. Macdonald: Last week, we learned that the \$200 million budgeted for the much-needed improvements to the Chalmers hospital had vanished into thin air, that it had been sidelined by the minister. The budget for the Fredericton health clinic had been \$1.6 million this year and \$4 million next year. Somehow, we are now at \$4.8 million this year. However, for the Chalmers, it was \$4 million this year for planning, \$16 million next year, and \$16 million the year after that, out to \$200 million.

Let's focus on this year, the \$4 million for planning. The minister told us that only \$90 000 has been spent. I know that he wants to blame that on Horizon Health, but the reality is that he is the minister responsible for Horizon Health. The minister has been in power for five months now, and I would like to know when the minister became aware that the Chalmers project was behind the timelines and what he did about it. Did he help them? Did he give them additional resources, or did he reallocate that money somewhere else in-year?



Hon. Mr. Boudreau: The member knows very well the details of this project. We have been talking about it for a few days now in the Legislature. This all started when the former Minister of Health got up in this House and said: Our fiscal house is in order. That was while there was a \$400-million deficit out there. Our fiscal house is not in order, and, as a government, we had choices to make with this capital budget that was announced just before Christmas. We had more requests than we had money to invest.

When we looked at the list of projects that were prepared to move forward, there were five projects on the list that were considered because they were further along in the process. Those are the Dr. Georges-L. Dumont University Hospital and the Bathurst hospital, in the Chaleur region. We had to finalize the Restigouche project, the mental health facility up there.

[*Translation*]

We have the Fredericton Downtown Community Health Centre...

[*Original*]

Mr. Speaker: Time, minister.

Mr. B. Macdonald: The minister wants to tell us that he has made hard choices, but I am sure that we are going to get to the bottom of what those choices are. I am not concerned, right now, about the missing \$196 million. I want to focus on that \$4 million. Where has that gone? The minister is playing a sleight of hand. He has \$4 million in one hand for the Chalmers planning, and he has \$4.8 million in the other hand for the Fredericton clinic. After the smoke and mirrors have cleared, there is only \$4.8 million left for the Fredericton clinic. I would like to know where the other \$4 million went.

I am very curious because the Chalmers hospital has come forward with a proposal to get that money back. If it was not the hospital's in the first place, why is it arguing to get it back? We need to know where this money has gone and if the minister, in fact, intervened and reallocated that money—from where it should have gone, to the planning—to somewhere else.

Hon. Mr. Boudreau: Once again, I will remind the member opposite that the former government made the announcement of this project, giving everybody the impression that our fiscal house was in order when, in fact, it was not.

All of that being said, it was an election year, so, in the last capital budget of the former government, it announced \$4 million to go toward the Dr. Everett Chalmers Hospital. However, when the time came around to preparing the capital budget for next year, it was brought to our attention that, of that \$4 million, only \$90 000 had been invested in this project. There were two other larger projects and three other projects that it was felt were more prepared to move forward for construction this year. That is why we made the choices that we had to make. It is



not to say that the Dr. Everett Chalmers Hospital project is never going to be realized, but it simply was not on the priority list for this year.

Mr. B. Macdonald: I know that the minister has had a few days to figure this out, but we are not getting any closer to the truth here. The minister told us on Friday that only \$90 000 had been spent this year where \$4 million should have been spent. As the minister responsible for Horizon Health, he wants to blame his subordinates, I know, but he is the minister responsible.

I would still like to know at what point this minister became aware that this important project at the Chalmers hospital, essential to this region, was so far behind schedule. When he found that out, what did he do to reallocate resources? Did he take the money away from the Chalmers and put it somewhere else, or did he give the Chalmers more resources to get the job done? Thank you.

[*Translation*]

Hon. Mr. Boudreau: Since I have answered this question a number of times, I would encourage the member opposite to listen to the answers. An amount of \$4 million was put aside for this project, but, unfortunately, only \$90 000 was invested in it. The rest of this money will not be used; the money was not transferred to another project, and there has been no indication of work stopping on this project. I cannot explain why this project was there, since I was not part of the government when it was announced. Indeed, it was the previous government that announced it. All of this means that, when we developed our first capital budget, we had to make decisions. Projects that were ready to go forward as quickly as possible had to be chosen, because our priority is job creation, which is also New Brunswickers' priority. Therefore, we wanted to pursue projects that involved construction this year.

Social Programs

Ms. Dubé: Last week, I tried to get answers from the Minister of Social Development about whether the more than \$7.2 million that was put into her budget for the current year, which ends at the end of March, was going to be allocated specifically to the first year of implementation of the Home First Strategy.

Seniors are in hospital. The Minister of Health is currently touring the province, and he wants to close some hospitals. He is even talking about permanently converting certain hospitals into nursing homes for seniors or using certain beds for them.

My question is again for the Minister of Social Development this afternoon. I would like to know if she managed to do her homework. Can she tell us whether the \$7.2 million is actually still in her budget? What investments have been made during the current year?



[Original]

Hon. Ms. Rogers: Our province very much believes in being a province with strong families. This means giving families the tools that they need in order to be strong, but also giving our community partners the tools that they need in order to share in the role of taking care of New Brunswick families.

Seniors are a very valuable part of New Brunswick families. As our Premier iterated just moments ago, we are very, very committed to carrying forward any good ideas from previous governments. One of these great ideas is keeping seniors in their homes for as long as possible, so we are very committed.

[Translation]

Ms. Dubé: That is precisely why I am asking the question. These are good ideas, and a good strategy was put in place. Many partners were involved in developing this strategy. More than \$7 million was put aside in your department's budget to ensure the strategy is implemented.

I could perhaps ask you a more specific question. During the first year of the Home First Strategy, which runs to the end of March, there was to be money to enable agencies in each region to perform assessments at home for people aged 70 and over. These agencies were to assess people's needs and their residential status. Money was also to be available to help these people make changes in order to protect them. For example, changes can be made to prevent falls at home.

Can the minister tell us who performs these assessments in non-urban areas? What are the allocated amounts? How can people gain access to this kind of service?

[Original]

Hon. Ms. Rogers: I would like to thank the member opposite for the question. Again, our priorities are jobs, getting our finances in order, and taking care of families. In order to get our finances in order, part of this means working strategically and working collaboratively. We are in the process of carrying forward some of the strategies that have already been discussed, but also we are reviewing and continuing to strategize for long-term purposes. This is all toward keeping seniors in their homes, but also working with other community partners on this initiative.

[Translation]

Ms. Dubé: The minister has just admitted that the \$7 million is lost and that must be forgotten, because it will stay on the shelf.



The minister has also just admitted that her government will be starting from scratch again, while the work had been done with all the partners who take care of seniors in New Brunswick. The minister just told us that her government is putting all that aside and starting over.

While the minister is doing that, who is advocating for seniors in New Brunswick? The Minister of Health is now telling New Brunswickers that his government will convert hospital beds into permanent residences for seniors. Do we not all agree that seniors do not necessarily belong in these residences? Our seniors built this province and deserve better.

When will the minister actually step up and fulfil her role, which is to protect seniors? She must tell the Minister of Health to take care of his own area. The role of the Department of Social Development is to take care of community health, and it must ensure that it provides the best care. In doing so, it will help the Minister of Health...

[Original]

Mr. Speaker: Time. Time, member.

Hon. Ms. Rogers: Seniors are very, very important to this government—very important. We very much respect seniors, who created our society today, who have played a role in our upbringing. We are very committed to long-term, quality care for seniors in our province.

(Interjections.)

Mr. Speaker: Order.

Civil Service

Mr. Higgs: We have challenges in this province, and I would be the last one to suggest otherwise. When I think of getting the work done, it is about the process as much as it is about the items.

A project management team has six real key factors. It has clear targets to follow. It is clearly focused on the specific outcomes. It is continuously monitoring the performance. It is regularly reporting the results. It has quick corrective action, as necessary, to bring things back on track. It has demonstrated performance. All of these were in place to capture the mystery millions. The mystery millions had a turn from \$0 to \$400 million and were on track for \$550 million—documented results that were achieving success. There is no mystery here.

I would ask this of the Premier: Why would such an effective, documented, performance-proven management team be so quickly disbanded?



[Translation]

Hon. Mr. Melanson: As the Premier clearly explained this afternoon, some ideas, of which we recognize the value, were brought forward by the former government. There are also ideas on which we, as the new government that received a mandate from New Brunswickers, want to move forward. When it comes to efforts to turn the province's financial situation around, we have a different approach that involves including New Brunswickers who want to be part of the solution. That is the current government's approach.

We are asking New Brunswickers to get involved and propose solutions so we can get our fiscal house in order and get the province running again through job creation. We want to turn our financial situation around in order to make life a lot more affordable for New Brunswick families.

We have a process that involves the people of New Brunswick.

[Original]

Mr. Speaker: Time, minister.

Mr. Higgs: Sometimes, I almost feel guilty breathing the air in this process because it is such a waste of time.

I must suggest that, when you talk about process and you actually talk about results, it is about the leadership to make it happen. You can talk about ideas, but if you cannot have a way to make them happen, to make them actually come to fruition, it is of little value.

One of the areas that is of the greatest strength in terms of leadership development and one of the best departments in the government would be Human Resources. An effective human resources builds leaders, rewards leadership, and moves them forward in an organization. It is not about talk of how great the civil service is. In fact, they are and can be very great, but they have to be allowed to do so.

I would like to ask what steps the government is taking to build and support the leaders in the civil service, those leaders who have a proven capability and those leaders who will deliver results for this province because they have the passion to do so.

Hon. Mr. Gallant: Again, I would just like to repeat that we actually do appreciate the work that was done by the previous government. I do not think, actually, that we have heard that on the floor of the Legislature too often over the last few decades. We appreciate the fact that there were some ideas when we got here that will be able to help us get our finances in order.

I want to be very clear and say, once again—now for the fifth time, perhaps—that we are going to consider all those ideas. Those ideas will all be looked at, they will all be analyzed, and some



of them will be implemented. Obviously, I cannot commit to saying that all of them will be. I am sure, in fact, that some may not be. They may not fall within the criteria, within the priorities, and within the vision of this government. However, I want all members of the Legislature to rest assured that all these ideas will be looked at.

When we talk about leadership, we have fantastic deputy ministers and a fantastic civil service that are working very hard. I want to take the time to say that we have fantastic ministers working very hard on the Strategic Program Review. With their combined energy, we are going to be able to get our finances in order.

Mr. Speaker: Time, Premier.

Accountability

Mr. Higgs: Unfortunately, some of the hardest-working deputy ministers are now at home.

Building leaders is very difficult or impossible if, at the same time, irrational behaviour in decision making is evident, given the politics of the process that we live in. Previously, we put forward a *Fiscal Transparency and Accountability Act* to help to control some of that irrational behaviour. The election costing was part of that. The actual commitment that was stated here earlier by my colleague was that there would either be a \$125-million reduction or every Cabinet minister would be subjected to an administrative penalty of \$2 500 per year. That is putting our money where our mouth is. We were that focused and that confident of achieving success.

I would like to ask the Minister of Finance, right now: Will he respect the *Fiscal Transparency and Accountability Act*? Will he honour the requirements that are clearly laid out in that Act to achieve the results intended or to follow the consequences?

[Translation]

Hon. Mr. Gallant: I think it is very important to point out to the House that our government is very committed to turning our public finances around, and we want to get the help of the civil service to achieve this goal. Of course, as the member has just said, it is important to show leadership. To do so, we will have the help of deputy ministers and other civil servants throughout the system, including ministers, who are working very hard on the Strategic Program Review.

[Original]

When it comes to the question of the *Fiscal Transparency and Accountability Act*, I think it is very important to note that the fines, which we think were a very gimmicky way of approaching the finances of the province, were only implemented in the last year of the previous government. This made sure that the members opposite would not have to pay the fines, even



though they would have had to. I think we put our money where our mouth is when we had all the Cabinet ministers take a salary cut, and that was more than what the previous government did.

Oil and Gas Leases

Mr. Stewart: Last week, I tried to have some questions answered on Bill 9. The Minister of Energy and Mines failed even to acknowledge the questions, let alone answer them, so I will try again today.

It is bad enough that Bill 9 will give the Liberal Cabinet the authority to ban the development of natural gas in the province, but it will also provide the Minister of Energy and Mines with the authority or *carte blanche* to extend oil and gas leases for an unlimited period of time. By giving the minister the sole authority to extend leases and licenses for an unlimited time, Bill 9 will place New Brunswick in the company of countries that are riddled with corruption. Will the minister explain why he feels he has to eliminate the existing restrictions on license and lease extensions and have the ability to issue extensions that could go on forever?

Hon. Mr. Arseneault: I did acknowledge the question last week. I said that I appreciated the question.

I am very proud to serve under the leadership of Premier Gallant and his government. Under his leadership, when we say we are going to do something, we actually act on it. That is very different from what we have seen over the last four years. We spent the last two and a half years listening to people in New Brunswick who had concerns with shale gas and with hydraulic fracturing. We imposed a moratorium. We have been saying that consistently for the last two and a half years, and that was exactly what we brought forward—a moratorium on hydraulic fracturing. The only way that that moratorium will be lifted will be if the five conditions are met and if New Brunswickers feel comfortable and safe because of that.

Going to the question of the member, again, I would like him to learn his files. Without this amendment, current legislation... When he was in government, they introduced this legislation as well. When you look at a license to search, I already have the authority to extend the license, year over year.

Mr. Speaker: Time, minister.

Mr. Stewart: So much for doing politics any differently. The minister said that one year at a time was all we could do. We are concerned about the Crown resources that the minister will be able to keep in the hands of companies that might not even be willing to develop the resources that lie in a leased area. Why is the minister repealing the stipulation that leased lands must be producing payable quantities, in favour of leases that could extend forever? To allow a minister to have the authority to provide companies with unlimited extensions removes all accountability from our system.



My question is this: Why will the minister not explain why he is throwing away the accountability built into the *Oil and Natural Gas Act* and replacing it with his own opinions as to how long oil and gas leases should be issued?

Hon. Mr. Arseneault: I will finish my answer from a while ago. Under the current legislation, regarding license to search, the minister has the authority to extend that lease year over year, if he wishes. When it comes to a lease, I have the authority of the minister to extend that lease by up to five years—as many years as I want, up to five years.

If the member is so scared of the current government and the current minister, why did he not speak up when his government introduced the exact same legislation?

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

