

March 26, 2015

[Original]

Atcon

Mr. Fitch: Yesterday, the Premier did not care to name the minister referenced on pages 41 and 42 of the Auditor General's report. He would not name the member for Shediac—Beaubassin—Cap-Pelé as the minister referenced. Since that time, the member from the Shediac area has been named in the media and on social media, so I think it would be fair to allow the member to have the floor to deny that it was he who was referenced in that report. If not, I will proceed then.

Page 36 of the Liberal election platform promises to “end special treatment for members of the Legislative Assembly (MLAs) and their friends”. The Premier has an opportunity to make his actions line up with his words here today. After the revelations in the Auditor General's report, will the Premier request the resignation of the member for Shediac—Beaubassin—Cap-Pelé?

Hon. Mr. Gallant: It is unfortunate, what we see here today in the Legislature. The opposition members' statements certainly are taking a matter that we take very seriously and trying to make light of it, making jokes and trying to have one-liners for the media. This is a serious matter, and we take it very seriously.

We have made it very clear that we are going to work with the Auditor General to improve the way that economic development is done in the province, and we have already started. We started when we changed the way that we have the patchwork of economic development agencies. That is why we created Opportunities New Brunswick and the Jobs Board. One will ensure that we are client-focused. One will ensure that there is much more accountability. The Jobs Board will ensure that we really look at and analyze every single decision that we make when it comes to investing in job creation and economic development.

I am proud of the ministers that we have in our Cabinet. They are working very hard to help us with our priorities of creating jobs and growing the economy. We, as a government, are going to continue to focus on those things moving forward.

Mr. Fitch: We certainly do not take this lightly. We are actually shining a light on the subject—the light that the Premier wants to turn off.

The Auditor General's report made it clear that Atcon was done. We still do not know why it was done or where the money went. However, knowing how it was done is evidence enough that the Premier must make a decision. Does he want the Atcon decision to stay with him for his mandate and go on everything that he produces because he has six members of the Atcon cabinet in his Cabinet? Already, on social media, they are being called the “Atcon Six”. The Atcon Six will be making decisions based on the next four years, so the Premier has a decision to make. They are



actually passing legislation now that will make it easier for them to do it again and again and again. Let me ask the Premier again: Is he going to request the resignation of the member for Shediac—Beaubassin—Cap-Pelé?

Hon. Mr. Gallant: I have made it very clear that I am proud of the work that the Cabinet is doing on our priorities of creating jobs and growing the economy, and I cannot agree with what the member opposite just said. In fact, we are working with the Auditor General to ensure that things like that do not happen again. We are working very hard, hand-in-hand with the Auditor General, in fact.

The CEO of Opportunities New Brunswick has been communicating with the Auditor General. The government has been communicating with the Auditor General. I think that we have all seen in the report that there is actually clear evidence that the Auditor General has been speaking with our government, because we found timelines in which our government is saying that we are going to implement many of her recommendations to improve the way that we do economic development. So I cannot agree with the member opposite when he says that the changes will make this situation happen more. It is very much the opposite. We are working very hard to change the way that we do economic development, to have more accountability and to have better results.

Mr. Fitch: Again, the actions are not lining up with the words here. Even on CBC radio in Fredericton this morning, the news announcer read a headline stating that Premier Gallant is saying that his government is bringing in legislation that will prevent another Atcon. Of course, we know that the Premier is bringing in legislation that would permit another Atcon and, in fact, make it easier. He will be the chairman of the Jobs Board and, once again, putting more political interference into decisions as opposed to taking it out, so either the CBC has made a mistake or the Premier is making a mistake here. I wonder whether the Premier can stand up and answer this: Is it CBC that has made the mistake, or, again, are his actions completely out of line with his words?

Hon. Mr. Gallant: I agree with the headline of CBC. Thank you very much to the member opposite for the very pertinent question. We have made it very clear that we are going to change the way we do economic development in the province.

[*Translation*]

We want to get real results in terms of job creation. Unfortunately, as we have seen, the previous government was the first in 40 years to have no net gain in jobs.

Moreover, we want to make changes, not only to improve the results we will be getting in terms of job creation, but also to ensure more accountability. In fact, the New Brunswick Jobs Board team includes three individuals from the private sector who will help us analyze major investments in job creation and economic development and make decisions in this regard.

Yes, the excerpt that the member opposite quoted is accurate. We are going to improve the way we develop the economy, and we will have greater accountability and better results.



[Original]

Mr. Fitch: We can assume that the Premier, even if the member for Shediac—Beaubassin—Cap-Pelé had a revelation and realized that he was acting outside the regulations and authority that were given to him as a minister... He was acting outside those and cost the taxpayers up to \$70 million. The other members of the Atcon Six sat around and let that happen. Even if that member decided to put his resignation forward to clear the air and to make sure that this government was not going to be tainted with the same scandal, is the Premier saying today that he would not accept that resignation and that he is actually proud of the decisions that were made, which were outside the regulations of the day?

Hon. Mr. Gallant: I will be honest. I do not really understand the question, but I will get to the point.

I am very proud of the work that the Cabinet and our government are doing to try to create the right environment for jobs to be created in New Brunswick. We are also going to learn from past mistakes, to increase accountability, and that is why we are working with the Auditor General to implement as many of her recommendations as possible. I have asked the Opportunities New Brunswick CEO to spearhead this, and I have also asked that he update us on the progress as he finds himself implementing these suggestions.

I also have to make note of the fact that this situation has been in the news. Many people have looked at this. Independent bodies have analyzed this situation. Since all this information has gone public, we have gone through two elections. The people have spoken, and they have chosen people to represent them. Despite the fact that they were probably frustrated with this file, they still chose people, and I am happy that they did because these people are working very hard to create jobs and opportunities for New Brunswickers.

Mr. Fitch: Once again, we see the Premier lining up in step with the Atcon Six. Maybe we should rename it the “Atcon Seven”, because he is standing in line with the people who made a decision in Cabinet.

The then Premier acted outside the regulations and authority of that Cabinet to put the Scotiabank shareholders in front of the taxpayers of New Brunswick. This allowed Scotiabank to be first in line among the creditors, as opposed to the province.

What the Premier is saying here... In the revelation that was found on pages 41 and 42, the new information that came out with the Auditor General’s report was the fact that the minister acted outside the regulations. The Premier has to look at that and has to realize that it is new information that the public did not have. Perhaps if people had had it during the election, they might have made a decision that was different.

We have the opportunity to make it right today. The Premier can stand up and ask for the resignation of the member who was acting outside the regulations of the day.



Mr. Speaker: Time, member.

[*Translation*]

Hon. Mr. Gallant: This is a matter that has been in the news for many years. I do not think that there is anybody in the province who is not familiar with it. New Brunswickers are frustrated with it, and I understand, since everybody feels frustrated about it. We want to create jobs and grow the economy, and that is what we all want for the province.

However, I want to make it very clear that we have gone through two elections since this information was made public; people have chosen their representatives. Opposition members were aware of the facts related to this matter, but they never asked for the resignation of anyone in my government. However, they now speak of nothing else because they have nothing better to say.

There was no new information in the Auditor General's report, and it is very clear that this matter has been analyzed now. We even supported asking the Auditor General to analyze it. We are going to be accountable to New Brunswickers on economic development.

[*Original*]

Mr. Fitch: I think we have proven here today, without a doubt, that the Premier's actions and his words do not line up. We have shown this specifically, and I sent the pertinent pages over to him yesterday. I know that he has the information available to him. The information was such that the minister acted outside the regulations that were in place at the time. Even though we know the legislation and we have looked at it here in the House... The legislation that the government is putting forward to actually put the Premier on the Jobs Board as chairman is putting more political interference into our allowing money to go out to different companies. A number of the Atcon Six are on that board as well.

We need the Premier to realize that the new information that has come out in the Auditor General's report shows that some of the people who were in Cabinet at the time let this fiasco happen. They let the minister go forward outside the mandate that he had, and that has cost us a \$70-million loss. If the Premier is not going to ask the minister to resign, he should find out where the money...

Mr. Speaker: Time, member.

Hon. Mr. Gallant: I am not sure there was a question there, but I will make it very clear. There is no new information that the Auditor General has provided. There is no new information. These are things that we all knew before. We have gone through two elections with this information being public.

On top of that, I want to make it very clear as well that, while in opposition, we supported a unanimous motion to have the Auditor General look at this file. Despite the fact that we believed



all the facts had been made public, we still asked the Auditor General to dive in and see whether there was anything else we should know. We supported a unanimous motion in June 2013, when I was Leader of the Opposition, to have that happen. We wanted to shed light on this situation. Light has been shone on this situation, and we are very pleased that we have recommendations from the Auditor General on how to improve economic development and make sure it is more accountable. We will also improve the results and make sure that we create opportunities for this province.

Mr. Fitch: There was a clear question. In my last question, I asked the Premier: Where did the money go? He did not answer that question, so, obviously, he does not know where the money went. That is almost \$70 million, and half his Cabinet must know those answers.

That is why there needs to be more information, based on the new information that the Auditor General has put forward, which shows that the minister acted outside the regulations. That is why we are going to call for a forensic audit. That is why we have put that motion on the floor. The taxpayers want to know. We want to know. I think the Premier should do himself a favour. He could clear the air for his Cabinet ministers or, again, make sure that the issues that are put before the House today—the fact that the minister acted outside the regulations—should be put to rest at some point. The way to do that is to have a forensic audit. Will the Premier agree to a forensic audit?

Hon. Mr. Gallant: We agreed to have the Auditor General look further into this matter. There was a unanimous motion in June 2013, when we were in opposition and I was Leader of the Opposition. We supported that motion to have the Auditor General dive into this subject. No new information came out. Let's listen to what the Auditor General had to say about how we should be moving forward. I will quote an interview from the CBC.

The point I want to make when you talk about going into a fraud investigation, as I pointed out to the members of the public accounts and crown corps, the New Brunswick taxpayers have already paid far too much in this situation. Any exercise beyond what we've done is going to cost a lot of money, if you get involved in a forensic investigation or putting people under oath. Judge Ryan's work, conflict of interest commissioner, that inquiry cost many millions of dollars.

She realizes that she has done her work. The Conflict of Interest Commissioner has done his work. The information is public. We supported the information being public. We now have strong recommendations on how to improve things, and we are going to focus on doing just that.

[Translation]

Jobs Board

Ms. Dubé: Five of the six ministers behind the Atcon fiasco are part of this Cabinet and are leading the newly created New Brunswick Jobs Board established by Premier Gallant. These ministers will again decide which businesses will receive taxpayers' money.



Knowing now that the Auditor General says in her report that the ministers involved in the Atcon fiasco have already acted outside the regulations in effect, is the Premier prepared to make changes to the membership of the New Brunswick Jobs Board in order to prevent other fiascos?

Hon. Mr. Gallant: I thank the member opposite for her question. We are fully prepared to make changes in terms of economic development in the province in order to enhance accountability.

That is precisely why we have changed the way we develop the economy. That is why the board of Opportunities New Brunswick will include people from the private sector who will help us make decisions regarding our investments. That is why the New Brunswick Jobs Board secretariat includes people from the private sector who will help us analyze major investments in terms of job creation. That is also why we are going to work at implementing as many of the Auditor General's recommendations as possible.

The CEO of Opportunities New Brunswick will be working with the Auditor General to analyze the recommendations and implement them. We will have greater accountability, and more economic development will take place in the province under our government.

Ms. Dubé: It is important to realize that five of the ministers involved in the Atcon matter are still part of this Cabinet and, furthermore, the Premier has appointed them to a board that will assess requests from businesses and decide where taxpayers' money will go. After such a fiasco, it is very rare to find so many of the same ministers at the table making decisions that could cause another fiasco in the province.

This Premier tells us that he was not in government at the time of this fiasco, but he is now the Premier and, as such, appoints all ministers. My question for the Premier is very simple: In light of the decisions that have already been made and that, according to the Auditor General, were made outside of regulations in effect, is he prepared to make changes with regard to those at the table who make decisions on behalf of taxpayers, in order to prevent other fiascos like the Atcon one, in New Brunswick?

[Original]

Hon. Mr. Gallant: I have answered the question several times, so I will take my time with the one minute that I have to maybe ask a few questions of my own. We are spending much time on a file that I do think deserves time in the Legislature. The questions certainly deserve to be answered, and we want to shed as much light as possible and as we can on this situation. Well, we have done that, so, since the opposition members are repeating questions, I will ask a few questions regarding a few other things on which I think we have made mistakes, in terms of a province.

I would like the members opposite to explain exactly what happened in the Orimulsion deal. Why did our province lose almost \$1 billion? I would like them to explain the cost overruns of Point Lepreau, where we lost, again, over \$1 billion of taxpayers' money. Clearly, the situation that we are talking about, where there is \$70 million in this situation, deserves to be spoken about.



However, we had two fiascos under the Leader of the Opposition when he was a minister that cost New Brunswickers billions of dollars. Let's have some questions answered from the opposition members on how those things went down and what they did to...

Mr. Speaker: Time. Time, Premier.

[*Translation*]

Ms. Dubé: I can tell you one thing: When we were in Cabinet, all decisions made were followed by the employees of the Department of Economic Development. The Premier is trying to defend Cabinet members he appointed, but, on our side, we followed regulations, unlike the five ministers who are still on the New Brunswick Jobs Board.

I am going to list those ministers: the Minister of Health, the Minister of Economic Development, the Minister of Natural Resources, the Minister of Energy and Mines, and the Minister of Environment and Local Government. These ministers all failed to follow regulations. If the past is any indication of the future, your committee is again putting taxpayers' money at risk. The solution is very simple, since you are now in charge of the province, you appointed these ministers, and you created this entity that will decide where money will go with regard to New Brunswick businesses.

So, my question for the Premier is this: Will he take corrective action by making changes to the board membership...

[*Original*]

Mr. Speaker: Order. Time, member.

Hon. Mr. Gallant: Again, I have already answered that question, so what I will do is repeat my question. We are spending as much time in the Legislature, as we should, answering questions on this file, and we certainly have no problem doing that. Since they seem to have no more questions to ask, I will ask this again: Billions of dollars of taxpayers' money went down the drain because the Leader of the Opposition, when he was the Minister of Energy, made a bad deal when it came to Orimulsion with Venezuela. On top of that, they made a bad deal when it came to Point Lepreau, and now we find ourselves on the hook for over \$1 billion when it comes to cost overruns. This is despite the fact that, when the member was a minister under the previous government, he said that they would get all the money back. How much money did we get of that? Zero. That is how much we got. We have two boondoggles in which the Leader of the Opposition was involved, that have cost over \$2 billion in taxpayers' money.

I would say to the opposition members: Let's spend some time on those files, equivalent to the one we are talking about today. Can they explain how that happened? Can they take the responsibility instead of blaming the civil service?



Mr. Speaker: Time, Premier.

[Translation]

Hydraulic Fracturing

Mr. Coon: My question for the Premier is this: Nova Scotia, Quebec, and New York State have all conducted more detailed research on hydraulic fracturing for shale gas extraction. To do so, they had important resources, including David Wheeler, president of Cape Breton University, the Bureau d'audiences publiques sur l'environnement in Quebec, and several New York State agencies. Can the Premier share with the House the budget of the Commission of Hydraulic Fracturing?

Hon. Mr. Arseneault: Thank you to the member opposite for his question. The commission we announced earlier this week is certainly comprised of people who have a great reputation in the province. We are very proud to have appointed as commissioners former Justice Guy Richard, as well as John McLaughlin and Cheryl Robertson. They will have very important work to do on this very sensitive and emotional issue, which has taken up a lot of our time over the past few years. So, it was very important to have people in these positions who could do the work required with regard to the five conditions set by the government.

However, I also stated publicly that I would not prejudge the commissioners' work. They have carte blanche about how they will engage the public and undertake research studies. It will be up to the commissioners to decide how to do their work. I am fully confident that they will be able to submit a very detailed report to Cabinet on hydraulic fracturing in New Brunswick within the next 12 months.

[Original]

Mr. Coon: Transparency is essential in this process. As was done in the Nova Scotia inquiry, will the minister provide the citizens of this province and the members of this House with the letters of contract or mandate letters that he provided to the commission members, along with the terms of reference for the commission?

Hon. Mr. Arseneault: That is a very good question. Yes, I will commit to providing the terms of reference publicly and to the member of the Green Party. I will have no problem with doing that early next week.

Mr. Coon: Thank you. We certainly do not want a repeat of the LaPierre fiasco. In New York alone, the New York State Department of Health produced a 176-page report last December that is entitled *A Public Health Review of High Volume Hydraulic Fracturing for Shale Gas Development*. This report is leading to a ban in New York State, replacing the moratorium that was previously in place there. How is the commission going to acquire the expertise to examine the health, environmental, and social consequences of the exploitation of shale gas without adequate



resources and adequate expertise on the panel?

Hon. Mr. Arseneault: It is quite funny that the member mentioned Louis LaPierre. When I look at the last Tory government and the way it checked for character references, I see that it pretty well missed the boat on that one.

I am very proud that our government did the due diligence to try to find the right people to deal with the issue, which is a very important issue for our province and for the way we move forward. To have somebody such as Guy Richard, who has had a tremendous career in the legal sector and who was a Chief Judge in our province... It shows that he is able to take the facts and get the proper information in order to present his findings.

At the same time, we have people like John McLaughlin, the former President of UNB, who is a very well-respected individual. As a former minister, I appointed Cheryl Robertson as Principal of the New Brunswick Community College. I have to point out that all three of these individuals are recipients of the Order of New Brunswick. I have the utmost faith in how they will conduct their work and their research and in how they will consult, either publicly or privately...

Mr. Speaker: Time, minister.

Hospitals

Mr. Flemming: I have a question for the Minister of Health. A couple of days ago, I expressed my views in the House that the reduction in funding at the Dr. Everett Chalmers Hospital was not about money. The money was allocated, the money was voted on, and the money was approved. The Department of Health had a tremendous turnaround in its budget.

Following what the Premier said, that we should offer some constructive suggestions, I am going to do that. During the last election, there was a lot of talk about spending almost \$3 billion, and almost \$1 billion of that was for infrastructure. In the spirit of cooperation, I think that some of the \$900 million in infrastructure could be allocated to the Chalmers hospital and reestablish it. I am suggesting that the government consider reallocating some of its funds. Instead of spending the money on pavement, the government could spend it on people. Would the minister be willing to do that?

Hon. Mr. Boudreau: Again, these members are repeating themselves. The members opposite keep looking for a different answer.

When we, as a government, looked at putting the capital budget together, there was \$87 million more in requests than there was money allotted for the next fiscal year to move forward with projects, so certain decisions had to be made. Also, in terms of the strategic infrastructure program, the main focus of that particular fund is economic development. It is to create jobs and to grow the economy. There are different pots of money within the government and different programs. Some are for different things. When it came to putting the capital budget together,



choices had to be made. We simply could not say yes to every request that was on the table. That is not to say that it is never going to happen, but there is no money in the budget for the coming fiscal year.

Mr. Flemming: I disagree with that. There was money in the budget. The budget was approved. The budget was passed, and this Legislature did it. Somebody decided not to do it.

Sitting behind the Minister of Health is an accomplished physician and a member of the Medical Society. He knows that I am right, and those are his colleagues up there. Sitting across from me is the Deputy Premier. He is the political minister for Fredericton and area. He knows that I am right. We are asking you to take some money from the political pork and put it to people. They sit there, and they do not even speak on this. They could be the Dynamic Duo instead of Doctor Dolittle and Deputy Dud.

Let's get this thing done, let's get it done right, and let's fix it, because it is not the right thing to do, to strip health care from the people in Fredericton.

Hon. Mr. Boudreau: I know the member opposite likes to get the headlines in the newspapers by taking these cheap shots. However, these personal attacks are not going to change the situation. They are not going to change the fiscal reality of the province.

There are a couple of things that I think we need to correct. When we talk about the strategic infrastructure program, the member opposite makes it sound as though it is going only to roads. That is not the case. It could go to airports, ports, and information and communication technology, like many projects that are on the horizon for Saint John. To say that this is only...

The members opposite are trying to score some cheap political points. At the end of the day, decisions had to be made. We, as a government, including my colleagues the Minister of Finance, the Premier, and everybody on this side of the House, have committed to balancing the books. To do that, tough decisions are required, and we are going to make...

Mr. Speaker: Time, minister.

Mr. Flemming: Both those members know that I have no personal animosity toward them. I was not being personal, and I was not being cheap. They are two people that I believe should stand up and speak on this. They know that this is the right thing to do. They know what goes on up at that hospital, and they know how run-down it is.

To say that choices had to be made... Listen, the budget was done. The only choice was that somebody chose to take their pen and say no. That was the choice. The money was there. It was budgeted, and it was allocated. It was approved, and it was voted on by this House. It was passed, and somebody cancelled it. That is not right.

I am asking this: When does pavement stand as more important and take precedence over people?



That is my question. Can we not find enough money to help the people up there who are suffering and working under deplorable conditions at the Chalmers hospital?

Hon. Mr. Boudreau: The financial situation of the province has not been settled, and, despite the former minister thinking that he resolved all issues at the Department of Health, that is not the case. The Department of Health is part of the province. He is mixing operations with capital. He is mixing projects with other projects.

The fact of the matter is that the previous government had budgeted \$4 million for the project but spent only \$90 000. I challenge the member opposite to come up with one document in which I would have prevented anything related to that project from moving forward. That is not the case. We never said no to the project in the current fiscal year. The project just simply was not there. It was not ready to go ahead. I did not sign off on anything to stop the project. Again, I challenge the member, if he wants to make those kinds of statements in the House, to come up with proof, but there is nothing there.

Mr. Speaker: Time, minister.

Members, during question period, I clearly heard the member for Rothesay name-call toward two members opposite. I would like to give him the opportunity to withdraw those remarks.

Mr. Flemming: Certainly, Mr. Speaker. I was not name-calling. Both those gentlemen would know that. If it came across that way, out of respect for you and for the Legislature, I certainly would do that. I think that both of those men know that it was not personal and that I was being illustrative of urging them to take some action on something that I feel strongly about. It is very frustrating to watch two years of your life evaporate in front of you...

Mr. Speaker: Thank you, member. Member, I am being very clear in the House... We have talked about this during members' statements. I am being very clear that we are not going to tolerate that type of unparliamentary language directed to members opposite on either side. I would like to have you stand up in the House and just withdraw those remarks without any kind of context.

(Interjections.)

Mr. Speaker: Thank you. We will move on.

[*Translation*]

Mental Health

Hon. Mr. Rousselle: I ask your permission to answer a question I was asked yesterday. It was from the third-party leader in the House, and I had asked to take the question under advisement.



[Original]

Mr. Speaker: Please continue.

[Translation]

Hon. Mr. Rousselle: Yesterday, I was asked a question about the Integrated Service Delivery in the province, and more specifically about the pilot projects in the Acadian Peninsula and Charlotte County.

To start with, I want to point out that those pilot projects were very, very, very positive, meaning that we are quite satisfied with the results. Incredible work was done by various departments and agencies, including the Department of Health, the Department of Education and Early Childhood Development, the Department of Social Development, the Department of Public Safety, the Vitalité and Horizon health networks, and two school districts. Everyone really worked together.

Given the very positive impact of the pilot projects, we, as a government, made the commitment to implement such projects across the province.

So, that specifically answers the question. I would like to say how much I appreciate the questions from the third-party leader in the House, as he never talks to me about the odds of winning the lottery.

[Original]

Mr. Coon: The Integrated Service Delivery program for those two pilot projects was very successful. It was a huge success that resulted in direct help for youth and children, students who had behavioural or mental health problems. It continues to provide access to those services. In other words, it is acting directly on the right to access mental health services that children and youth have.

My question was: What is the timeline? We cannot wait any longer. The success has been proven. Those services need to be rolled out and be made available to students in every region of this province. We cannot wait until the end of this government's term.

[Translation]

Hon. Mr. Rousselle: As I indicated, there were two pilot projects, and the results have been very positive. So, our commitment is to continue to implement the program across the province. I have to say that, two or three weeks ago, we were still at the table looking at ways to get it done.

So, I do not have a specific timeframe to share with the third-party leader in the House, but I can assure him that we are working on this important project, since we believe that youth mental health is important. It is a concern, I am sure, for all members on both sides of the House, and we will keep working to achieve our goal.

