

April 7, 2015

[Original]

Senior Citizens

Mr. Fitch: Last Thursday, the Minister of Social Development, the member for Moncton South, was very anxious to get out into the media and say that this cash grab from the seniors is affecting only 500 seniors and that it is affecting only 13% of the people in the nursing home population. Now that the minister has had the Easter weekend to think about it and to look at the details, I wonder whether she could inform the House today exactly what level of revenue is going to be generated by the attack on the assets of those 500 seniors and 13% of the nursing home population.

[Translation]

Hon. Mr. Gallant: It is unfortunate to see the opposition trying to misinform New Brunswickers. Upon tabling our budget, we said very clearly that changes would be made progressively. All aspects of our budget are designed to protect the most vulnerable and ask those who can afford it to pay a little bit more.

Yet, it is not easy to ask New Brunswickers to give a little more money than they used to. However, we have the difficult task of restoring our finances and putting our fiscal house in order, and this is exactly what we are going to do. We are going to do it equitably, asking people who can contribute a little more to do so. The same principle is going to apply to seniors, and it is unfortunate to see the opposition trying to suggest that this will not be the case.

Now that we have answered this question, I hope we can move on.

[Original]

Mr. Fitch: It is very unfortunate that the Premier got up today and muzzled his minister.

A pamphlet was delivered to my mother's house during the campaign, and it was from the member running in Moncton South. The pamphlet said, in bold letters: "A strong voice for seniors."

I am reading it because I want to make sure that I get it right. It said: "Seniors deserve to be heard in Fredericton. With your support in the September 22 provincial election, I will be a vocal advocate for your concerns."

Can I ask the now Minister of Social Development, the member for Moncton South, why she has broken this election promise today?



Hon. Mr. Gallant: The minister has done no such thing. She has done a very good job of speaking on behalf of her constituents and on behalf of seniors and—I would even add—those who are the most vulnerable.

I think that it is a bit unfortunate that the opposition is humming and hawing because the minister went out and spoke to the media on Thursday to tell people what the policy is. I do not understand why the opposition thinks that is a bad thing. I do not think that the opposition normally minds when I get up to speak about government policy either. It is a bit weird and unfortunate to have the opposition trying to say that it is a bad thing that we try to communicate what our policies are.

What I want to make very clear is that we are not going to have the same policy as the member opposite when he was a minister under Premier Lord and we saw seniors having to give up all their assets. Every single senior had to give up all assets if he or she went into a nursing home. That will not be the case under our government. We will have a progressive plan, and we will not touch the family home, unlike the member opposite when he was in government.

Mr. Fitch: Once again, it is unfortunate that the Premier has gotten up in the Legislature today and muzzled his minister.

It is not even worth the paper it is written on, so I am not going to use it again.

(Interjections.)

Mr. Fitch: I will tell you this. What the Premier just said here in the House is not a fact. I know that because, when we were with Bernard Lord, on January 1, 2005, we changed the policy. We changed the standard payment for families...

(Interjections.)

Mr. Fitch: We will provide that to the media and to those on the floor of the Legislature today. Then the Premier will have to explain why he told the people of New Brunswick something that was not, in fact, a fact in the Legislature today.

The Premier has attacked seniors. I am going to ask him this again: Can he now define, after he has had the weekend to think about it, what is a wealthy senior in New Brunswick?

Hon. Mr. Gallant: I think it is important that we put things into context a bit here. We came out with a budget that was very difficult. We will not say the contrary. We had to make some difficult decisions. We listened to New Brunswickers, and we will continue to do that under the Strategic Program Review initiative. We made some difficult decisions. One of the principles that guided all those decisions was that we be progressive, and we asked those who could contribute a little bit more to do so.



I hope that the member opposite and the opposition will acknowledge that we will not be touching the family home and that we will be asking only those who are a bit better off than others to contribute a little more. We will not ask those who are vulnerable, those who have a tough financial time, to give more. We will continue to support them and to ensure that they have good, strong senior care.

I do not mind that the opposition members ask these questions, but, once we have given the answer a few times, I hope that they will acknowledge that we gave them the answer and that they acknowledge that they understand what type of policy we are bringing forth.

Mr. Fitch: I hope the Premier reviews the remarks he made here today because, many, many times, he has said things in this House that are not factual at all. He talks about the policy they do not have, and then he says: I hope you support our policy.

If he goes back and looks, on January 1, 2005, there was a policy. There was a policy that was changed, again, to protect the seniors' homes. During the Easter break, a lot of people were sitting around the family table sharing a meal and sharing the Easter supper with multiple generations and the question came up about the family home. They said: If we sell the family home, are the Liberals going to take that money?

That is what Frank McKenna used to do, and we changed that policy.

(Interjections.)

Mr. Speaker: Order.

Mr. Fitch: The Premier talks about some of the issues being brought forward and tries to minimize them. However, people want to know this: If they sell the family home, how long is the clawback that this government is going to put into place to take the cash...

Mr. Speaker: Time, member.

Hon. Mr. Gallant: We have made it very clear that we are going to have the principle of being progressive be a part of all the decisions that we are making regarding the budget. That is certainly going to be the case when it comes to any reform to the support that we give to seniors.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Gallant: Those who need the support will have it, and those who can contribute a bit more will be asked to do so. We have made it very clear that we are not going to touch the family home either.



We made it very clear that we are going to be progressive, and we have also made it very clear that we are going to talk to seniors to find out what is the best way to institute this. We have a principle and a goal of asking those who can afford it to pay a little bit more. We are going to work with them. I know that is something that the opposition members are not used to doing, working with organizations to find out what the best policy is, but that is exactly what our plan will be. How do we institute this policy to be as fair as possible, to be as progressive as possible, to be as transparent as possible, and to help us get our finances in order? We are going to work with the people of New Brunswick, and I hope the opposition will come forward with some suggestions as well.

Mr. Speaker: Time, Premier.

Mr. Fitch: It is unfortunate that the Minister of Social Development has not gotten up because, I am sure, she would give a better answer than the Premier just gave.

During the blame-the-people tour, which has now turned into the ignore-the-people tour, a significant number of petitions were made to the Premier and to the Finance Minister that said: Do not touch the family assets. Do not touch the liquid assets.

As a matter of fact, the Premier stood before the Coalition for Seniors in June 2014, before the election, and he actually said: I will not touch the family assets. So we have seen the minister break an election promise, we have seen the Premier break an election promise, and we have seen, time and time again, the words and the actions of this government not lining up. Those members say one thing, and they do another. This is another case of that.

Again, to try to bring some care and comfort to our seniors, the most vulnerable people in our society, can the Premier tell us how far he is going to claw back the assets that were generated from the sale of the family home? People want to know.

Mr. Speaker: Time, member.

Hon. Ms. Rogers: I would like to address a comment that was made by the Leader of the Opposition about advocacy. I would like to make it very clear that I am a very strong and vocal advocate for seniors. In fact, I would add that I will be a responsible advocate who thinks not only of today but also of tomorrow.

(Interjections.)

Mr. Speaker: Order.

Hon. Ms. Rogers: This is what a wise policy-maker has to do. We have to think about tomorrow.



It is too bad that seniors have to be used in politics. It is too bad that fear is being spread among seniors when it does not need to be. I want to be very clear that this decision about a per diem cap being removed will not impact low-income seniors.

Mr. Fitch: Unfortunately, the only fear that is being sold here among our population of seniors is being done by the person who just stood up and tried to deflect from that.

It appears that this government is very selective in whom it speaks for. It seems that it wants to speak for only a certain percentage of the population. When the government talks about going and talking to people in nursing homes, I wonder: Is the Premier going to go to the people with Parkinson's disease who are lying on their backs in nursing homes? Is he going to tell them: Thanks for your contribution over the last 89 years of your life, but I am taking what is left of your assets.

(Interjections.)

Mr. Speaker: Order.

Mr. Fitch: That is the type of fear that people are calling and asking us about. It is fear based on what this minister, this government, and this Premier have said. They promised one thing, and they are doing another. They promised people that they would not take their assets. They are taking their assets.

These government members need to stand up and apologize today for breaking those elections promises. Will they do that today?

Hon. Mr. Gallant: The comments of the opposition are going a bit too far. My grandmother had Parkinson's disease, and I lived with her for many, many years. The Leader of the Opposition is touching a nerve that I do not think he wants to be touching, and I think he is touching it because we are in the heat of debate. I hope he will go back to policy questions. I think he will talk about the budget, talk about some of the substantive things, and not go down that road. Obviously, we all have families that have been affected by diseases like Parkinson's, Alzheimer's, or many other diseases that are very tough.

The fact of the matter is that we had to deliver a tough budget. We did the best we possibly could to make the tough decisions in the fairest, most transparent way possible. I am very proud of the work of the Minister of Social Development, the Minister of Finance, and the whole team. We are finding ways to be progressive and asking New Brunswickers to give a little bit more and maybe sometimes to accept a little less. That is not an easy conversation to have. However, being a government or being a leader sometimes requires tough decisions, and that is exactly what we will do.

Mr. Steeves: We heard the Minister of Social Development stand up and defend her government's attack on our senior citizens. In a small way, we saw some of this over the weekend



in the media and in a number of emails and phone calls that we have all received. With the nursing home cap removal, the asset cash grab, the increased cost for drug coverage, and the bringing back of ambulance fees, seniors are scared. It is not we who are scaring them, but we have to bring their concerns forward in the House.

Seniors are scared. I know. I sat with my mother, who is 92, at an Easter dinner over the weekend. I went to church a couple of times over the weekend, and I heard it there as well. Those who have a little more know that the government wants to take what little more they have. Those who struggle to get by now have to worry about increased drug fees and higher gas prices as well. There is fear over ambulance fees. Will the Minister of Social Development stand up and clarify for us why she feels this attack on seniors is good policy?

Mr. Speaker: Time, member.

Hon. Ms. Rogers: I would like to say again that I do not appreciate that we are being accused of attacking seniors, because we will do no such thing. We very much respect our seniors.

(Interjections.)

Mr. Speaker: Order.

Hon. Ms. Rogers: Fairness is a very important part of our social programs. We want to be sure that those who need help the most will get the help and that the nursing home services that are currently provided will be available for the next 10, 20, or 30 years. We have to make some very tough decisions because of this.

I would like to share that the costs of and demands on nursing home services are rising, as is the province's aging population. We have shared this fact with many stakeholder groups. In fact, people understand that we have to make some tough decisions in order to right our fiscal ship and to preserve our social programs.

Mr. Speaker: Time. Time, minister.

Mr. Steeves: The minister knows as well as I do that many of our seniors are just scraping by. They are not asking the government for anything, and they are quite content to pay their own way as best they can for as long as they can. That, in part, allows them to have some dignity, if you will, in their latter years. As a result of their hard work, taxes, and volunteer efforts, these people brought our province forward, and this government's attack on their assets is, quite frankly, shameful. They worked very hard for what they have. I would add that they did not wait until they were 32 years old to get a job either.

Will the minister tell us who brought the idea of attacking our seniors to the budget table? Is it just another government secret that we are not allowed to know? We want to know who brought the idea of attacking our seniors to the budget table.



Hon. Ms. Rogers: Our whole government is looking for ways to manage our social programs, to create jobs, and to protect vulnerable families. This budget has some hard decisions in it. In the end, we are operating by the principles of fairness, the principles of transparency, and the principles of equality.

I would like to make it clear that we have about 4 460 seniors who now receive nursing home services and about 554 of these would be affected by the removal of the per diem cap. Another thing I would like to say is that we are currently spending about \$591 million on these services, with \$307 million on only nursing homes, and this cost will double in 10 years. We have to make some tough decisions.

Mr. Steeves: This afternoon, we have all heard a lot about how the members respect their seniors. We would like to point out that the member for Victoria-La-Vallée was invited to a birthday party for a 103-year-old over the weekend and did not show up. I would say that it would take a few minutes to show a lot of respect.

In the campaign propaganda, the Minister of Social Development included a promise to senior citizens. She said: I will be a vocal advocate for your concerns; I will be a vocal advocate for your concerns. It seems hard to misinterpret that statement, but I guess that a lot of seniors did. They took it to mean that the Minister of Social Development would watch out for them and speak up for their concerns if they were not respected.

Will the minister stand up today in this House and state whether or not she spoke out at any time against her government's attack on our senior citizens? Did she support it from the very beginning? Did she speak out against it, or did she support this process from the very beginning?

Mr. Speaker: Time, member.

Hon. Ms. Rogers: Other than what has already been said, probably the only thing that I could add is that we have a serious challenge in front of us. The demands are increasing. We are looking at every possible way to meet these demands, to be fair to all the people of New Brunswick, and to ensure that our social programs are sustainable. Sometimes that takes hard decisions. We think that they are the right decisions. We will stand by this, and we will work with our seniors and our stakeholders in the development of policies that have not been developed yet. Thank you.

(Interjections.)

Mr. Speaker: Order.

Postsecondary Education

Mr. Coon: The decision to eliminate the university tuition rebate tax credit effectively raises the personal income tax of newly minted university graduates. I have heard from many of my constituents, who are furious, on this matter. One constituent wrote: This rebate was not



intended to help needy students enter the system, but it was intended to keep young professionals like us working in this province; many of the young people we know were influenced by the rebate to stay here, and some are now making plans to leave. This is not the message we need to be sending to our young people, she said.

Did the minister evaluate the effectiveness of the tax rebate in achieving its objectives before cutting it from the budget? Yes or no?

[Translation]

Hon. Mr. Gallant: I thank the member for Fredericton South for his question. Yes, of course, we looked at the facts, the data, and several reports to find out whether or not this program was working.

[Original]

We have seen that this program is not working. We want to put this in context. This was a credit that was given to people who had graduated from postsecondary education and who had found a job and were making enough money to be able to pay taxes. Asking people to accept a little less and to have fewer programs is always tough. Do not get me wrong. We recognize that it is not an easy decision. However, we want to help people get into postsecondary education and help them while they are in postsecondary education. We also want to have programs to have people come to New Brunswick and stay in New Brunswick.

We saw that Nova Scotia looked at this program. We have seen reports saying that this does not work. It does not invite people to come to New Brunswick or to stay in New Brunswick. We need to make good public policy based on evidence.

Mr. Coon: Many constituents explained to me that their decision to start their careers in Fredericton was based on the tuition rebate and that they planned on it as a major factor in their budgeting for paying down their student debt. Cancelling the rebate is a mistake, and there is no shame in fixing mistakes. Will the minister reverse his decision to cancel the tuition rebate?

Hon. Mr. Gallant: I would like to quote an op-ed that was sent in by the New Brunswick Student Alliance over the weekend:

A 2014 study by Higher Education Strategy Associates on the effects of various factors on students' decisions about where to live after graduation found that of the 20 percent of students who could be convinced to live (or stay) in New Brunswick by a financial incentive of \$5,000 or less, 90 percent indicated that they would choose to do so for no financial incentive whatsoever. Despite legitimate concerns about youth outmigration, there remains no evidence other than anecdotal that tax credits are an effective way to attract or retain young workers.



I very much feel for the people that the member for Fredericton South is citing in his emails. We understand that many could be frustrated with this. No decisions we make that are tough are going to be easy. We understand that. We have to make our money go as far as possible and invest in programs that are working, and that just was not the case for the tuition tax rebate.

Mr. Speaker: Time.

Mr. Coon: Budgets are about making choices. The minister has been quoted as saying that he had no choice in making the decisions he made, but those decisions were, in fact, all about choices to favour one thing at the expense of another. For example, the Minister of Finance decided to end the tuition tax rebate designed to keep graduates in New Brunswick rather than, say, increase revenue by bringing corporate tax rates in New Brunswick just up to par with those in Nova Scotia.

Why would the Minister of Finance turn away from raising the \$68 million that would result from simply putting our corporate tax rates on a par with Nova Scotia's? Why would he decide to jack up the income tax paid by our recent university graduates instead?

Hon. Mrs. Landry: We face financial challenges—major financial challenges. Our government wants to help students access postsecondary education. We want to have postsecondary education at an affordable price. This is why we are freezing tuition at public universities in the province and we are also eliminating the parental and spousal contribution.

(Interjections.)

Mr. Speaker: Order.

Hon. Mrs. Landry: In order to encourage students to stay in the province, we want to create jobs. We want to help them find jobs, and we want to help employers create opportunities to employ them. That is why we have created the Youth Employment Fund—so that they can get experience on their first job. Thank you.

Government Finances

Mr. Higgs: I appreciate the need for difficult decisions. However, difficult decisions should result in the deficit going down, not going up. It seems that this government has unwisely included prospective activity from the Energy East Pipeline and Sisson mine projects in its growth projections. Now that both these projects face delays, any reasonable person would expect that the entire budget revenue projection has now been compromised and is not in a good state. When we factor in the impact of the shale gas ban and consider that the capital investments from Corridor and Southwestern are on hold for at least two years, this is of great concern.

Given that the government is breaking promises to seniors, does that mean that other promises will now be reflected in future decisions? Does that mean that the Finance Minister will be



providing revised growth projections that will increase the projected deficit or reduce the commitments to spending?

Hon. Mr. Melanson: To listen to the questions from the former Finance Minister is quite interesting. When we look at when he was Minister of Finance, every single target that he had established, on the revenue side or on the expenditure side, he missed. He missed all targets.

When we came to government and looked at defining our budget that we tabled last week, we did our due diligence. We want to make sure that, if we have any shortfalls on the revenue side, we have built into the budget a contingency reserve in case of...

Mr. Speaker: The Leader of the Opposition will come to order.

Hon. Mr. Melanson: I also want to point out that, when we come out with projections of GDP growth or economic growth, many elements are taken into consideration, including external independent information. We believe that the 1.8% increase for next year is still plausible.

Mr. Speaker: Time, minister.

Mr. Higgs: When we think about the expenditures and about having a slush fund for potential changes in revenue, it can also easily be used for a change in expenses. While we can claim that our expenses will be flat, the slush fund can be used to make up for that and, thus, you can always say: We are below \$477 million, so we must be doing a better job—when we take into account any use of the slush fund.

Coming out of the gate

—and I quote a recent article by Richard Saillant—

—*the best moment to spend political capital*—

—is right now, but—

the government fell flat on its face with its first budget. Rather than moving towards the goalpost of fiscal balance, the government went in the opposite direction, nearly doubling last year's deficit to \$476 million and piling up an extra \$600 million onto the debt. This at a time when the economic winds are finally blowing in the right direction

—with a reduced Canadian dollar and a reduction in energy prices—

making it easier for the government to balance its books.

I want to know: Will the government adjust its campaign promises in order to reflect the fiscal reality and take advantage of the economic winds blowing...



Mr. Speaker: Time, member.

Hon. Mr. Melanson: This is the same person who, on his watch, added \$2.45 billion to the debt. This is the same former minister who missed his revenue targets by over \$350 million over four years, and that still included a revenue increase from income tax on his watch. He could not put the right conditions in place to see economic growth. We saw only 0.5% economic growth on his watch.

(Interjections.)

Mr. Speaker: Order.

Hon. Mr. Melanson: That is the reality. Those are the facts.

We are projecting a 1.8% increase in economic growth. We have the right conditions for growth. The feeling of investment by the private sector is in place. The Canadian dollar's value is down. Oil prices are down. The U.S. market is picking up. We have the highest projection over the last 10 years with regard to economic growth in the U.S. We have the right conditions. We have put in fiscal policies to encourage economic growth.

Mr. Speaker: Time, minister.

Mr. Higgs: I am not going to stop with this particular question. It begs the question: Why is the deficit going up by \$200 million? Let's look at the bottom line.

Our government consulted extensively with the people of New Brunswick. We also did something that the current government has not done: We listened and took action. We listened and took action when New Brunswick businesses and government departments asked for a multiyear budgetary plan. When we took office, no such plan was in existence, so we had to start from scratch.

This Finance Minister is in the enviable position of already having a multiyear framework from which to work. Sure, it may change. However, it could be based on it, and businesses could rely on it. Will this Finance Minister produce and bring forward a similar multiyear plan so that all government departments and New Brunswick businesses will be able to actively produce their own multiyear plans and have a more consistent way to manage their future?

Hon. Mr. Melanson: The member for Quispamsis knows full well that we still have, on average, a structural deficit of about \$400 million in this province. In the fiscal year that we just finished, we had a better fiscal situation only because—and it was not under his control or even our control—a onetime GST payment of over \$95 million was administered by the federal government.

Two years ago, we had a shortfall of over \$200 million. The revenue side of the balance sheet is very difficult to project.



(Interjections.)

Mr. Speaker: The member for Southwest Miramichi-Bay du Vin will come to order.

Hon. Mr. Melanson: That is why we have put in place the contingency reserve to absorb, if necessary. If we do not need the contingency reserve and our forecasts are right, we will have a \$326-million deficit, which is still serious. That is not what the member for Quispamsis is projecting, which is \$476 million. That is the worst-case scenario.

We are doing our homework. We have put a fiscal policy in place to see job growth and to get our fiscal house in order.

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

