

February 11, 2016

[Original]

Harmonized Sales Tax

Mr. Fitch: It has been an interesting week. We had visitors from all over the Atlantic Provinces and from Ottawa. Again, it was a great opportunity to get some information and to have a dialogue.

On a number of different occasions, I have asked the Premier whether he has had the chance to talk to Premier Ball from Newfoundland and Labrador. We understand that he was on the phone yesterday while they were having their meetings. Did he ask the Premier of Newfoundland why he has said that a 2% increase in the HST is a job killer? Also, is he convinced that is what is going to happen here in New Brunswick when it moves forward on this budget?

[Translation]

Hon. Mr. Gallant: To begin with, I will answer that we had very productive discussions during our meetings. We talked about the need to invest in infrastructure here, in the Atlantic Provinces. We talked about innovation and its importance for the economies of the Atlantic Provinces. We talked about the importance of increasing our population in the Atlantic Provinces. We talked about cooperation between the Atlantic Provinces in terms of tourism. We also talked about the importance of economic development and how we can work with ACOA to make sure that this development happens in the Atlantic Provinces.

I can tell you that we did not talk about the HST; it was not on the agenda. Frankly, I think it is unfortunate that the Leader of the Opposition is trying to use me to become the Opposition Leader in Newfoundland and Labrador.

[Original]

If the Leader of the Opposition has questions for Premier Ball, I would suggest that he either call Premier Ball or run in Newfoundland and Labrador and become the Leader of the Opposition there.

Mr. Fitch: It is interesting that the Premier is here trying to make a mockery of question period and belittle it. It is an important part of parliamentary procedure.

The reason I keep asking about this 2% increase in the HST is that the members opposite talk about cooperation. They talk about learning from each other. They talk about the



unprecedented relationship between federal and provincial Liberal leaders. That is why, when they can ask each other questions and learn from each other...

The Premier of Nova Scotia has been very, very public, saying that he wants the HST numbers to increase to 15% for everyone. We have also heard very publicly that the Premier of Newfoundland has said it is a job killer. We are trying to find out exactly... Is the Premier agreeing with Newfoundland? Is he agreeing with Nova Scotia? Does he realize that there has been a statement that it is a job killer—that an increase in the HST is a job killer? Does the Premier agree or disagree with this statement?

Hon. Mr. Gallant: As I said, we did not discuss the HST.

The Leader of the Opposition jumps on my answer and tries to say that I do not respect the Legislature. I very much do, and I actually went through all the things that we discussed in detail in the meeting with the ministers of the Atlantic Provinces, the federal ministers for the Atlantic Provinces, and the Premiers. I am being very transparent, telling the Opposition Leader what was discussed and also even saying what was not discussed. I am also suggesting to the Leader of the Opposition that, if he has questions for Premier Ball, he call his office. I am not going to be the conduit to the Leader of the Opposition of Newfoundland and Labrador because the Leader of the Opposition here has no questions regarding our budget.

If he wants to talk about the HST, I will gladly do that. We had some choices before us as a province. Either we could make significant cuts to health care and education, or we could raise corporate taxes and raise the HST to ensure that we invest in the priorities of New Brunswickers. We chose the latter.

Federal Funding

Mr. Fitch: It is apparent that the Premier chose to kill jobs in the province with an HST hike. That is what has been said here.

A number of times, when you have these meetings, it is not from the official agenda that you can learn and understand different jurisdictions, because the Premier's budget has been panned nationally. It has been panned that people should actually be doing the opposite of what we are doing here in New Brunswick. Not only is the government taking more money out of the pockets of the people of New Brunswick, but it is actually increasing the deficit here in the province. So there is a missed opportunity for the Premier of New Brunswick to have a dialogue with a Premier of one of the other Atlantic Provinces to understand why that Premier thinks an HST increase is a job killer. I guess the Premier is okay with going forward with another policy that is a job killer here in New Brunswick.

Did you miss the opportunity to ask the House Leader from Ottawa whether he is going to increase federal funding to New Brunswick?



Mr. Speaker: Time.

Hon. Mr. Gallant: I am not really sure what the preamble had to do with the question, so I am not sure what to address in what the Leader of the Opposition just said. I will go back and answer the question. We did not discuss the HST during our meetings. We discussed how we could develop the economy in the Atlantic Provinces by investing strategically in infrastructure, by investing and fostering innovation, and by ensuring that we have a population that is growing in the Atlantic Provinces. We talked about cooperating when it comes to tourism, and we talked about the importance of ACOA. I have told the member opposite exactly what was discussed, and I told him what was not discussed.

Again, I think that it is important to underline the fact that, if the Leader of the Opposition has questions for Premier Ball, he can call Premier Ball or he can go to Newfoundland and Labrador, run there, try to become the Leader of the Opposition, and ask questions to Premier Ball himself. I am not going to be the conduit to ask questions to Premier Ball. What I am going to do is focus on what is happening in New Brunswick, and we are going to do what we need to do to grow the economy, get our finances in order, and improve the quality of life.

Mr. Fitch: It was a missed opportunity for the Premier. When the Premier talks about growing the economy, here is a policy that actually kills jobs. The government is moving forward with another policy that kills jobs. The results are obvious from what we saw on Friday.

Is it another missed opportunity? Did the Premier miss the opportunity to ask Dominic LeBlanc, the House Leader for the Liberal government in Ottawa, about funding for New Brunswick? You see, that might be the bailout that the Premier was looking for to get back to a balanced budget. If the Premier missed the opportunity to understand why a 2% increase in the HST is a job killer, did he also miss the opportunity to ask the federal friends for some money to help balance the budget in New Brunswick?

[Translation]

Hon. Mr. Gallant: Yes, we talked about equalization payments. We indicated that the Atlantic Provinces are facing challenges because the population is aging. We talked about the possibility of getting more support, whether through health transfers, another portfolio devoted to an aging population or to seniors or anything else, to help us overcome the challenges arising from an aging population. Yes, we discussed this subject, as I said yesterday in the media.

[Original]

I have to take issue with what is being said regarding our budget by the Leader of the Opposition. It is as though the Leader of the Opposition has completely forgotten that, when he was a minister in the previous government, it actually had the hugest income tax increase that we have seen in the province's history. It is pretty much equivalent to what we are doing with the HST. Why is it that the Leader of the Opposition is standing up on his feet today and



criticizing us when his government had just as large a tax increase when the members opposite were in government?

Jobs

Mr. Fitch: We can talk about the economics with respect to the difference between the HST increase, which affects everyone right across the province, and an income tax that can be managed better by individuals with the tools that are available to reduce the impact of an income tax increase, such as tax-free savings accounts, RRSP contributions, other limited partnerships, and whatnot. When it comes to economics, you can see that different policies of government will affect the economy in different ways. We have seen it with respect to the HST increase, the increase in property tax, and the increase in payroll costs to the people of New Brunswick. Now, we are expecting an increase in the corporate tax as well.

From an economic standpoint, there are many policies that will kill the economy and kill jobs. On Friday, we saw the results in the province. We saw a net loss of 4 600 full-time jobs and a net loss of 1 100... Why did the Premier not go out to address that on Friday as opposed to sending out some of the people that he had hired to try to move the economy forward?

Hon. Mr. Gallant: The opposition has to get its asks in order. Its members say that they want us to do more when it comes to promoting the Energy East Pipeline project. I was not here on Friday because I was in Montreal defending the Energy East Pipeline project, debating with the Mayor of Montreal, Denis Coderre, and others. I was debating the importance of making sure that the Energy East pipeline makes its way from Alberta to Saint John, New Brunswick, to create jobs for our economy.

The HST is the fairest tax. It is a consumption tax, and economists will tell you that it is one of the fairest taxes. What the Leader of the Opposition said a while ago is unfortunate because he forgot to mention that we are also giving a rebate to low-income and middle-class families in New Brunswick to ensure that they will have a mitigation of the tax increase. We are going to get the funds that we need and protect the most vulnerable in our province.

Pipeline

Mr. Fitch: The Premier was out promoting the west-east pipeline. He has this tremendous relationship with the House Leader, who has the ear of the Prime Minister, and it has been reported that the Premier is a very good friend of the Prime Minister. Has the Premier been able to convince the Prime Minister that coming out in support of a west-east pipeline would actually help the people of New Brunswick, would actually help the process, and would actually help to lead to more jobs in New Brunswick? We know that the results of the policies that have been put forward by this government have actually shed so many jobs that we need the west-east pipeline. Can the Premier get the Prime Minister on board to come out and support the west-east pipeline?



[Translation]

Hon. Mr. Gallant: A process has been put in place, and work has begun to ensure that the Energy East Pipeline project is carried out safely. These efforts are aimed at ensuring this project has the least possible impact on our environment. We support this process, and it is important to let it unfold to better serve the public. From what I can tell, this is exactly what the federal government is saying: The process must be left to unfold, and we will see what the result will be.

We will play our part in New Brunswick, which is to tell people across the country about the benefits of this project, not only for New Brunswick, but for all the Canadian provinces and for the federal government. So, we will continue to play our part.

What I find ironic is that I just heard the Leader of the Opposition criticize me for not being here Friday. Was he pleased that I was in Montreal to advocate for the Energy East Pipeline project? It would be nice to hear the Leader of the Opposition say something positive in the House.

[Original]

Opportunities New Brunswick

Mr. K. MacDonald: The Statistics Canada job numbers condemn Opportunities New Brunswick as a complete and utter failure, but it is not just Statistics Canada. Opportunities New Brunswick has not made any job announcements since last September. We are going on five months with no jobs. Just check its Web site. It has been five months and not one job announcement. We all know how much the Premier loves to make announcements.

Now, there is talk that Opportunities New Brunswick has been ordered to hold back job announcements for maximum public relations effect, but this cannot be so. Holding back jobs at a time when our economy is in crisis would be shameful. Can the minister confirm that job announcements are being held back? When will this government unveil the criteria by which it will measure ONB's success?

Hon. Mr. Gallant: We are working incredibly hard to ensure that we develop the economy and create jobs in New Brunswick. The whole team here on this side of the Legislature understands that it has to be the priority for the people of New Brunswick. Our government understands that it has to be the priority for the people of New Brunswick. Opportunities New Brunswick is working incredibly hard to ensure that it tracks down any investment and any potential job growth for New Brunswick.

I want to put in context, however, that the economy, nationally, is struggling. We have seen that month after month. In fact, last month, only two provinces saw a net gain in jobs. Despite that, what the member opposite does not like to mention on the floor of the Legislature is that, since July, we have had a net gain of almost 4 000 jobs in New Brunswick. There will be ups and



downs, but I can tell you that we are working diligently. All our employees are working as hard as they possibly can to create jobs and economic growth in New Brunswick.

Mr. K. MacDonald: That may be the message that is delivered at late-night parties in Montreal, but the fact is that you have lost 6 200 jobs since you came to power.

Invest NB had targets. It reached \$450 million in GDP, or 154% of the target that it set for itself, almost \$99 million in capital expenditures, or 116% of the target, and \$2.14 for every taxpayer dollar invested, or 113% of the target. Mr. Minister, Mr. Premier, or whoever is going to answer the question...

Mr. Speaker: Direct your questions through the Chair, please.

Mr. K. MacDonald: What are ONB's targets, and where are ONB's results?

Hon. Mr. Gallant: We will gladly compare Opportunities New Brunswick to Invest NB. We will gladly compare our record as a government versus the record of the previous government when it comes to job creation and economic growth.

As I said, we will have ups and downs, but we have seen positive results over the last few months. In fact, for a few months, we have had some of the lowest unemployment rates that we have seen as a province since 2010. We have seen a net gain of almost 4 000 jobs in New Brunswick over the last few months.

We will compare that to Invest NB, where a failed leadership candidate for the PC Party was appointed to run the shop. In its efforts, the previous government was the first government in 40 years not to have a net gain in jobs. I would like to add that, when you look at the statistics, the cumulative growth during the previous government's mandate was one of the worst for economic development in the country. I will gladly compare our records.

Mr. K. MacDonald: This is not some speech in Davos. This is the floor of the New Brunswick Legislature, and people want answers. You have no vision for economic development and no benchmarks for measuring success. You will not talk to New Brunswickers unless they pay \$900 per ticket for a Fat Tuesday Liberal fundraiser. There are no job announcements. Now you are laying off staff. Seven people at Opportunities New Brunswick just lost their jobs. Of the people who were hired to replace them, how many are from outside New Brunswick?

[*Translation*]

Hon. Mr. Gallant: We are facing serious challenges here, in New Brunswick, while the questions we are getting from the opposition are all over the place. Opposition members are using very charged words in their preambles. They are trying to keep the media interested, and that is certainly not to bring forward policies or improve the wellness of New Brunswickers. It is unfortunate, because we must work together.



There is no doubt that we will have ups and downs. For example, we have been seeing for several years that the New Brunswick economy is facing challenges, and, for the last few months, the same has been true for the Canadian economy.

Cooperation is needed to grow the economy, create jobs, and make sure New Brunswickers can stay in our province or come back home. So, we will continue to work incredibly hard. Opportunities New Brunswick will continue to work incredibly hard to create opportunities, and I am proud to say that we currently have almost 3 000 jobs waiting for New Brunswickers.

[Original]

Community College

Mr. Fairgrieve: Three of the six New Brunswick Community College campuses in the province will see cuts to training seats. Ironically, the three campuses located in rural New Brunswick will see close to 200 training seats lost in Saint Andrews, Miramichi, and Woodstock. Can the minister explain her department's strategy behind these reductions?

[Translation]

Hon. Mrs. Landry: You know, education is one of our government's priorities. As for community colleges, I can say that I am very proud of the work that NBCC and CCNB are doing, and of the courses and training programs offered at the 13 campuses across the province. The campuses are providing training tailored to the needs of the labour market. These are quality training programs. I can also say that all community colleges in the province are divided into two independent Crown corporations managed by boards of governors, and that decisions are made at that level. Listen, I am very proud of what community colleges in the province are doing.

[Original]

Mr. Fairgrieve: The minister speaks of the needs of the workplace. An introductory welding course with 12 high-demand training seats has been cut at NBCC Woodstock. These seats have always been full, and the graduates have found employment here in New Brunswick. This course was terminated due to deferred maintenance. In fact, Mary Butler, the vice-president for academic development at NBCC, has said that the six campuses have over \$250 million in deferred maintenance. How does the minister plan to address deferred maintenance, or does she plan to continue cutting courses?

[Translation]

Hon. Mrs. Landry: You know, as I mentioned, CCNB and NBCC became Crown corporations in May 2010, and they also benefited from a three-year transition period during which they were responsible for legal services, maintenance, facility development, technology, and project costs



for new programs. This transition period ended in March 2013, and the accumulated surpluses of the community colleges were returned to them during the 2014-15 fiscal year. So, more than \$4 million was returned to community colleges.

Since then, maintenance projects have been negotiated with the Department of Transportation and Infrastructure. I can therefore say that, now, we are on top of any requests.

[Original]

Mr. Speaker: Time, minister.

Mr. Fairgrieve: The \$4 million being returned to the community colleges is a small amount of money when we are looking at \$250 million in deferred maintenance. The welding course at the Woodstock campus was terminated without engaging the business community, industry sources, or suppliers. The very companies that provide co-op placements and jobs to graduates were not consulted. Can the minister explain why NBCC, a Crown corporation, is not following its mandate by engaging industry partners?

[Translation]

Hon. Mrs. Landry: I am also very pleased to answer that, regarding the programs offered in community colleges across the province, each network performs an annual review of all its programs to ensure their quality and make sure they are meeting the needs of the labour market. Regarding welding courses, I can tell you that a total of 95 welding spots are available across the province. This number currently meets the needs of the labour market. As I said earlier, the two community college networks are managed by boards of governors who, in cooperation with management, perform an annual assessment of labour market needs in order to meet them through very high-quality programs.

[Original]

Budget

Mr. Higgs: I want to go back. As you know, I am just trying to understand and rationalize what the numbers look like. The point I would like to reference is the savings that have been identified by this government in this budget and in the previous budget. In last year's budget, it was identified that there were \$150 million in savings applied. This year, it has been identified that there is just under \$300 million of expenditure reductions, as it is called. I guess the number is \$296 million. I would just like to get confirmation from the Minister of Finance, as I certainly appreciate the opportunities that there are to do that. I believe finding these kinds of numbers is within the system. I just want to reiterate the support that is there and get acknowledgment that those numbers are right and correct and that you believe they are possible.



[Translation]

Hon. Mr. Melanson: Obviously, the figures that we put forward in our budget were estimates. When we manage a budget of over \$8 billion, adjustments always need to be made during the year. Let's look at the revenue column. As I explained clearly, yesterday, during my third-quarter update, some revenues are lower than anticipated. For example, revenue from the HST is \$51 million less and from NB Power is \$45 million less.

We must continually make adjustments, and that is why we prepare quarterly reports to explain the financial context to people and investors in New Brunswick. Regarding savings and expenses, we manage them rigorously. The figures that we put forward, as presented, are real.

[Original]

Mr. Higgs: I am not sure how that related to the question. I was just trying to get confirmation that the numbers that are actually written in the budget speech are the ones that the Minister of Finance had agreed to. There were reductions of \$115 million last year and \$296 million this year. That is over \$400 million in expenditure reductions that make up part of this budget. I will take it at face value. It is in the budget. Of course, it has to be true.

I would then like to ask this. In relation to the expenditure reductions and the concern over any cuts or changes and the reference in the Strategic Program Review that we did not want to make deep cuts and that, in order to avoid that, we had to raise the HST, can these expenditure reductions be done without any deep cuts, without any cuts to education and health—without any cuts to schools and hospitals? Is it possible to achieve this?

Hon. Mr. Melanson: That is an interesting question. Absolutely, it can. Absolutely, it can. That is exactly the fiscal framework that we have laid out. It was laid out that way because New Brunswickers were engaged in the solution and they clearly told us not only that the revenue stream needed to be part of the solution but also that efficiencies needed to be part of the solution. That is why we have identified \$589 million of either new revenues or expenditures, split halfway—50% from revenue and 50% from expenditure savings—while protecting health care and investing in education on top of that.

The member opposite talks about the numbers. We were able to accomplish getting rid of the severance allowance program. He tried to do it, but he could not because he could not negotiate with the unions to try to get this out of the budget. That would allow us some savings over and over.

Mr. Speaker: Time, minister.

Mr. Higgs: Sticking to the topic at hand, I would say that, absolutely, you can, without closing hospitals or closing schools. I agree fully with that. The opportunities are there. If you take that to the next step and you agree that \$400 million is in the system, then you turn the clock back



to when the members opposite came into government... The member for Carleton-Victoria quoted the numbers the other day. We got to the point where the deficit was actually down to \$388 million. In fact, when you look at the structural portion of that deficit, you see that it is below \$300 million.

This has been confirmed by numerous people, most notably by Richard Saillant. Now we are below \$300 million. We have agreed that we can get an expense reduction of well over \$400 million. Why do we need the HST? Do you get it? Do you know why we did not need the HST? All we had to do was manage the system. Make the connection between your new expenses and the HST.

Mr. Speaker: Address that to the Chair.

Mr. Higgs: That is the only reason.

Hon. Mr. Melanson: We are the government, and I have a responsibility to manage the expenditures wisely, prudently, and within a fiscal framework that allows us to do that. We also have the responsibility to see economic growth. That is what the responsibilities of fiscal policies are: allowing growth but also managing your expenditures wisely.

The previous minister—and this is probably his legacy—had identified \$400 million of mystery millions. Nobody knew how he was going to identify that \$400 million. Was it by cutting rural hospitals, was it by cutting in health and education, or, was it by increasing the HST? Nobody knew. He wanted to get reelected on that, not telling New Brunswickers what that \$400 million was.

We have laid out a plan that is open and transparent, and it is going to get the problem fixed.

[*Translation*]

Nurses

Ms. Dubé: I am certainly pleased to welcome to the House members of the Nurses Association of New Brunswick, which is celebrating its 100th anniversary. I want to acknowledge the dedication of nurses throughout our province.

I would now like to address the Minister of Health. Of course, the Premier has said repeatedly that the health sector would be protected. However, we have just learned that nine nursing positions...

[*Original*]

All quick response registered nurse positions were cut in this province.



[*Translation*]

There are positions in Moncton, Fredericton, Saint John, and Bathurst. There are two positions within the Vitalité Health Network and seven within the Horizon Health Network. I would like to ask the minister if he can validate and confirm that these nurses have in fact lost their full-time jobs.

Hon. Mr. Boudreau: To respond to the opposition member, I want to tell her that she knows full well that, again this year, we are investing huge sums in the Department of Health. We want to work with our various partners, including nurses in the province.

A number of initiatives have been implemented with the objective of improving primary care, home care, and palliative care. We will work with the Nurses Association of New Brunswick and other health professionals. With this year's budget, we are going to work on a number of commitments from our campaign platform to improve care. I am convinced that we will be able to provide better care to all New Brunswickers.

[*Original*]

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

