

February 15, 2017

[Original]

### Government Finances

**Mr. Higgs:** In this government, we have seen qualified budgets. We have seen the Auditor General question the use of an accountability practice that included a contingency fund—something unheard of. In other words, we have seen this government presenting its interpretation of facts rather than the facts themselves.

On several occasions, we have witnessed the Gallant government's mathematical creativity. One such example that I have been trying to examine is the claim that this government has cut the deficit in half. For some reason, the Premier has resisted proving his claim to this House by giving the exact figures. Since he is not willing to answer the question, maybe I could ask the Minister of Finance. Would she ask him to find exactly how we arrived at this deficit being cut in half? Thank you.

**Hon. Mr. Gallant:** We have been working very hard on the priorities of New Brunswickers since we became their government. New Brunswickers and the people of our province want us to invest in education, they want us to invest in health care, and they want us to grow the economy. The people of New Brunswick want us to be fiscally responsible but not on the backs of the priorities of the economy, education, and health care.

Unfortunately, the Leader of the Opposition does not get that. When he was the Minister of Finance, he cut into education and he cut into health care. He cut into things that would stifle our growth, and then he wondered why, after four years of being the Minister of Finance, the economy did not grow. We understand that we have to make strategic investments in the priorities of New Brunswickers to help grow the economy and to create opportunities for people to stay here and to come back here, to New Brunswick, and, of course, to have a strong education system and health care system waiting for them right here in their province.

**Mr. Higgs:** I can understand why the Minister of Finance can say that she did not get any budget questions, because she is not allowed to answer any budget questions. So, I guess, let's turn our attention to the recently revealed agreement with six First Nations communities with regard to the Sisson mine project.

The interesting part about it is that we have six chiefs who have signed on, and we have nine First Nations who have not. The concern is, six chiefs were very interested in a tax deal. That has not been addressed. It is not fair for all New Brunswickers. It has been basically used as a tool by the chiefs to get the province to sign on to it, saying: We will sign on to the Sisson mine. My question is this: Has the Premier also reached an agreement with the remaining nine First



Nations communities? Does the Sisson mine project also require their agreement before it can proceed?

**Hon. Mr. Gallant:** I would be very happy to answer the Leader of the Opposition's questions about the budget, as would the Minister of Finance. Obviously, I like to take some of the questions of the Leader of the Opposition. It is ironic to hear him say that he would rather I stay sitting down so that someone else could speak. However, I would gladly answer his questions.

If you look at 2014-15, the deficit for that fiscal year was \$388 million. The deficit that we just introduced for the 2017-18 budget is \$192 million. We cut the deficit in half.

(Interjections.)

**Hon. Mr. Gallant:** Yes, absolutely.

If the Leader of the Opposition does not want to use that number... We think that those are the right numbers to use, but if he wants to use the 2013-14 fiscal year, when he was the Minister of Finance, the deficit was \$498 million. Again, for this next fiscal year, it is \$192 million, which would be cutting it by much more than half.

**Mr. Higgs:** That is interesting. In one case, the contingency fund is in. In the next case, the contingency fund is out. I guess that this is another play on numbers, because that is how the government works best. My last question... Maybe these are going to come behind the ball, so I will ask this one. Again, I was asking the question about the nine First Nations communities that did not sign the Sisson mine agreement. Are their signatures required, as we are saying that the six that signed are, in order for the Sisson mine project to proceed? Thank you.

**Hon. Mr. Gallant:** I want to talk about the deficit. If the Leader of the Opposition wants to keep asking questions, I will gladly give him the answers. The contingency reserve that we put in place was always taken out or identified properly when it came to the actual budgets. These were taken out, and we gave what happened during the fiscal years. We made it very clear that the deficit would be without the reserve, or, if ever there was a piece used, we would let people know.

We hit our targets. We are reducing the deficit. Black on white, the fiscal years of 2013-14 and 2014-15 had the deficit at \$498 million and \$389 million respectively. It is now, for the next fiscal year, at \$192 million. No matter which way the Leader of the Opposition is trying to slice it, we cut the deficit in half, grew the economy, and invested record amounts in education and health care.

**Mr. Higgs:** It is interesting. We forecasted cutting the deficit in half. Did we forecast the debt growing to \$2.4 billion? Was that part of the plan? It seems as though, when that was put together, it was \$600 million or \$700 million less than it currently is. Do you know what? The rest of the story is that the commitments that have been made that exceed the \$2.4 billion are



the ones that will hit the books in 2020, 2021, and 2022. The Premier wants to forecast the number that cuts the deficit in half, not where we are currently today, and say: I know that I can come up with a number somewhere. I will use the one down the road a bit.

Let's talk about the current debt of \$2.4 billion. That was not part of the plan. What about the numbers that are not in there? We are hitting over \$3 billion, and this government is just hitting its stride on spending money. Where are we going to end up? Would the Premier agree that, including all the commitments that are not in the books, \$2.4 billion is the tip of the iceberg? We will hit \$3 billion on commitments, for a joke, before this spending-spree government is done.

**Hon. Mr. Gallant:** I just have two questions for the Leader of the Opposition, in rebuttal.

(Interjections.)

**Mr. Speaker:** Order.

**Hon. Mr. Gallant:** He was the Minister of Finance. How much did he add to the debt? That is question number one. This is question number two: When he was the Minister of Finance, where was the liability for the nursing homes? Were they on our books, as the Auditor General requested that they be, or were they somewhere else? Those are two very simple questions for a man who professes to do politics differently

**Mr. Higgs:** Let's talk about the debt. The reason that I know of the commitments showing up in 2021 is that—guess what happened in 2010—some \$900 million worth of commitments made by the previous Liberal government was dumped in our laps when we showed up. That is where the deficit went from 2010 to 2014—\$900 million. Huge projects were committed in an election frenzy and dumped on the next government—the same old Liberal philosophy that is happening right now, over and over again.

And the AG? Do you want to talk about the assets of the nursing homes? That benefited the government by another \$80 million or \$90 million in revenues. Those members are not talking much about that, but it is more money into the coffers to spend as they will, plus \$500 million in new taxes. There is no end to how they generate an economy by spending our tax dollars first. It is pitiful.

The budget indicates that the First Nations agreement amount will increase by \$7 million in 2017. Can the Premier advise the House as to whether this figure was calculated in the old agreement or in the new agreement? Is the revised figure provided...

**Mr. Speaker:** Time, member.

**Hon. Mr. Gallant:** He wants to talk about us, and he wants to talk about 2010. He does not feel like talking about what was in the middle of that. I understand that he will not answer



questions about how much he added to the debt when he was the Minister of Finance. I understand why he does not want to talk about his record as Minister of Finance on growing the economy of the province. I understand why he wants to try to focus on us and not on his record of slashing into education and health care. It was because he had the wrong approach. He thought he could cut his way to prosperity.

We have a balanced approach, one in which we are going to balance the books by 2020. We are hitting all our targets, unlike the Leader of the Opposition, who, when he was Minister of Finance, missed almost all of them. He cannot fathom it today. He does not understand it. He says it has to be made up because he cannot understand how we, as a government, have worked with the people of New Brunswick to cut the deficit in half, to grow the economy, and to invest record amounts in education and health care.

**Mr. Higgs:** We have learned that they apparently do need the nine other First Nations to tie into this, because they cannot say that, no, they have a deal going forward, so what was it? It was the smoke from the tax deal because the six First Nations had to have it, so they gave up the Sisson mine and tied that together—saying, we are good—knowing that the other First Nations group would stand and fight and do that for them. It was another smoke-and-mirrors deal.

We do not see negotiation from this government. We see capitulation, over and over again. Let's talk about this. Let's get back to the debt. We are saying that we have a \$2.4-billion debt. I will tell you what happened in 2010, and I will tell you where it was when you came in 2014. You did not inherit a \$900-million commitment from somebody else. I know the next government—the next government sitting here—is going to inherit it because that is what you are doing, and there is no end to it.

I would ask the Premier: Tell me how much is the total debt committed now, with \$2.4 billion plus all the commitments...

**Mr. Speaker:** Time, member.

[*Translation*]

**Hon. Mr. Gallant:** Leadership is defined as taking the blame and assuming responsibility. When the Leader of the Opposition was Minister of Finance, he could not grow the economy; in fact, when he held this position, we saw the economy shrink. He could not reach his deficit-reduction targets, and he could not balance the budget during his four-year term, as he had promised New Brunswickers.

I will explain: Governments cannot cut, cut, and cut in education, in the health care system, and in areas that will help grow a provincial economy and believe they will get the desired results.



On our side, we understand this, and it is why we are working with New Brunswickers and making strategic investments to grow the economy. We cut the deficit in half, while investing record amounts in education and health care.

[Original]

**Mr. Higgs:** It is interesting to see. When we talk about the numbers and where they were, the Premier talks about 2015 and the lead-up in 2014 and into 2015. I think it is important for the Premier, because he talks a lot about 2015, to be very clear on what happened in 2015 to cause a spike. It was a spike because it all dropped off in the 2016-17 forecast. It all dropped off. What happened in 2014? Can the Premier be very clear on what happened? Would he agree, in case he needs a memory jog, that the forestry sector and the oil industry were the key contributors? In fact, they were the majority—80%-plus, maybe even 90%—of the reason that this was the case.

Can the Premier elaborate as well on what he did when he first came to office that allowed that to happen? The answer is nothing, in case he cannot remember.

[Translation]

**Hon. Mr. Gallant:** I am listening to the Leader of the Opposition—I hesitate to use this term, because being a leader is in fact about assuming responsibility and giving credit where credit is due. However, we are seeing the Leader of the Opposition do exactly the opposite. He is trying to blame others and take all the credit.

The Leader of the Opposition wants to know what happened in 2015, so I will tell him: People and businesses in New Brunswick worked very hard and combined their efforts to try to remain competitive internationally. Our government did everything it could to support them, and we will continue to do so, because we are getting results. We cut the deficit in half while growing the economy, investing more in the health care system, and investing record amounts in education.

[Original]

**Mr. Higgs:** If you look at the details from 2015, you will find that the forestry sector and the refinery were the key components to 2015. There is no doubt about that. It is very well defined, just for your information.

Looking forward, the Gallant government budget contains a chart showing its multiyear plan. This plan shows an increase in revenue of \$500 million over the next four years. According to page 172 of the *Main Estimates*, the Premier plans to somehow get another \$200 million of tax revenue from New Brunswickers, which still leaves \$300 million to account for. How does the Premier account for the additional \$300 million? Does he plan to sell off provincial assets, or is there yet to be another tax—another \$300 million in revenue? Thank you.





**Hon. Mr. Gallant:** I get that the Leader of the Opposition, coming from his background, thinks that everything in the province—all the good, and all the credit—should be given to the oil and gas industry. We believe that all New Brunswickers worked hard in 2015. We believe that all businesses from all sectors worked hard. In an uncertain world, in an economy that, nationally, is not going where we would all like it to go at the moment, New Brunswickers stepped up and worked hard. Humbly, as their government, we are trying to support them.

We are creating things such as the Youth Employment Fund to keep our young people here in the province and give a skilled workforce to the businesses. We have cut small business taxes three years in a row. We have raised the minimum wage three years in a row to give those who need a little extra help the support that they need.

(Interjections.)

**Mr. Speaker:** Order.

**Hon. Mr. Gallant:** We are investing strategically in our infrastructure to stimulate the economy and ensure that we are able to compete internationally for years to come. We are getting things done when it comes to projects such as the Sisson mine project, unlike the Leader of the Opposition when he was he was the minister...

**Mr. Speaker:** Time, Premier.

**Mr. Higgs:** The Premier is correct. He is investing heavily. He is investing heavily everywhere, in everybody and in everything, trying to say that we have an economy that is growing. It is an economy that is 34% capital-invested, primarily by tax dollars. Jobs are created—well, we are still looking for those—by tax dollars.

In the third-quarter fiscal update, the government goes into detail about a \$1-million expenditure for consulting work in relation to the Strategic Program Review. MC Business Solutions is mentioned as having received \$882 000. We talk about investing heavily. However, in the public accounts supplementary supplier list, McInnes Cooper Business Solutions is listed as having received \$480 000. Can the Premier explain the discrepancy between the public accounts figure of \$480 000 and the third-quarter fiscal update figure of \$882 000? Thank you.

[*Translation*]

**Hon. Mr. Gallant:** Of course, I will keep on talking about the financial situation. We are seeing, unfortunately, that the Leader of the Opposition is trying to forget what he did when his government was in power and he himself was Minister of Finance. Under his mandate as Minister of Finance, we saw a shrinking economy. We saw cuts in education and the health care system.



We are working extremely hard with New Brunswickers as we make investments to grow the economy and strategically invest record amounts in education and the health care system.

[Original]

When the Leader of the Opposition talks about some of the investments that we are making and being against them, I would like him to tell the people of New Brunswick what he is against. Is he against the tourism infrastructure investments or the tourism investments, in general, which are record-setting, by our government? Is he against reducing the small business tax, against the \$45 million more for universities, and against the record investments—the 4.9% increase—in education? What would he cut—again?

**Mr. Speaker:** Time, Premier.

**Mr. Higgs:** The Premier has talked about the balanced approach. Expenses have gone up by about 4% on average. The only balance is the tilt toward taxation—\$500 million. The spending in any category has gone up dramatically.

As we know, the Premier's political appointee Len Hoyt had a GNB e-mail address that redirected people to his McInnes Cooper e-mail. Mr. Hoyt is also listed as a lead on the Strategic Program Review organization chart, replacing Michael Horgan. Mr. Hoyt was also listed as a lead on the deliverology organization chart. Can the Premier advise the House as to how much of the \$882 000 spent on consulting and building the Strategic Program Review is in fact compensation for Mr. Hoyt? Thank you.

[Translation]

**Hon. Mr. Gallant:** I do not want to start talking about individuals and human resource files on the floor of the House. However, I can tell you how much the Strategic Program Review has helped us to invest more in the priorities of the people of this province. I can also tell you how much the Strategic Program Review has helped us to determine the fiscal capacity required, not only to cut the deficit in half, but also to invest more in education and in health.

[Original]

The Strategic Program Review has given us the fiscal capacity to invest in things that will help grow the economy. In 2015, we saw a record growth year for the economy because the hardworking people of our province stepped up and made it happen. It grew again in 2016, and it is estimated to grow again in 2017. It will not be at the same rates in 2016 and 2017, but it is compounded off a great year in 2015. We are working hard with New Brunswickers and getting things done for their priorities.

**Mr. Higgs:** The economy could show growth in future years, in the next two or three years, certainly getting through the election period, because of the excessive amount of money that is



being dumped into New Brunswick. Then what happens? We will all be left to pay for it. We will all have a debt that will exceed all expectations. We will have taxes that will be the highest in the country, and then we will worry about it the next time around. We will not worry about it now.

The Premier would like to pretend that we are talking about facts. I want to talk about facts. I am looking for a clip from a while ago. The Premier may have it. I asked to talk to him about or debate him on the economy of this province at any time, and he said: Maybe, when you are the Leader of the Opposition, I will do that. I am trying to find that clip, and I have not found that yet, in all sincerity. However, I am the Leader of the Opposition now, and I will do it. I will do it based on facts, not based on spun facts—anytime.

**Hon. Mr. Gallant:** There is nothing like accepting a meeting from some guy yelling at you from across the hall.

We, as a province, have some serious challenges and some serious opportunities. We have to make sure that we work very hard and stay diligent on the priorities of the people of our province, and they want us to invest in education and health care. The member opposite keeps talking about the spending that we are doing. Well, we think that they are investments, and we think that they are strategic. We made sure that they were by going through the Strategic Program Review to identify the priorities of New Brunswickers and to identify what elements and investments would help advance the priorities of New Brunswickers.

The Leader of the Opposition owes it to the people of New Brunswick to get up on his feet and tell us this: Would he cut the 4.9% increase in education, the 3.3% increase in health care that we did, or the 17% increase in tourism? Will he look at his colleagues and say that he would not invest in the infrastructure in their ridings, or will he look at the mayors in the gallery and say that he does not want to invest in their communities?

## Education System

**Mr. Stewart:** I guess that the Premier will not debate our leader.

We were discussing improvements in education. The fact that our Francophone school sector is the fastest improving sector in the country is something to be proud of as New Brunswickers. For four straight years, this sector has continuously improved. However, the trend of one sector fast and continuously improving is alarming where we have two sectors in our province. Either way, it still presents a good opportunity. First, we must understand this trend. I ask the Minister of Education for the third day in a row to tell New Brunswick about this trend of how one sector is fast improving.

**Hon. Mr. Kenny:** I answered that question numerous times yesterday. Whereas we want to congratulate the Francophone sector for achieving good results, there is still a lot more





improvement that we have to make. That is what we are going to do with our record investments in education, making sure that we put the priorities in the right place.

As we talked about yesterday, we are going to be sharing those best practices of what the Francophone sector does with the... The Francophone sector does an excellent job of taking the community to heart, working with the community. It also has examples in GACÉF and PALC, which is a policy that was put in place to make sure that we work with the communities and the cultural sector to really embrace education.

Also, the Francophone sector does a great job of performance management, and we are going to be using those performance management measures, which we did table on the floor of the Legislature not too long ago with the two education plans, in our Anglophone sector. We are really proud of working with our educators throughout the entire province.

**Mr. Stewart:** With regard to the community effort that the minister is speaking of, I think that we can both agree that both English-speaking and French-speaking people in our province take great pride in the education of their children and their communities. However, not understanding the details of what one sector is actually doing to get these results is prohibiting me from helping the minister to be successful in his portfolio.

We know that learning, sharing, and leveraging best practices is the best way to improve education results in the world. I am going to ask the minister this today: What are we doing to ensure that we are sharing what is working in the Francophone sector with the Anglophone sector? What are we, as a province, doing to understand how the sector is improving and to share this knowledge?

**Hon. Mr. Kenny:** I am proud to say today that, unlike the members opposite who muzzled the principals for years, this year, for the first time, we had principals from around the province get together to share best practices. We have people communicating, and that is what we did not have before.

We feel that our education sector is doing some great work. In the Anglophone sector, we are talking about digital literacy and all the advancements that we are making in the technology sector and in math. The Anglophone sector is actually sharing those best practices with the Francophone sector. It is about working together.

What we see here today, and day after day, is that the opposition members are again trying to find a wedge issue to try to divide and conquer here in the province, and that is wrong. It is wrong. Let's talk about the good things that we are doing in education. I am asking the opposition, once again, to talk about the good things in education and not to try to find a divide-and-conquer issue.

**Mr. Speaker:** Time, minister.



**Mr. Stewart:** I am talking about the good things, the good things in our Francophone sector. It is hard to believe that somebody on the opposition benches would actually discover this and then celebrate this for the Francophone sector of our province, so what I would say is that the minister is not answering the question.

The details are important. The hard work of New Brunswick teachers must be celebrated, and we have some of the best in Canada. We know that they need the government to be out of their way most of the time and to support the progress. We know that, for years, the ability to learn, share, and leverage best practices was almost nonexistent, leaving our teachers alone and high and dry. Part of the reason that the former government reorganized the districts was to break down the silos.

I ask this today: What are we doing to ensure that the new money invested in this budget is being spent in the right way? Have we learned from the Francophone example and allocated resources in that manner?

**Hon. Mr. Kenny:** Yes, that is exactly what we are doing. We are going to be making sure that the resources that we have are put in the right place to be able to help all our students throughout the province. We are looking at taking the best practices from both the Anglophone sector and the Francophone sector and working with our educators.

Since being made the Minister of Education and Early Childhood Development, I have been throughout the province to visit schools, and I have seen faces light up in the classroom when they see innovation take place, the principals and teachers working with other schools, and the districts working together in both the Francophone sector and Anglophone sector. There are many, many, many examples of how our education system is doing great things for our students.

We are working with our families and communities. This is not just about teachers. This is about taking the whole community and working together to be able to educate our children here. That is what we in the Department of Education and Early Childhood Development are doing. We are working with our collaborators to make sure that we have the best education system moving forward and putting record investments in the right place.

## Maintenance Depots

**Mr. Jeff Carr:** First, I want to acknowledge the snow fighters who braved the cold and the terrible conditions on behalf of all of us in the province. We all certainly appreciated it, and I know the minister shares that.

However, I want to talk about staffing and equipment levels in the various depots in the province. CBC was able to obtain documents on the 2015 winter season about drivers and snow fighters having to work long 20-, 16-, or 18-hour shifts, back-to-back, for days on end. Could the



minister stand and tell us what he has done to curb those issues and how he staffs those sheds? Does he use some sort of formula or format to do that?

**Hon. Mr. Fraser:** I thank the member opposite for the question. It is a very important question. At DTI, we take the safety of our employees and the safety of the travelling public and New Brunswickers extremely seriously. It is our number one priority. I can tell you that the staffing arrangements at the garages are very similar to when the changes were made under the former Conservative government. Those changes that were made under the previous Conservative government are the procedures that we are following.

Staff work extremely hard. There are procedures that are followed by the districts. The district engineers follow those procedures to ensure the safety of our employees, and we are very proud of the work that our employees do. I will be making a minister's statement in the House very shortly to speak of some of the very great things that our men and women at DTI do each and every day to ensure the safety of New Brunswickers. We will continue to work with our employees.

**Mr. Jeff Carr:** I can appreciate the fact that the minister says that the employees follow those staffing levels. However, I am hearing from all different areas around the province, from people who do not want to speak publicly because they do not want a spotlight shone on them. It is easy to say that the levels are being followed, but there is another way for the minister to go about proving it, which is to put the documents and those numbers out on the table for everybody to see.

I am hearing from a lot of different areas where some maintenance depots are down to one grader and some maintenance depots are short two or three employees because positions have not been filled and have not been posted. Those positions are left empty. This leaves fellow coworkers in a dangerous situation. It leaves the public at large in a dangerous situation. I wonder whether the minister, right now, is aware of any of those inefficiencies in equipment and manpower in different sheds and how he is going to correct them.

**Hon. Mr. Fraser:** I am not sure what the intent of the member opposite is. I know that I have seen correspondence from him. He has had conversations with me when the previous Minister of Transportation and Infrastructure made the decision that we would tender out winter maintenance and make sure that everybody had a fair opportunity for equipment rentals around our province. I know that he approached me after I became minister and said: You have to get rid of that tendering process. I have seen recent e-mails that he has sent to the local engineers asking them to hire certain people. When I checked the names of the people that he wanted hired, I checked the Tory donation list and saw that these people had contributed greatly to their party.

We are not about politics. We are about working with our department. We are about working and doing things very fairly in the Department of Transportation and Infrastructure. We have taken the politics out of that. I know that the member opposite wants to bring it back. I am not



sure that is the direction that his new leader wants. We know that it is his new leader who wants to cut everything—all the great investments that we, as a government, are making to grow our economy. However, we are not following that direction, and I am certainly not going to follow his direction.

(Interjections.)

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

