

December 14, 2017

[Original]

Property Tax

Mr. Higgs: Today is the day we bring the motion forward. Today is the day we debate the motion on getting to the facts through conflicting accounts and getting to the final truth about what the real story is between the Chief of Staff and the Premier's Office.

According to an article published on April 6 of this year, the Premier's Chief of Staff told the *Telegraph-Journal* that the Premier learned of the idea to fast-track property tax modernization efforts during a public visit to the NB⁺ digital lab on May 6, 2016. The Auditor General reported that the Premier told her that he did not learn of the fast track until March 2017. Both these statements cannot be true. Will the Premier tell us today which it is? Thank you.

[Translation]

Hon. Mr. Rousselle: I have had many opportunities to say this: The truth is in the Auditor General's report. She very clearly said, in her report and after its release, that she had examined all the evidence. She analyzed all the documents and interviewed everyone who needed to be interviewed. She very clearly said that the Premier's Office never ordered the fast track. This is very clear; the Auditor General even repeated it when she answered a question from the member for Gagetown-Petitcodiac.

That being said, I will repeat once again that the opposition asked for an independent inquiry by the Auditor General. This inquiry was carried out. This comprehensive inquiry clearly identified the problems that Service New Brunswick had in terms of property assessments.

It is now time to focus on tomorrow and implement the Auditor General's 25 recommendations in order to have a fair and just system, and that is what we will do.

[Original]

Mr. Higgs: There we go again, putting words into the Auditor General's report. I believe that the Auditor General said something about conflicting reports between the Service New Brunswick CEO and the Chief of Staff in the Premier's Office—conflicting reports. It was inconclusive at best, but it certainly did not say that the order did not come from the Premier's Office. She did not determine...

From March 14 to 31 of this year, over eight sitting days and 44 questions, the Premier got up on only three occasions. The rest of the time, his Attorney General denied that there was a problem. Denial, deflection, and diversion are the three pillars of the Gallant government in



crisis management. Accountability, responsibility, and just plain telling the truth about the facts at the onset do not seem to be factors in this equation. I will ask this one more time: Whose story is true? Is it the Premier's, or is it the Chief of Staff's? Thank you.

Hon. Mr. Rousselle: I will be more than glad to use the Auditor General's report, where she said very clearly that the SNB staff presented on May 6, 2016, and that the fast track did not come up in the presentation to the Premier. Furthermore, as I said before, the Auditor General was asked this by the MLA for Gagetown-Petitcodiac: "Are you certain that the Premier's Chief of Staff did not order the fast tracking". She answered: "Based on the evidence ... that is not what happened."

[*Translation*]

Actually, we can talk about conflicting stories when an Opposition Leader says he never promoted a deal with Canaport LNG, and we see a full-page advertisement that indicates otherwise. Then, we can really ask ourselves questions. However, in this case, the situation is clear.

[*Original*]

Mr. Higgs: The issue here is based on the evidence. Did the Auditor General get all the evidence or only part of the evidence? The evidence that we are talking about is the conflicting statements that came from the CEO and the Premier's Chief of Staff. Those are the issues. From the Premier and the Chief of Staff—those are the issues. The Auditor General got as far as conflicting accounts. That is where she focused on the process at SNB and left it kind of unknown as to where the order actually came from.

Changing stories from the Premier's Office were well chronicled in the media. We still do not know all the details. We must figure out why these false bills went out, and we must start with the Premier's Office. Where did the original decision come from? Will the Premier tell us this: Whose version of the events is the factual account? Is the Chief of Staff's account the correct one, or is it the Premier's? That is the issue. The two are telling different stories. That is a fact, and we want to get that fact resolved. Thank you very much.

Hon. Mr. Rousselle: I am so surprised by how the Leader of the Opposition is attacking the credibility of the Auditor General. She said very clearly that there were no outstanding issues. How could she be more clear than that?

[*Translation*]

We can see how desperate the Leader of the Opposition is. I cannot get over it; he is attacking the integrity and credibility of the Auditor General. She very clearly said that there was nothing left, that there was no mystery, and that all the issues had been analyzed.



I repeat: It is high time to examine and analyze the Auditor General's 25 excellent recommendations—as we are doing—and work on them. I would reiterate that she produced an independent report after analyzing all relevant documents and interviewing everyone that she wanted to question. Her report is clear. It is now time to have a fair and just system for everyone in the province.

[Original]

Mr. Higgs: The facts are conflicting. The fact that the CEO conveniently retired the day before the Auditor General's report came out made him inaccessible to the Auditor General. That is why we are bringing the motion forward. It is to get the actual information under oath and to get the real facts out on the table. Is that not interesting, the retirement was before the Auditor General's report came out? It is not the Auditor General's report that we are worried about with respect to credibility. It is the government that we are worried does not have the credibility. That is the question here. If the government wants to regain credibility, then do the right thing. Pass the motion today. Bring the appropriate people into the House, and let's, under oath, get the real facts, the real truth. Will the minister agree to that?

[Translation]

Hon. Mr. Rousselle: Although the Leader of the Opposition says he is not attacking the Auditor General, this is exactly what he is doing.

As I said, this is disconcerting, even embarrassing and discouraging, given that, for a while, the opposition—and particularly the Leader of the Opposition—was insisting on a report by the Auditor General. She did her job, and she very clearly said that there was nothing left to figure out. She went even further: She did excellent work and made 25 recommendations, which we will follow to the letter. We know that the Auditor General, as she very clearly said, looked at all the issues.

That being said, I would like to know whether the former Minister of Finance promoted the famous Canaport LNG deal in Saint John in a full-page newspaper ad.

[Original]

Mr. Higgs: Denial and deflection—it carries on and carries on. That seems to be the routine.

If we want to get to the bottom of this, how easy is it to have these people come forward under oath? Then, it is over. It is all done. The precedent has been set. There have been leaders in the past who were not afraid of the truth, who were not afraid to put all the facts on the table and not afraid to bring the appropriate people to the Legislature and get to the bottom of things. I would ask, if that is not the appropriate thing to do... The only other answer is that they are afraid of something. The minister... The Premier is afraid of something.



Why do we not just resolve it easily? Why do we not have the right people come forward? Ask the right questions, and it is over. Then, we know the facts. Then, we move on. What are they afraid of?

[*Translation*]

Hon. Mr. Rouselle: We are not at all afraid of the truth, since we got it from an excellent report by the Auditor General.

This is a comprehensive report, and the Auditor General herself later said that there was nothing left to figure out. That being said, since this morning, I have been hearing the opposition talk to us about conflicting stories. Well, once again, I want to know what the exact involvement of the Opposition Leader was in promoting the Canaport LNG tax deal? He said he was not involved. Is it the same as when he writes that the Auditor General could not call witnesses and have them testify under oath, even though, as we know, the law provides for the exact opposite?

So, once again, I am asking the opposition to be serious when it comes to a fair and just system. Yes, we will follow the Auditor General's 25 recommendations.

[*Original*]

Mr. Higgs: I want to make reference to page 25 of the Auditor General's report under "Summary of Key Findings and Observations":

2.48 Conflicting accounts of who initiated "Fast Track"

2.50 AGNB could not determine the Premier requested "Fast Track"

That is what we want to determine. She could not determine who actually did request the fast track. How did this all start? That is the bottom line. That is all we want to know. We know that we can determine it right here in this House by doing the right thing: passing our motion, and letting it go forward to bring the right people into the Legislature under oath. Let's get to the bottom of this. The Auditor General's report says that accounts are conflicting.

[*Translation*]

Hon. Mr. Rouselle: As I said earlier in the other language, the member for Gagetown-Petitcodiac asked the Auditor General whether she was certain that the Office of the Premier or his Chief of Staff had not ordered the fast tracking. She answered that, based on the evidence, that is not what happened. Therefore, I think the Opposition Leader is really desperate and looking for something to score a point or two. However, with respect to this matter, he should put New Brunswickers first.



Remember that, since 2011, thousands and thousands of errors have been made, and the worst year was 2012, when the current Opposition Leader was Minister of Finance. No progress has been made since. Back then, the current Opposition Leader was saying that the system was fair and just, despite thousands of errors. For us, one error is one too many, and we will solve the problem.

[Original]

Mr. Higgs: Let's refer to the Auditor General's report again. On page 10, regarding "What We Found" and "Conclusions", under "Fast Track" it says this:

- *Exchanges between the Premier's Chief of Staff and SNB's former CEO led to "Fast Track"*

Wow. That is pretty straightforward.

- *Misleading communication within SNB created the perception the Premier requested "Fast Track"*

But the conditions around how it started were undetermined, so it is pretty clear that there is a hidden gem here, that somebody started the ball rolling and that somebody was in the Premier's Office, because the conflicting statements are between the Premier and the Chief of Staff. Now we know where it was. It was not from SNB or the retired CEO, who conveniently left the day before the report came out. All that we are asking is a very simple matter: Let's find out who has the correct story. Is it the Premier, or is it the Chief of Staff? Thank you very much.

Hon. Mr. Rousselle: The correct story is from the Auditor General. I cannot be clearer.

[Translation]

Let's talk about the facts. As we have said, we will follow the Auditor General's 25 recommendations.

However, it truly is important to have the real facts. We must remember that, when the Opposition Leader was Minister of Finance, there were huge deficits in the province. This government has reduced the deficit by two thirds. When the Opposition Leader was Minister of Finance, there was an economic downturn.

Now, our economy is growing. During the Opposition Leader's term as Minister of Finance, the population declined. What do we have now? Since we took office, the population has grown.

We are investing like never before in health and education, and we are looking to the future. That is also what we are doing with Service New Brunswick.



[Original]

Mr. K. MacDonald: On March 9, the story of the property tax scandal broke. On March 31, the whistle-blower story broke. On April 6, the Premier addressed the media. His Chief of Staff also addressed the media at that time. They told two very different stories. Incredible as that may sound, it is what happened.

The Premier's Chief of Staff said that the Premier learned about the fast track on May 6 and then brought the information back to the Premier's Office. The Premier told the Auditor General that he did not know about the fast track until March 2017. My first question is this: Did the Premier speak with his Chief of Staff about the property tax scandal at any time between March 9 and April 6 of this year?

[Translation]

Hon. Mr. Rousselle: I know that certain opposition members suddenly want to act as if they know a whole lot about certain facts, but the truth is that the Auditor General very clearly said in her report that no presentation on the fast track was given to the Premier on May 6, 2016. The Auditor General was very clear on the fact that this was never presented to the Premier, so how could he have asked questions about it?

That being said, let's talk about issues that are much more important for New Brunswickers. Given that facts are important, I would still like to keep on saying how much our provincial economy has been growing since we took office. This contrasts with the economic downturn of the past. It must be understood that, under the former government, in which the current Opposition Leader was Minister of Finance, we were going through a period of austerity that was hurting the economy. We decided to grow the economy by making investments in areas that matter to New Brunswickers.

[Original]

Mr. Speaker: Time.

Mr. K. MacDonald: Was the Premier briefed on the property tax scandal before returning to the Legislature on April 25 of this year? I ask because the Premier was quite adamant that he thought maybe he knew something about the fast track in May 2015, a full year before his Chief of Staff said that the Premier knew. This was the Premier's answer, not once but five times in one day. On April 25, he said... Here is one example, from Hansard:

I would like to make it very clear.

After I was briefed in May 2015... I will repeat it again. That is the date that I think it happened.



Clearly, the Premier was briefed before March 2017. Would he like to make it 2015? I have 2015. Do I hear 2016? Would the Premier like to make it 2016? Was the Premier briefed in 2015 or 2016? That is the question.

[*Translation*]

Hon. Mr. Rousselle: Once again, I repeat that the Auditor General was very clear on this: She examined every issue and produced an excellent report. The opposition can have fun believing in a conflict that does not exist, but, as far as we are concerned, we will continue to side with the Auditor General on the truth. Her report is excellent. There are indeed challenges to overcome at Service New Brunswick in terms of quality assurance, governance, and methodology—we are aware of this. The Auditor General made 25 excellent recommendations.

We will work and take action, as we have done in terms of growing the economy, which took a downturn when the current opposition members were in office. We will continue making investments in the health system and in education, as New Brunswickers want—they told us so. We will continue to work for New Brunswickers to ensure that, when it comes to property assessments, we have a system that is truly fair and just.

[*Original*]

Mr. Speaker: Time.

Mr. K. MacDonald: It is clear from the Premier's own changing story that he was aware of the fast track before March 2017, which is the story he told the Auditor General. I would like to offer the Premier a do-over. He is used to those, going back to the time before he became Premier. Would the Premier, the Deputy Premier, or the new Deputy Premier care to clarify his remarks? Would he care to revise his timeline? Would the Premier like to admit that he knew about the fast track as of May 6, 2016?

[*Translation*]

Hon. Mr. Rousselle: I did not know that the member opposite could appoint a new Deputy Premier in this province. I thank him.

That being said, the Auditor General was very clear: No presentation was made to the Premier about the fast track issue on May 6, 2016. She was very clear on this. I cannot get over how much doubt the opposition is casting on the Auditor General's credibility, integrity, and work.

As far as we are concerned, we wanted an independent report, and we got it. This report contains 25 important recommendations that will ensure a government finally takes action, as opposed to a government with a Minister of Finance who, when thousands and thousands of errors were made, said the system was fair and just. We will work on implementing the 25 recommendations, so that we finally have a truly fair and just system.



[Original]

Mr. Fitch: Conflicting accounts—it is like saying one thing and doing another. Remember how I used to say that all the time about the Premier? Well, if I had a nickel for every time I said that, I bet I would have \$14.42, just like the Premier’s Chief of Staff, who appealed his property tax over that amount.

That brings me to my question. Will the Premier get up and tell us whom to believe on the property tax scandal fast-track account? Is it the Premier, or is it the Chief of Staff?

[Translation]

Hon. Mr. Rousselle: I thank the opposition and the member opposite for giving me another opportunity to repeat that the person we must believe is the Auditor General, who very clearly said that the Premier did not see a presentation on the fast track issue on May 6, 2016. She even very clearly answered the member for Gagetown-Petitcodiac and said she was certain that the Chief of Staff did not order the fast tracking. She said that, based on the evidence, that did not happen.

So, I will again take this opportunity to say how much our government is focusing efforts on what is important for New Brunswickers. We are working on fighting the deficit, which has been reduced by two thirds. The Opposition Leader, when he was Minister of Finance, ran incredible deficits.

We are continuing to work on growing the population and the economy by making investments in the health system and in education for the well-being of the people of this province.

[Original]

Mr. Fitch: Conflicting accounts—it is like saying that your tax policy will affect only people making over \$500 000 per year and then saying your tax policy will affect only people earning \$375 000 per year. Those were the Premier’s conflicting accounts that he put forward himself in interviews with Harry Forestell. Harry tried to correct him in the first interview by telling him that his math was incorrect or worthless, but the Premier would not be told. Anyway, I digress.

Conflicting accounts do not let anyone know the reality, which is why we need the Premier to get up today and tell us whom to believe on the property tax scandal fast track. Is it the Premier, or is it the Chief of Staff?

Hon. Mr. Rousselle: I would like to thank the member opposite again for giving me the opportunity to say that the person we have to believe is the Auditor General. This is crystal clear. The opposition wanted an independent, exhaustive report. We have one. She clearly stated that there was no presentation on the fast track to the Premier on May 6, 2016. She said that the Chief of Staff never ordered this fast track, based on the evidence.



I will take the 30 seconds left to say how proud we are of the reduction of the deficit by two thirds that we have done since we have been in power—two thirds. We are proud that, contrary to when the opposition was in power, the economy has not retracted year after year. Now, it is growing year after year. We are not using austerity for growing the economy. We are using wise investment. That is why we have economic growth.

We will solve the problem with Service New Brunswick, and we will have a fair and...

Mr. Speaker: Time.

Mr. Fitch: In the *Report of the Auditor General of New Brunswick*, Volume III, 2017, page 10:

- *Exchanges between the Premier's Chief of Staff and SNB's former CEO led to "Fast Track"*
- *Misleading communication within SNB created... "Fast Track"*
- *SNB's former CEO and Board of Directors decided to proceed...*

It is right there in black and white in the Auditor General's report—conflicting accounts. It is not just here. Ask the seniors, ask the people who are teaching, ask the day care owners, ask the Auditor General about conflicting accounts time after time. It even goes back to the contingency sinking fund in the first few budgets. That is what it was called—"contingency". I believe that was the word. It has been called a conflicting account fund ever since.

The Premier was quite proud of his contingency fund financing, as I recall. Speaking of the Premier, will he get up today and tell us this: Will the Premier defend himself and tell us whom we should believe? Is it the Premier ...

Mr. Speaker: Time.

Hon. Mr. Rousselle: Obviously, Dominic Cardy is lacking inspiration this morning in writing the questions.

As I said before, the person we have to believe is the Auditor General when she said that the many references that the opposition is making... She was talking about fictional conversations, and she said that "both of these communications are not direct quotes and incorrectly imply the Premier requested 'Fast Track'" —"incorrectly imply".

[*Translation*]

This seems clear to me, so I will keep on noting the extent to which action is what really matters to us. That means continuing to meet the challenges we are facing. Service New Brunswick is indeed facing significant challenges. Thousands of errors were made, and we will put an end to



that. We will follow the Auditor General's 25 recommendations, and we will do what we are doing in terms of economy, health, and education for the well-being of the people of this province.

[Original]

Mr. Speaker: Time.

[Translation]

Private Woodlots

Mr. Coon: Two years ago, the Auditor General revealed that the government was not meeting its commitments under the *Crown Lands and Forests Act* with regard to the purchase of wood from woodlot owners for sawmills, in a proportion that is consistent with supply. The Auditor General asked the Minister of Energy and Resource Development to either enforce his own Act or repeal it. That was two years ago. Will the Minister of Energy and Resource Development finally start to enforce the Acts for which he is responsible?

[Original]

Hon. Mr. Doucet: I thank the member opposite for the question. As I have said many times, it is always good to get questions on some of the pillars of our economy, whether it be forestry, whether it be farming, or whether it be fishing. Very conscientiously, we understand the issue, but by the same token, we have to realize that there are 22 000 people working in this sector. We have to realize that we have a very competitive industry and it is important that we continue to work together and that we dialogue.

Things have changed in the past 30 years, and I think that everyone in the House would probably agree. The market has become extremely competitive. The mills have to be very competitive, and out in the forests, we have to be competitive at what we do. I think that it is really important that we continue the dialogue, that we work together, and that we start working on how we can change how we are doing things right now. I think that is really important. How do we strive to be better at what we are doing?

Mr. Coon: The minister does not seem to recognize that he heads up a regulatory agency and that he has a fiduciary duty to enforce the laws he is responsible for, so let's talk about the *Natural Products Act*.

This Legislature has given wood marketing boards the power to control and regulate the marketing of private wood to ensure woodlot owners can negotiate a fair price for their wood products. Yet, this government has stood by while J.D. Irving has taken marketing boards through the Forest Products Commission and appealed decisions unfavourable to it in court,



leaving woodlot owners themselves to defend the legislation passed by this House. This costs them a lot of money—\$100 000 in legal fees over the past two years for the S.N.B. Forest Products Marketing Board.

Why has the Minister of Energy and Resource Development abdicated his legal responsibility to woodlot owners and failed to enforce his own legislation?

Hon. Mr. Doucet: I hear the questions from the member opposite, and I hear him saying that big is bad. I think it is important that every single industry, whether large or small, plays a very important role in growing our economy. I know the member opposite likes to come in and say that we need more money for social assistance, for bridges, and for everything under the sun. Where does that money come from? It comes from the businesses that operate in the province.

I hear what the member is saying. Look, I think that it is important to have those discussions. However, at this time, we are renegotiating our softwood lumber agreement, and I think that anything we do or say at this time is detrimental to our cause and to how we move this forward. This impacts every single sector, from the people harvesting in the woods to the people in the mills. We have 22 000 people involved, and it is about time we started to stand up for the mills in this province. They are very important. They are very important to our...

Mr. Speaker: Time, minister.

Mr. Coon: This government and the former government stood up well for the mills, I would say.

(Interjections.)

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

Mr. Coon: A CBC story last week quoted private woodlot owner Jim McCrea saying that following the 2014 forestry deal between the Tories and JDI, the price of his wood fell by 40%. It was a deal where the government of the day signed a legal commitment to ensure competitive wood costs and to reduce costs for Irving's forestry operations, and you wonder why New Brunswick's mills lost their softwood tariff exemptions while Nova Scotia's retained theirs.

Instead of paying a high-priced consultant to throw the work of the Auditor General under the bus, why does the Minister of Energy and Resource Development not fix the private wood market so that it is fair to woodlot owners?

Hon. Mr. Doucet: I do not know whether the member opposite has been reading some of the facts. The door has been open to come in for a briefing at our department at any time. We make our staff available at any time. During the downturn in the economy, the sales to private woodlots were about 800 000 m³. Today, they are over 2 million cubic metres.



I realize that the member likes to play the blame game with the previous government and us. We have to stand up for the forestry sector in the province because every single man, woman, and child involved in this industry needs to have the benefits that come from this industry. We need to stand up and to be very solid on it.

I agree. There is an elephant in the room. We have to have a discussion about that. However, the only way that we are going to have that discussion is, if instead of fighting one another, we dialogue together. We need to work together to find remedies for how we can move ourselves out of this. That is...

Mr. Speaker: Time, minister. The time for oral questions has expired.

