

December 11, 2018

[Translation]

Government Finances

Mr. Gallant: Last week, the government released the second quarter financial results for the 2018-19 fiscal year, which indicate a \$131.4-million deficit. This is an improvement in the fiscal situation of the province. The improvement occurred because revenues exceeded estimates by \$150 million due to better-than-expected economic performance. In addition, the federal government just announced that New Brunswick will receive approximately \$185 million more in transfers. Taking all of this into consideration, can the Premier confirm to us today that his government will table a balanced budget in a few months?

[Original]

Hon. Mr. Higgs: Thank you, Mr. Speaker, and thanks for the question. You know, it is interesting that the second-quarter report today is about \$150 million off from where it was back four years ago when the former Premier started, after \$1 billion of new-revenue taxation. So it is kind of funny how we are here.

But I would like to assure the Leader of the Opposition that we will be continuing down the path of a better budget and we will be continuing down the path of a balanced budget. We committed to delivering. We will deliver, and that will be the program. You will see it in our capital budget. Our fiscal capability in the province will be demonstrated. Our ability to be able to deliver the services that we want in education and in health and in social services, to maintain roads, and improve our assets will all be part of this program. We will do it in a way that does not require \$1 billion of new taxes, Mr. Speaker.

Mr. Gallant: Thank you, Mr. Speaker. The government itself introduced its Q2 result with a \$131-million deficit. The federal government, since then, Mr. Speaker, has announced that the province will be receiving approximately \$185 million more in transfers—a \$131-million deficit, with \$185 million more in revenue coming our way here in New Brunswick. Therefore, can the Premier please commit today to balancing the books and balancing the budget without cutting programs that are vital to the strength of our economy and social fabric, such as free tuition, free child care, financial support to the middle class for the cost of child care and tuition, and investments in infrastructure, such as our schools, hospitals, nursing homes, roads, and bridges?

Hon. Mr. Higgs: Mr. Speaker, as I said last week when I was at the First Ministers' Meeting, I am very concerned about the situation in Alberta and the fact that its commodities have been devalued by 70% and there is no national strategy to fix this. There is no national strategy to help recover those assets that have been paying the bills here in our provinces for many years.



I am very focused in this budget to ensure that we do not get a downgrade going forward, so unlike with the previous government, it will not be a case of: Oh, I have another \$200 million. How do I spend it? It will be a case of: How do I get the best value from the money that we receive in order to get the results that we must? Thank you.

[*Translation*]

Mr. Gallant: It is important to invest in our infrastructure, such as our schools, hospitals, roads, bridges, and nursing homes, to support a vibrant economy and, of course, a social fabric that enhances the quality of life for all New Brunswickers. Obviously, the Premier and his government will invest less money in infrastructure.

[*Original*]

Mr. Speaker, we recognize that, today, with the capital budget being introduced, we will not get all the details. However, we do believe that New Brunswickers deserve to know which investments in our infrastructure across the province—investments that the previous Liberal government committed to—this government will no longer be moving forward with. Will the Premier please commit to making public a list of the projects that were previously approved by our Liberal government that he and his government will no longer be moving forward with?

Hon. Mr. Higgs: Mr. Speaker, as is the tradition with the delivery of the capital budget, when the budgets are out, the departments then talk about specific projects and the details around those specific projects. All that information will indeed be made available, but there is one philosophical difference here. We do not believe that spending taxpayer dollars to generate economic growth is a sustainable path. I have seen graphs now that show that our public sector spending is now kind of matched with the private sector. That is normally a differential of two to one, Mr. Speaker. That means that the public sector is one half of what the private sector should be. What that means is a taxpayer-funded economy. It is a bubble that is on the verge of bursting. Mr. Speaker, it is not going to burst under our watch.

[*Translation*]

Climate Change

Mr. Gallant: For the next generation, it is essential that everyone work together to protect the environment. To this end, we must work together to fight climate change, and we must all do our part. Our government introduced a plan to do just that.

[*Original*]

Mr. Speaker, our government introduced a plan with over 100 action items to fight climate change by investing more in energy efficiency, phasing out coal-generated electricity by 2030, and putting a price on carbon pollution so that large emitters pay their fair share. Why is the



Premier eliminating the need for large emitters to pay their fair share so that we can have a price on carbon pollution to protect our environment?

Hon. Mr. Higgs: Mr. Speaker, the goal is to meet our emission targets. I mean, that is first and foremost the reason that we are doing all of this. Let's ensure that we stay on our commitments and meet or exceed our targets. We have said that we are actually going to do that. We are going to meet those targets. If that requires additional regulation of our industries, then it is going to happen. They, too, will meet their targets.

What was the disadvantage in this process, Mr. Speaker, was the fact that for industries here in New Brunswick, where they fell in terms of their comparison to industries around the country or in competition with the United States did not matter. They had to improve their standards, regardless of whether they were in the top quartile of their performance. That puts us in a very uncompetitive situation with our neighbours. We are an 80% export-driven province. We just cannot put ourselves once again in a bubble that makes New Brunswick uncompetitive. That is why we are saying that we do not need to tax people more to have a cleaner environment. We are convinced and focused, and we will deliver on meeting or exceeding our emission reductions. I will say that with great confidence, Mr. Speaker.

Carbon Tax

Mr. C. Chiasson: Mr. Speaker, one of the main differences between the previous Liberal carbon plan and that of the current Progressive Conservative government is the treatment of large industrial corporations. We felt that industry should pay its fair share. The current government proposal gives industry huge breaks that, we are told, will save Irving Oil millions of dollars. Can the Premier provide the House with an estimate of the savings for Irving Oil under his carbon plan?

Hon. Mr. Higgs: Mr. Speaker, what I know is that without having a carbon plan, which we do not have because it was not accepted by the federal government, we are subject to being downloaded an increase of 4¢ per litre in our carbon tax. That will be different from every other province in Atlantic Canada. What I also know is that there was no comparison of where certain industries are today versus where other industries are. In other words, if an industry in New Brunswick were in Newfoundland, it would actually be getting tax credits under the deal for Newfoundland.

I believe that the right deal for New Brunswick is the right deal that works for us and works for our industries. I have no idea what credit, industry, or savings Irving Oil will have. That is not my focus. My focus is that industries meet their emissions, are allowed to be competitive, and are competitive in the right space, and that includes the right environmental space. If they spent money, they will get credit for that. If they have not spent money, they will spend it, Mr. Speaker.



Mr. C. Chiasson: Mr. Speaker, the Premier's latest conflict of interest disclosure, dated March 22, 2018, states that he had a financial interest in the form of a pension from Irving Oil Limited. Can the Premier advise the House as to whether or not the value of this pension is directly or indirectly linked to the profitability of Irving Oil and, in either case, whether or not he has recused himself from the decision to give significant benefits to Irving Oil through the changes his government made to the carbon plan?

Hon. Mr. Higgs: Mr. Speaker, here is a little lesson in how pensions work. The ups and downs of the company play no role in my pension. The pension liability is in a separate account. Now, if that account goes dry, my pension is in trouble. It has nothing to do with what Irving earns in profits or what it makes now. My pension is off to the side. We have seen pensions which, when companies have gone bust, have been impacted. I guess mine could be a threat to that. I do not know. But the purpose is that nothing I do here has not been declared to the Conflict of Interest Commission and nothing that I am doing here is not part of a normal pension program—how it exists, how it is managed independently in our operation today. There is no connection here, Mr. Speaker.

[*Translation*]

Hydraulic Fracturing

Mr. Bourque: The Premier has not stopped saying that he wants to base government action on consultation and scientific evidence. However, when it comes to hydraulic fracturing, several of our neighbours, whether it be Newfoundland and Labrador, Nova Scotia, Quebec, or the state of New York—and I could go on—have banned it in their jurisdictions. These jurisdictions all based their decisions to ban hydraulic fracturing on scientific evidence. Can the Premier tell us whether he consulted neighbouring provincial and state governments before deciding to lift the moratorium? If not, why?

[*Original*]

Hon. Mr. Higgs: Mr. Speaker, there is a lot of value in travel. Last week, I travelled and I had the opportunity to speak with Premier John Horgan of British Columbia. He was telling me about the major capital investment that they have in their province right now. It is one of the largest private sector capital investments they have ever had, and that is a new LNG export facility. He said: We are able to do that by working with the Green Party and the First Nations. That is because they are in a coalition with the Greens, and they are able to do that because they have had 50 years of gas supply and gas development without a single reported water contamination issue.

Mr. Speaker, I believe that you want to look at science. You want to work on results. You want to work on what the people have experienced. I will do all of that, Mr. Speaker, because there is nothing to hide here except a future for New Brunswick and people working back here in our province.



Mr. Bourque: One thing is quite clear, that “drill, baby, drill” attitude from the opposition.

[*Translation*]

The Minister of Energy and Resource Development clearly said that he has no plans to consult people in the Sussex area on hydraulic fracturing. The local service district in the Sussex area clearly indicated that it had not been consulted. However, the Premier said that he wants to develop hydraulic fracturing by the end of 2018, which is in 21 days, if I am not mistaken. Is the Premier prepared to say when and how he will conduct this consultation? Thank you very much.

[*Original*]

Hon. Mr. Higgs: Take a word, and make up the rest. The philosophy continues. When I brought this up in the Legislature and when the throne speech was passed with the inclusion of allowing shale gas development within the Sussex region, I said that we could likely pass this in Cabinet. I did not know when it would start in terms of when Corridor might start up its operations and when it would be working with the community, but I wanted to know this from Corridor: Is it possible that you will come back to New Brunswick and invest? And it said yes. I have also asked other companies: Is it possible that you will come back to invest?

I listened to my colleague on the CBC panel debate a week ago, and I was shocked when the company was accused of wanting to come back and invest in New Brunswick. What a crime that is. If that is a crime, I want more of it, because I want more people investing here in New Brunswick and I am working hard to make that happen.

Ms. Rogers: Fracking not only runs the risk of contaminating through fissure pathways deep underground, but it also requires massive amounts of water. The water that is recovered is toxic waste, and there is no facility to dispose of it in New Brunswick. Nova Scotia has banned fracking wastewater. Until it is trucked out of the province, this wastewater will sit in holding ponds where it can poison passing birds and wildlife and potentially leak into the surrounding environment. The Conservative government has lifted the moratorium on fracking. Can the Premier provide his plan to manage contaminated wastewater?

Hon. Mr. Higgs: Mr. Speaker, we want to talk about facts, we want to talk about evidence, and we want to talk about moving forward with a sustainable development plan and wastewater treatment. The wastewater treatment for the fracking of gas can be treated the same as any other treatment in terms of wastewater facilities. In fact, in some jurisdictions, it can be treated in domestic supplies. We are not recommending that, but it can be done, because it is done in some places.

Mr. Speaker, we can sit here and fearmonger back and forth and back and forth and watch our economy continue to be last place in the province, or we can look at the facts. And we will



share all the facts. But it is unfortunate that this fearmongering, in its extreme, to shut down New Brunswick continues—so sad, Mr. Speaker.

Ms. Rogers: The moratorium that we put in place in 2014 contained five conditions to be met before fracking would be deemed permissible. These were, first, that New Brunswickers agree to it; second, that regulation based on solid evidence or facts be enforced; third, that the environment and, namely, our water be protected; fourth, that First Nations be consulted; and finally, that a significant part of the profits go to benefit New Brunswickers.

Now, on the issue of water, will the Premier maintain the ban on fracking wastewater disposal in municipal infrastructures?

Hon. Mr. Holland: Mr. Speaker, I want to thank you for the question from the member opposite. I also want to remind the member opposite that, not a week ago, she and her colleagues sat in a room. It is interesting for her to refer to the five conditions related to the removal of the moratorium. All parties were represented in that room. When the question was posed about what had happened over the past four years—and information had been presented as it related to those conditions in the moratorium—the members opposite sat and looked at their shoes. It was clear—and it quickly came to the conversation—that nothing had been done with that information.

You can stand here and talk about all the things that need to be done, but we are stepping into that in a responsible way. Last week's meeting and a question like this are evidence that the past four years were certainly not leadership as it relates to the development of anything in the province. They can expect a much more proactive approach that is responsible, and we will review and we will act on information when it comes our way from stakeholders. Thank you very much, Mr. Speaker.

Potatoes

Mr. Harvey: Mr. Speaker, I have a question for the Minister of Agriculture, Aquaculture and Fisheries. The New Brunswick potato sector is the most valued crop in our agricultural industry in New Brunswick. In 2018, the potato harvest in New Brunswick was one of the worst in history, with up to 1 500 acres of potatoes with a farm gate value of nearly \$5 million left in the ground to rot. Is the Minister of Agriculture in negotiations with the federal government to develop a compensation plan to help our New Brunswick potato farmers with this financial crisis? Thank you.

Hon. Mr. Wetmore: Thank you, Mr. Speaker. I would like to thank my colleague for bringing the issue of agriculture to the floor of the Legislature. As the member said, potatoes are certainly a big business for New Brunswick. It is very important to the economy.

Mr. Speaker, the unseasonably cold winter-like conditions in recent weeks have resulted in approximately 1 100 acres of seed and processing potatoes being left unharvested in New



Brunswick. There remains approximately 900 acres of processing potatoes and 200 acres of seed potatoes. I would like to let the member across know that, yes, we have been in contact with the federal members. Also, the AgriStability program may provide payments to the farmers. I would like to say that it is a little early, and we really will not know until the spring. Thank you, Mr. Speaker.

Government Funding

Mr. Horsman: Thank you, Mr. Speaker. As you know, the date of August 10, 2018, will not soon be forgotten by New Brunswickers or the city of Fredericton. This horrific incident took the lives of two civilians and two Fredericton police officers. I will not get into details, but there was a cost to bringing in help to assist local police officers such as in Moncton in 2014. The city of Fredericton now faces a debt of approximately \$1.5 million. I am asking the Minister of Public Safety, who was also a proud member of the Fredericton Police Force, to ensure that the government will assist the city in paying this debt that it encountered.

Hon. Mr. Urquhart: Thank you very much, Mr. Speaker. Yes, that was a horrific day, and it is one that we will probably always remember. We have been meeting with the city, with the RCMP, and with government. I reached out to the mayor. Actually, I called him during the break here, but I have not gotten through to Ms. Goodine to advise her that we have met with the RCMP and that the cost of the RCMP policing to the city has been waived. We will not be receiving the bill from the RCMP to the city of Fredericton. Also, I have asked that they do a complete costing of the hiring and of everything that happened that day. As soon as they have that, we are going to sit down and see what further assistance we can provide to them.

Francophone Games

Mr. K. Arseneau: Thank you, Mr. Speaker. Last week, it was brought to the public's attention that the proposed budget for the 2021 Jeux de la Francophonie was over eight times more than the initial proposed budget of \$17 million. As a former participant in these games, I agree with the Premier and the Deputy Premier in their statements about the importance of holding these games in our province. To hold these games, in which both Anglophones and Francophones participate, is an incredible opportunity for our province to be in the international spotlight for all the good reasons that we should be.

My question is for the Premier. As suggested by Robert Pichette in *L'Acadie Nouvelle* this morning, will the Premier ask a legislative committee to investigate this unbelievable escalation of the budget for the games? Thank you.

Hon. Mr. Higgs: Thank you for the question. Yes, we do need to get to the bottom of this. These games are held in three different communities—Quebec, New Brunswick, and Ottawa. I think that there needs to be a kind of national focus here and the games could move around from one place to another. But provinces cannot necessarily be in a position to host them in the



necessary manner individually. I guess that is where we need to figure out where this went wrong.

We said that we would stay with the commitment that was made originally, but obviously, that is not the number that is going to work. The federal government may have a different plan, so we may wait to see where that goes. Understanding how we got here and why we got here is important, and if we can create a committee to look into that, I would certainly be in favour of that.

[*Translation*]

Mr. K. Arseneau: I thank the Premier for his response, and I want to assure him that he can count on the cooperation of the Green Party both in terms of finding answers and finding solutions so that the Jeux de la Francophonie—this international event—reflect the strength of bilingualism in New Brunswick, while celebrating the Acadians' resilience and energy. To better understand the situation and to ensure transparency, as much for the population as for the elected representatives, can the Premier table in the House the initial \$17-million budget that was presented for the 2021 Jeux de la Francophonie? Thank you.

[*Original*]

Hon. Mr. Higgs: Thank you for the question. Yes, I would like to see the details. I have seen some breakout of where it is today, but the original proposal, I have not seen yet. I mean, it was a new thing that came to us. It was not anything that was on the radar when we arrived. I would very much make it public. It is information that we all can learn from and go on from there. Thank you.

Government Funding

Mr. Austin: Mr. Speaker, New Brunswick is facing a fiscal and human resource strain within our public sector, including nurses, paramedics, and teachers, to name a few. As a result, this government has committed to constrain spending for nonessentials and to refocus that money on what is needed in terms of basic government services. I also understand that this government has determined that new projects must show an economic return from the private sector for economic growth and will only allow for new expenditures that will drive that private sector investment. So, Mr. Speaker, will this government commit that not one dollar more will be spent or allocated to any games in this province while our public sector continues to suffer?

Hon. Mr. Higgs: Thank you for the question. I believe that we have to be true to our commitments, and we did commit in good faith to the money as part of a \$21-million estimate. I said very quickly that we would commit to our share. Anything that goes above and beyond that needs to be found from money somewhere else. We cannot put in...



Was a low bid put in to win the operation, which would not be fair to other bidders? Was it a situation like what I said earlier—where we do not seem to be connecting the dots here in terms of having games that would actually be combined with Quebec, the federal government, and us—so that the games would move around, but we would have a combined effort?

I think that I have been clear. We have committed to the \$7 million. The range is \$7 million to \$10 million, and that is our commitment. That is where it is, and that is where it stops. Thank you.

Nurses

Mrs. Conroy: Mr. Speaker, the University of New Brunswick's school of nursing has told the People's Alliance that it is at capacity and that there are 12 times the number of applicants as there are available seats. The University of New Brunswick has stated that it needs more funding for infrastructure and for nursing school instructors if it is going to be able to provide for the shortfall of nursing professionals now and into the future. The New Brunswick Nurses' Union and the Nurses Association of New Brunswick are calling this a health care crisis, which is expected to worsen as nurses retire over the next decade. Mr. Speaker, does this government have any strategy to alleviate the nursing crisis in this province?

Hon. Mr. Higgs: Thank you very much for the question. We have recognized that. In nursing homes, we have been told that there could be a shortage of as many as 3 000. I have asked the question of the Minister of Post-Secondary Education, Training and Labour to understand how many students are graduating, whether graduating students are leaving, how many are leaving, and why they are leaving. We have these work shortages, and in fact, we have work shortages all over the province for one reason or another.

However, in the case of looking at universities and education systems, are people being trained for the careers that they know are there, or are they spending time in university because they are spending time in university? Where do we connect the dots so that we maximize what we are doing to encourage people to study in programs for which we have opportunities right here in New Brunswick? It is a wholesale evaluation, but I am with the member in the sense that we need to focus on filling these resources or we are going to look in the mirror in four or five years from now and say that there is nobody in the hospitals to serve us as a nurse. We need to fix this.

[*Translation*]

Government Finances

Mr. Gallant: I want to reiterate that the opposition members are questioning the Premier's words. He has long advocated for the need to balance the budget quickly. He is now the Premier; he is in power. From our Liberal government, he inherited a \$131-million deficit.



However, he just received an announcement from the federal government indicating that the transfer payment increase will be approximately \$185 million.

Obviously, the Premier and his government can, if they want to, confirm today that the budget will be balanced, while continuing to invest in the programs we created to help students with their tuition and parents with child care, and confirm that investments will be made in our infrastructure. Can the Premier confirm today that he will balance the budget without making cuts to programs?

[Original]

Hon. Mr. Higgs: Mr. Speaker, I think I covered this before. In the previous government, the plan was always to spend whatever money it could as fast as it could. What I would suggest in terms of our focus on balancing the budget, our focus is on ensuring that we do not have a downgrade from the credit rating agencies and thus pay more interest in future years. The focus is real, and the difference is real. The difference is that in the past, you may have heard words that were a lot louder than actions. In this government, actions will speak for themselves because actions will be a whole lot louder than words, Mr. Speaker.

Mr. Gallant: Mr. Speaker, I do not think the Premier understood the point. We would ask for the increase of \$185 million in transfers from the federal government to go solely to eliminating the deficit in our province. That means that if it does, not only would we have a balanced budget in the province but also we would be able to maintain crucial services and investments in free child care, in free tuition, to help the middle class with the cost of child care and tuition, and to invest in our schools, hospitals, nursing homes, roads, and bridges. Will the Premier commit today to balancing the budget in the next budget that he and his government will introduce, all the while ensuring that they are not cutting vital services to the people of our province?

Hon. Mr. Higgs: Mr. Speaker, it is really comforting to see the newfound interest in balancing the budget. I mean, I think that maybe we finally have the first step toward alignment, and it is interesting that it starts with fiscal alignment. That is encouraging. That is very encouraging. Mr. Speaker, I have committed and our team has committed to balancing the budget, and we will do so. We have committed to ensuring that the services we need, the money being spent to get results, and the results being achieved... We will be committed, and we will be determined.

Mr. Speaker, there is this path of saying: Oh, we have another \$200 million—how do we spend it? Mr. Speaker, that is not how we in this government work. We spend the money we need to, to get the results we need and to get the best value we need, and that is the way that we will consider this. Right now, Mr. Speaker, given what is happening in Alberta and given the lack of national interest in the decline in oil prices, we need to figure out a way to collectively apply some pressure to ensure that we can get more revenue coming back into the national coffers.

Mr. Speaker: Question period is over.

