## **Oral Questions**



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[Translation]

#### **NB POWER**

**Mr. Savoie** (Saint John East, Leader of the Official Opposition, PC): Thank you very much, Madam Speaker. Good afternoon to you.

[Original]

I'd like to start by congratulating the federal members who were recently elected, Rob Moore, John Williamson, Richard Bragdon, and Mike Dawson, and, of course, the Liberal members who were elected to government.

Having done that, I'd like to switch over to the NB Power investigation, which we asked for in January. The government followed and wanted to do the same thing. It was very clear, though, that the timeline put on this by the Premier was too short. NB Power came back quickly and said this: We can't do February; it's going to have to be April.

People are still looking for answers, Madam Speaker. There are people who are going to be trying in the spring, summer, and fall to pay off what they incurred this winter with all these increases. So, I'd like to ask the Premier this: What process was followed to determine a date for this investigation to be done, and who exactly made the decision? Thank you, Madam Speaker.

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act,* L): Thank you, Madam Speaker, and thank you to the member for the question. The audit was obviously very important to a lot of New Brunswickers. The extra time allotted allowed for a much, much broader sample to be done. What came out of it was that 3 out of 500 metres were off, and those 3 were under-registering kilowatts. None of them went the other way.

The process of the audit was to make sure . . . The bills are three-part. There's the usage, there are the charges and the rate, and then there are the taxes. We've done a pretty good job of taking care of a big chunk of the taxes. The previous government did a really good job of increasing the rate. Now, KPMG has confirmed that the process to find out the usage is adequate.

**Mr. Savoie** (Saint John East, Leader of the Official Opposition, PC): Thank you, Madam Speaker. Well, I hope that New Brunswickers are paying attention because here we've got a government that says it wants to be transparent but still has no answers. My questions were: Who made the decision, and what was the process followed to arrive at a date for this investigation to be done?



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The minister just admitted that, well, they needed extra time. That's because this government has no idea about the time that was needed to ensure that New Brunswickers got correct results. Something like 20% of the results were indeterminate or inclusive, Madam Speaker. I don't know how the minister can speak with such confidence about how well this went.

We have KPMG saying this: "KPMG obtained the data provided by NB Power and we assumed it was complete and accurate for our purposes".

So, Madam Speaker, we're seeing that this process was flawed. We have a government that wants to take credit but doesn't want to take responsibility. My questions, again, are these: Who made the decision for the timeline, and what was the process that was followed?

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker. Again, NB Power and KPMG, through the work that needed to be done, decided on the process and asked us for the time allotted. We're going to have a full report on May 15, next Thursday, at public accounts, and all members can ask their questions again.

I did see a statement from the critic for NB Power saying that we should have KPMG audit the work of NB Power by looking at other people's work. How do you audit without getting the information from NB Power? The audit was about NB Power's work and its processes. How can the opposition ask that we go somewhere else and look at comparables? It's an audit, by definition. KPMG is an accredited auditor. It followed the processes. To say that it's flawed is incorrect, and KPMG should be respected in this House. It is a confirmed company of audit, and it follows the rules.

#### [Translation]

**Mr. Savoie** (Saint John East, Leader of the Official Opposition, PC): Thank you very much, Madam Speaker.

#### [Original]

I'm not questioning KPMG. I'm questioning the ability it had to do an audit that was fair and impartial, where it was able to dig down and get answers for New Brunswickers. That is the piece that we're missing. We have reports of people who were gone the entire winter and who used enough energy just to try to make sure their pipes didn't freeze, and their bills increased. You can say that's consumption, that was an increase in rates, and so on and so forth. That doesn't explain the doubling of their bills, Madam Speaker, and people weren't even home. In the previous year, they were.

The reality is that we've got a government that is trying to shift responsibility. They want to take credit, but they want to shift responsibility. I'm simply asking this: Will this



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government take accountability for the timeline that it put on NB Power? I'm sure there was some back and forth. I'm sure there were calls to the Premier's Office. New Brunswickers want to know who set the date for this failed audit that didn't give any answers.

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker. Again, the member opposite coming out with a statement like "a failed audit"... KPMG, an accredited firm, went and did its work, and it came up with a result that says the process that NB Power uses to figure out consumption on the bills is good. The meters work. Smart meters or legacy meters, both of them work. It's been proven by a sampling, and it's accredited. For the opposition to come back and put shade on that for political reasons is absolutely inadequate. It's absolutely inadequate. It's time for him to stop.

NB Power now has the process. Anybody in New Brunswick still has the ability to reach out to NB Power, and they can study and look at the bills. If you read the report, you see that plenty of bills had lots of increases that were perfectly explainable. They can go and do the work, look at it, and audit further. It is available. It's still there. To say that it's a failed audit is absolutely wrong.

**Mr. Savoie** (Saint John East, Leader of the Official Opposition, PC): Thank you, Madam Speaker. Ask New Brunswickers. Go ahead, minister, and ask New Brunswickers whether they feel that this audit was effective in answering their questions.

If it was not, then, by definition, it's a failure. However, it's not a failure of KPMG. Rather, it's a failure of this government. The government wanted to rush out and say: Look at what we're doing; we're studying this. But the government did not have enough sense to let NB Power and the auditing firm figure out a time when we could actually get an answer that will work for New Brunswickers.

We have the Finance Minister out there saying that there will be no more help coming. The government spent its money on the budget and left itself with absolutely no room to help New Brunswickers in a way that they vitally need, such as having a warm house or a warm place to stay for the winter. Again, I will ask: What will the members opposite do to restore confidence in not only their ability to manage government but also their ability to help NB Power restore confidence in this audit?

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Madam Speaker, the people of New Brunswick wanted quick answers and I believe the opposition was crying for that late in the last session as well. That is what we got to as quickly as possible. We got the auditors to come back with a report that has a proper sampling of the meters.



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We also hear a lot from New Brunswickers, and one large part of what they are bringing up is the rates on their bills. Let's be clear about that. The reason that the rates have gone up so much is because of the previous government's ineffectiveness. Its policies put conditions on NB Power so that it had to go to the EUB to ask for those rates. NB Power was mandated with some very, very strict conditions on meeting their targets. The members opposite don't want to talk about that because it was done in the past, but that decision was made well before we ever formed government. Now we're trying to clean up that mess—the mess that the previous government made.

**Mr. Savoie** (Saint John East, Leader of the Official Opposition, PC): The members opposite ran out of steam with ten seconds left, Madam Speaker, because they can't sustain a one-minute answer to New Brunswickers on why this audit has not been able to provide answers. We have a minister who stands up and says that it is the fault of the previous government. That is weak, Madam Speaker, absolutely weak.

The members opposite said they had all the answers. They said that they could fix what was going on in New Brunswick, in their view. They have failed, Madam Speaker. They can't even tell us how much this audit cost. I would love to hear this from the Minister of Finance: How much did it cost to do this audit, not only in terms of how much the government paid KPMG but also in terms of NB Power's resources? I didn't get an answer on who made the decision. I got answers of obfuscation, redirection, and so on and so forth. I would like to hear, maybe, on the fourth question that I will ask today. How much did this cost, both for the contract for KPMG and for NB Power's human resources?

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker, I won't need a minute to answer that one. The member opposite will have his chance to ask NB Power that specific question in public accounts next week. That will be the perfect opportunity to ask those very, very specific questions to NB Power. NB Power paid for the audit, so the member opposite can get all the answers that he needs from that session next week.

**Mr. Savoie** (Saint John East, Leader of the Official Opposition, PC): Oh man, the Minister responsible for Energy and Minister of Finance doesn't know. You will never be able to convince me, Madam Speaker, that there were no phone calls flying between NB Power and the Premier's Office, and between NB Power and the Minister responsible for Energy and Minister of Finance, about how they would go about this work. It is absolutely inconceivable. I can guarantee to you that the government had its hands on this audit long before anyone else got it. Why were the basic questions not asked? How much did this cost?

We're going to be held to account for this at some point. Obviously, the members opposite are trying to distance themselves from this, Madam Speaker. They want to take credit for taking action, but they don't want to take responsibility for the results. Of those results,



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20% were either inconclusive or indeterminate. There are things for which we cannot get answers. I ask again: How much did this cost, and when will we get answers?

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker. I am always surprised when the member opposite, the Leader of the Opposition, says that he is obviously convinced of what happened and what was discussed behind closed doors. When the members opposite were in government, I imagine some of that would have happened.

I also look at the last time the Leader of the Opposition was in public accounts, and the first question he asked the CEO was about their bonuses. It took me less than a day to find out that there are no more bonuses at NB Power.

To throw some shade on an organization—a public organization... That was the first question that was asked. After six years in power, you would have thought that the opposition members would know that, but they obviously didn't pay much attention to NB Power. Just to make sure that I didn't misunderstand what I saw at public accounts, the critic asked the question again later on. There are no bonuses paid to NB Power executives, but the members opposite are still trying to cast shade and trying to create anger in the public against an organization that is just trying to provide service to New Brunswickers and do it in a proper manner.

**Mr. Savoie** (Saint John East, Leader of the Official Opposition, PC): Thanks again, Madam Speaker. I really think that the minister needs to go back to Hansard. The actual reason that I asked those questions was to dispel. If he wants to have a conversation with CEO Lori Clark about why I asked that question, he can certainly do that. You know, I will never, ever, stop asking questions to make sure that New Brunswickers have facts because this government will not do so. This government will not provide answers.

Again, we can go back to the fact that there is a need for New Brunswickers to have answers. This government wants to distance itself from this. Its members don't want to own it. They want to blame the previous government. They want to blame all kinds of things, Madam Speaker, but, at the end of the day, it is the government that set the date for this audit to be done. New Brunswickers want to know why they are not getting answers. They were 20% indeterminate. Is this acceptable to this minister? Does he support—

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker. Again, the timeline that was set out for this report was one that was sufficient for the people at KPMG to do their work. They came back with a solid report that explained exactly what was going on. The big question that we've always had in this House was about the meters. They went out and tested the meters. They had some questions and went out and talked to 500 different homes. They have some good answers. They didn't just go to the people who had problems.



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They also went to people whose bills had high increases, increases that were perfectly explainable. They had all the questionnaires done that they needed to have done.

The member opposite said that we want to distance ourselves from this. We're doing a comprehensive review of NB Power to make sure that we have a strategic approach to what we're going to do in future years, which is something that we didn't see from the previous government at all. We just kind of went through it. The members opposite keep bringing up this: Don't leave it for future generations. Well, they certainly left it this time. We won't.

#### **GOVERNMENT FINANCES**

**Mr. Monahan** (Arcadia-Butternut Valley-Maple Hills, PC): Madam Speaker, in an area where fiscal responsibility is more important than ever, citizens across this country are paying close attention to the way their tax dollars are managed. Every budget decision reflects the priorities and values of the government, shaping the future not just for today but also for generations to come. We know that rising interest rates and increased borrowing have put additional pressures on our national finances, making the cost of servicing our debt a critical issue.

Last year's numbers already showed concern, but the latest figures reveal a stark reality. The annual service-to-debt ratio has now increased by an additional \$90 million compared to the previous year. In light of this substantial increase, could the government please clarify its position on the growing debt servicing cost and outline the measures being considered to mitigate this financial burden?

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker. To the member opposite, financing debt is not just a measure of how much interest is paid on the debt. There's also the liquidity that comes in. The factor that comes in there is not just about how much debt is increasing or decreasing. There are also the interest rates involved. It is a complex mechanism that comes in with a total, but it doesn't reflect what I think the member is trying to prove here. There's no way that number increased just because of extra debt. There are also capital investments being made. It is a complicated formula, but it's not a direct, linear impact on government decisions as the member would try to propose it is.

**Mr. Monahan** (Arcadia-Butternut Valley-Maple Hills, PC): Over the past several years, the province of New Brunswick has worked hard to present a narrative of fiscal discipline and economic resilience. Citizens have been encouraged by reports of steady financial management and improving economic conditions. However, recent developments have cast new uncertainty over this outlook. The announcement of a \$599-million deficit raises serious concerns about the province's financial trajectory.



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Compounding these worries, Standard & Poor's has revised New Brunswick's credit rating outlook from "positive" to "stable", a signal that financial pressures are mounting and that previous gains may be at risk. In light of this significant shift in the province's fiscal position and the change in outlook from Standard & Poor's, could the government explain what steps it intends to take to restore confidence in New Brunswick's financial management and to address the challenges ahead?

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker, and thank you for the question on the credit ratings. Standard & Poor's actually reviewed a lot of its credit ratings for all the provinces, and they were very much a reflection of tariffs and what was going on with external pressures around the country and in various jurisdictions. We weren't protected from the tariffs. Obviously, we were impacted as every other province was. Pretty much everybody got downgraded or brought to a rating around "stable".

The good news is that we had meetings with all the credit agencies, Moody's being one of them, and they reconfirmed our very, very solid credit rating that we had in previous years. After discussions, they feel that what we have for the next four years continues that trend. They feel that we are very secure with the top Aa1 stable rating that Moody's gave us. It is, in fact, proof that it feels that we have our credit rating well in hand and that we are going to keep this province on a stable footing.

**Mr. Monahan** (Arcadia-Butternut Valley-Maple Hills, PC): Across the country, provinces are feeling the financial strain as credit rating agencies reassess their outlooks in response to growing deficits and changing economic conditions. We have seen first-hand how a downgrade or a shift in an outlook can increase borrowing costs and force difficult budgetary choices. Now, with New Brunswick posting a four-year deficit and a credit rating downgrade, there is a growing concern that we may face similar financial pressures. These developments not only affect government balancing sheets, but they also ripple through the economy, impacting businesses, communities, and taxpayers alike. In view of these risks, can the government detail what specific fiscal adjustments or policy measures it plans to introduce to prevent further erosion of New Brunswick's credit rating and how it intends to shield the provincial economy from the broader consequences seen in other jurisdictions?

**Hon. Mr. Legacy** (Bathurst, Deputy Premier; Minister of Finance and Treasury Board; Minister responsible for Energy; Minister responsible for the *Right to Information and Protection of Privacy Act*, L): Thank you, Madam Speaker. Our net debt-to-GDP ratio is the best ratio east of Saskatchewan, but the credit agencies also realize that we have other work that has to be accomplished. Our infrastructure deficit is large. We need to get some work done. In discussions with the credit agencies, they felt very comfortable with the fact that we had a very strategic approach that was very targeted toward making investments that would make this province stronger and get our economy working the way it has to.



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Just looking at the net debt and deficits is a simplistic way of looking at things. That is why we do full reviews, as the credit agencies do every year. They feel very comfortable with the path we have taken and with where we are headed. We're hoping to see some very good changes to ratios that we're quite concerned about and that we've been concerned about for years. Our low productivity and the amount that we invest in innovation have to increase, so we're hoping to see some improvements on that.

#### **SCHOOLS**

**Ms. Mitton** (Tantramar, G): Madam Speaker, the Holt government recently revealed that cuts are coming to our schools. It has placed the burden of cutting \$43 million on the school districts, whose schools were already underfunded. In fact, layoff notices have already been given to 69 employees in the Anglophone West School District. These workers include library workers and educational assistants, and according to Anglophone West Superintendent David McTimoney, this is only the start. Francophone south Superintendent Michel Côté has said:

The reality is that you cannot cut \$7.1 million from our budget without impacting classrooms

You can call it a redirection or a mini cut, but, ultimately, these are cuts being made to our schools. Can the Minister of Education tell us why her government is making cuts to our already short-staffed and underfunded schools?

**Hon. C. Johnson** (Moncton South, Minister of Education and Early Childhood Development, L): Thank you, Madam Speaker, and thank you for the question. More importantly, thank you for the opportunity to clarify. We are investing to support literacy in the classroom. Let's be real. The issue here is under-resourced classrooms that have been causing stress for teachers and parents and that have also had a negative impact on student performance.

To improve these literacy and numeracy rates, we are investing \$200 million more than the previous government. Those investments will be targeted toward educational assistants, behaviour intervention mentors, academic support teachers, and school food programs. We have heard again and again and again that we need the resources at the classroom level to stabilize the classroom.

**Ms. Mitton** (Tantramar, G): Madam Speaker, this government is saying it wants to hire more EAs while EAs are being laid off with these budget cuts. It doesn't make any sense.

#### [Translation]

In their election platform, the Liberals said that our schools were understaffed. Now, the government is making the situation worse by making cuts. Staff cuts are being made even in areas that this government considers priorities.



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David McTimoney stated that the announced cuts were just the beginning. So, I'm worried about what positions will be eliminated next. Will they be members of the integrated services delivery team who provide mental health care in schools? I don't know. Will the Minister of Education and Early Childhood Development cancel the announced cut and restore the funding, in addition to directly investing in the recruitment and retention of teachers?

**Hon. C. Johnson** (Moncton South, Minister of Education and Early Childhood Development, L): Thank you, Madam Speaker. We have invested \$200 million more in education this year. The investment came with guidelines.

#### [Original]

We have provided some guidance to the school districts to redirect resources to the classroom. In fact, we want them to invest more in the classroom. That's why, in this budget, we are focusing on academic support teachers, behaviour intervention mentors, and educational assistants. They will help with literacy rates. They will help us to meet the student performance goals that we are working very hard to achieve. The districts are doing the work, and they are making hard decisions. We recognize that. When districts make decisions that don't necessarily jibe with our direction, we will ask them why. We will engage in dialogue with them to figure out a path forward. Thank you.

**Ms. M. Johnson** (Carleton-Victoria, PC): Madam Speaker, the current 10-year education plan is on track to miss just about every target it had set out in 2016—2016. A total of four targets have been achieved in both sectors, none of which are related to class performance in either the elementary, middle, or high school streams.

Back in February, an education expert stated that "Strategic planners would never recommend a 10-year plan". Further, he stated that a 10-year plan basically says that "you want to send a signal to everyone in the system that not much is going to change". In an article dated April 20, the Minister of Education stated: "We're developing a new 10-year (education) plan, so part of that is going to be to revisit those targets and to have more realistic goals". My question is to the honourable Minister of Education. Just to confirm, is the department actively creating a blueprint for a 10-year plan? Yes or no? What pedagogical education data has been referenced to uphold this approach?

**Hon. C. Johnson** (Moncton South, Minister of Education and Early Childhood Development, L): We are developing a new vision for our education system. Along with that, we are investing. We are investing in our resources at the classroom level, and we have targeted literacy and numeracy rates as a priority of our government. During the past few years, we have seen literacy rates and numeracy rates decrease. We are very concerned about that. We are hearing that teachers are worried, and we are hearing that parents are also worried.



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In November, during the state of the province address, our province set realistic incremental targets that will increase year after year after year. Yes, that will be part of our 10-year vision. Thank you.

**Ms. M. Johnson** (Carleton-Victoria, PC): Madam Speaker, if we refer back to the state of the province address and talk about the goals that were brought up on stage, then we see that government would need a two-decade-long education plan to reach the current provincial assessment target of 90%.

If you're only going up by increments of 5% every three years, how does the government respond instead of pushing and rethinking ways to help students to achieve those targets? Let's then reduce our expectations. While jurisdictions in Asia, Europe, and other Canadian provinces continue to realize the necessity of working toward getting their students an education that opens doors and helps them achieve, we've decided to settle for less. My question is this: Are these the goals that parents, students, and educators should expect your 10-year plan to include? With this reduction, if the government and the department are so concerned about people feeling deflated when they don't hit the targets, what message is this conveying? You're never going to get there, so we're going to make you do less. How deflated would that be?

**Hon. C. Johnson** (Moncton South, Minister of Education and Early Childhood Development, L): Thank you, Madam Speaker, and thank you for the question. We are investing to support literacy in the classroom. That's why our government is investing \$200 million more for targeted resources to improve literacy and numeracy scores. We are doing that by increasing investments for educational assistants, behavioural intervention mentors, and academic support teachers to stabilize the classroom and give the resources that students need to learn to read, write, and count. Thank you.

**Ms. M. Johnson** (Carleton-Victoria, PC): Thank you, Madam Speaker. As you know, three of us in this caucus have had careers in the classroom. I know some members in the government caucus have had careers in the classroom as well. Our intrinsic drive would always be to have our students rise to the challenge and strive to do their best. Whether it was joining the workforce, pursuing trades or certificate programs, or enrolling in NBCC or in a degree program at university, the goal was always to raise them up, raise them to always achieve. The Minister of Education initially agreed that the Gallant administration made a good choice in its 90% assessment target and is quoted as saying this: "Why not shoot for the stars? Why not aim for really, really good?" My question to the honourable Minister of Education is this: Is she now saying that parents, students, and educators should not promote shooting for the stars or aiming for results that are really, really, really good?

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#### [Translation]

**Hon. Ms. Holt** (Fredericton South-Silverwood, Premier; Minister responsible for Official Languages, L): Thank you very much, Madam Speaker. I would like to take this opportunity to support my colleague's comments because, for us, education is paramount.

[Original]

We know that the best investments we can make for the future of this province are in the education system. We have watched our literacy results tank over the last six years. They have gotten worse and worse and worse.

Our government has listened to parents and teachers who have said this: We need qualified teachers in the classroom. We need people who are going to focus on improving those literacy results. So we put clear targets in place to improve New Brunswick student performance in literacy next year, the year after, and the year after that. Not only did we put targets in place, but we also put the money behind it—\$100 million in new money directly to school districts. This is to make sure we have qualified teachers in classrooms working with those students to improve their results, because we know that when we improve the results of those students, which this government will do, we improve New Brunswick's future.

**Madam Speaker** (Hon. Ms. Landry): Question period has ended. Do we have unanimous consent to revert to Introduction of Guests?

Hon. Members: Agreed.

