



Saint John Region Chamber of Commerce

Provincial Leaders' Questionnaire

September 16, 2014

Introduction

As part of our ongoing Saint John Region Matters Series, The Chamber is releasing to you, our members, the results of the Leaders' Questionnaire.

The questionnaire was developed through feedback from our members, businesses in key economic sectors, regional economic development champions and our Board of Directors. The goal was to establish our key Provincial priorities leading up to this election. Our role as The Chamber is to ensure that political parties are keenly aware of the issues most important to our members. We will hold the Provincial Government accountable to these priorities as they become part of our longer-term regional strategic plan. The priorities of our members help to stake our place in ensuring all voices are heard and become part of the election dialogue.

The Saint John Region is New Brunswick's economic engine, and we want the province's leaders, its drivers, to address our key priorities.

We hope you take the time to be informed by reading the following responses from our Party Leaders, and be sure to make your voice count by voting on September 22.

Transportation & Logistics Infrastructure

- 1. How do you view the infrastructure in Saint John as a provincial asset?**
- 2. How do you see this infrastructure moving forward and how would you grow it? In what specific growth areas?**
- 3. What type(s) of funding arrangements do you see as an option for funding Saint John's public transportation and logistics infrastructure?**

PC Party of New Brunswick:

Saint John's contributions to New Brunswick through business and industry make it a true provincial economic driver. For example, the port located in Saint John is truly a provincial asset as it exports New Brunswick cargo around the world. This is a key piece of New Brunswick infrastructure as it affords our local industries the opportunity to access significant global markets and to get global prices for goods

being produced. New Brunswick's world class highway and rail infrastructure all lead to Saint John and allows for New Brunswick industry to get product to market in a cost effective and reliable manner.

Making greater use of our existing infrastructure can be done by increasing our provincial exports. We can increase provincial exports by growing our industries and saying yes to the opportunities before us.

Saint John's geographic location gives it a distinct advantage. Giving our companies the ability to lower transportation costs will make them more financially viable and competitive in the global marketplace. In the manufacturing industry, we need to have the ability to get large components to market to ensure that our manufacturing sectors can bid on the major projects in neighbouring areas.

With respect to upgrading our infrastructure, we need to evaluate the business case and clearly understand what any particular upgrade would mean for industry in the province. Any upgrade would need to be strategic and focused on growing our economy in a meaningful manner. Premier Alward believes that funding for upgrades and advancements should come from all parties involved. The federal government, the provincial government, the city and industry all have a role to play.

Liberal Party of New Brunswick:

Saint John's deepwater port and the roads and rail connected to the port are a critical piece of infrastructure in the province. In terms of provincial investment in such infrastructure, we have announced a provincial plan that will provide increased funding for provincial infrastructure. This will create jobs now, boost the economy, and save the province money in the long term by avoiding more costly repairs down the road. Investments in infrastructure will be evidence-based and the importance of Saint John as a centre for trade would factor into any future decisions on investments. Private industry is a big part of the equation and we support the Energy East pipeline, the expansion of the oil marine terminal and the conversion of the LNG facility, all of which will bring significant private investment to improve the infrastructure in the city. We will also work with the federal government to ensure that the province receives its fair share of investment in infrastructure renewal in land, sea and air transportation systems, which Saint John would benefit from as well.

NDP Party of New Brunswick:

Saint John is a major economic centre for the province and is also an energy hub, due to the existence of the refinery and the impending arrival of the Energy East Pipeline. Moreover, strong cities in general contribute to the overall economic vitality of the province, and the benefits of economic activity in cities, assisted by infrastructure, ripples beyond city boundaries.

The NDP wishes to grant more power to municipalities to develop their economies as they see fit, including a greater ability to fund infrastructure development. We will amend the provincial-municipal funding formula to make it based on population and provide more resources, such as fine-sharing revenue, to cities to use as they see fit (within broad provincial standards).

The NDP will develop a comprehensive provincial transit strategy in collaboration with municipal governments, eliminate property taxes on municipal transit garages and facilities, and reinvest that money in expanded public transit.

Prescription Drug Plan

- 1. Describe your plan for a Prescription Drug Plan for all New Brunswickers.**
- 2. How are you going to pay for it and what will the role of business be?**
- 3. Will you increase the tax burden on business to pay for this?**

PC Party of New Brunswick:

Premier Alward introduced the NB Drug Plan and the voluntary phase one is currently in place. Phase two of the plan will see that *all* New Brunswickers have access to a prescription drug plan. This plan is both affordable to individuals, businesses, and the province.

At present, the cost of the plan will be covered by plan members and government. However, the Implementation Advisory Committee, which was established to provide support and strategic advice about the implementation of the drug plan, will undertake a consultation process with business to determine how business can contribute to the plan in the future.

Members of the business community agreed to work with government to develop a prescription drug plan as part of [*Overcoming Poverty Together: The New Brunswick Economic and Social Inclusion Plan*](#). Some key business stakeholder groups are telling us that given the current challenging economic times, they are not able to contribute to this initiative at this time. Premier Alward understands their concerns—however, we must keep our commitment to establish a drug plan to help New Brunswickers afford the drugs they need. The advisory committee will work with business to examine ways they could contribute to the plan in a fair and economically viable manner in the future.

Liberal Party of New Brunswick:

The Liberal Party supports a provincial drug plan that provides coverage to all New Brunswickers who have inadequate or no coverage. We are on record as having concerns about the roll out of phase two of the plan, including the concerns you cite about costs to businesses. The Alward Conservatives have so far refused to release all of the details and costs of their drug plan or to confirm how much cost they will impose on small businesses.

What we need to do is ensure that New Brunswickers receive the appropriate level of coverage at an appropriate cost. Importantly for the small businesses in the Saint John region, we believe that small businesses should have no employer mandate.

There should also be federal leadership on this issue. The Government of Canada has a role to play in ensuring that New Brunswickers have the access to the medications they need.

NDP Party of New Brunswick:

The NDP supports the universal drug plan brought in by the Alward government.

The NDP has a detailed plan to cut spending and achieve savings in various areas, which our platform will elaborate on, ensuring that funds for vital programs like the drug plan can be secured while also eliminating our deficit. Business will contribute to this funding via the model proposed in the drug plan, though the costs to business will be mitigated via the elimination of the small business tax.

The net tax burden on business will not increase in addition to the current plans mentioned above.

Natural Resource Development—Energy Sector

- 1. How can government support and enable a vibrant energy sector in the province?**
- 2. What are your plans to lower energy input costs for business?**

PC Party of New Brunswick:

New Brunswick can support a vibrant energy sector, but that support starts by saying yes to new industries. The government does not build pipelines or run mines, but government can create an environment where energy based industries thrive.

Investing in innovation while saying yes to a vibrant energy sector will only help build those industries and cement them as major aspects of our provincial economy. Premier Alward has made major investments in innovation, research, and development projects by creating a fund with more than \$80 million available to fuel this sector.

Domestic natural gas for use by New Brunswick businesses is one part of the solution. Saying yes to domestic natural gas for use by New Brunswickers and New Brunswick businesses is the second part of the solution.

Premier Alward has worked with NB Power to develop new Energy Efficiency programs and to incorporate Smart Grid Technology so that we can benefit from the lowest cost energy.



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Liberal Party of New Brunswick:

The Liberal Party strongly supports our natural resource sector and the role it plays as a major job creator in the province of New Brunswick. We fully support the Energy East pipeline, the Canaport LNG facilities, and the expansion to the marine terminal. The oil and gas industry and forest industry are important parts of the Saint John region's economy. Our plan to create jobs includes supporting and promoting these sectors. As for energy costs, we agree that rising energy costs are an issue for both businesses and individuals in this province. The government cannot control energy costs, however. The best way to manage or reduce costs is finding efficiencies to reduce energy use. The New Brunswick Energy and Utilities Board plays a key role in the regulatory system surrounding energy rates and in ensuring that New Brunswick businesses pay reasonable rates. A Liberal government would work with the EUB to ensure that New Brunswick has the best regulatory scheme possible and that our businesses pay reasonable energy rates.

NDP Party of New Brunswick:

An NDP government would support and enable a vibrant energy sector by supporting the development of the Energy East pipeline and by creating the rules and conditions that will allow for a profitable and sustainable energy sector to develop. The NDP will not, however, provide any public funds to the private sector, including energy, in an effort to support or enable it.

The NDP will ensure full and complete independence for the Energy and Utilities Board from political interference. We will mandate the EUB to establish a fuel price band that would be under their control and free of cabinet interference. We will also call for a comprehensive rate review from the EUB.

Shale Gas Exploration

- 1. Explain your party's position on shale gas development.**
- 2. If you advocate for a moratorium or "hold" please define timeframes, conditions to be met for implementation, and termination?**

PC Party of New Brunswick:

Premier Alward and the Progressive Conservative Party are the only team supporting the safe, responsible development of New Brunswick's shale gas industry to create jobs today.

Liberal Party of New Brunswick:

We have consistently called for a moratorium on shale gas because we believe it has yet to be proven safe for New Brunswickers. Protecting the health and safety of citizens is the single biggest goal of any government. We have based this on extensive gathering of evidence and engaging with parties on both sides of the debate. As for timelines, we will take the time necessary and the time needed to ensure the industry is safe for New Brunswickers. It is not about a checklist, it is about information. It is important for us not to lower the debate on this important issue. Expert reports received by both a Conservative government in Ottawa and a Liberal government in Nova Scotia have said that there is not enough information for us to understand all of the risks to our water and our environment. Only when scientific study has caught up to the use of this controversial technology will we be able to know whether we can make it safe and economically feasible.

It is important to note again that we support the natural resource sector as a job creator in the province. We also fully support the Energy East pipeline, the conversion of the Canaport LNG facility to an export terminal, and the expansion of the marine oil port facility, which will mean thousands of jobs in the oil and gas sector in Saint John.

NDP Party of New Brunswick:

When it comes to any natural resource project the people of New Brunswick have two questions: can it be done safely and will it earn money we can invest into making this province a better place to live? It is easy to say yes or no to a project, or to propose a vague moratorium. The work of a strong government is all about creating precise laws and regulations. That is the goal of the new NDP. That's why we have developed a clear framework to approve or reject resource projects: Two tests, one vote.

The first test would be administered by the independent Chief Provincial Scientist, with the costs of the test to be borne by the industry. The agency will decide whether the industry is capable of safe operation, with safety including impacts on human health and the environment, and, if the answer to that question is yes, what requirements the industry will need to meet. If the CPS decides the industry is unsafe the proposal will be rejected.

If the industry's proposal passes the first test then the costs of implementing the list of conditions set by the CPS would be established by the Department of Finance. A provincial royalty rate would be established above any costs to be borne by the province or industry. If the final price makes the project financially unviable then the industry would not go ahead. The industry would then have to decide if it is ready to bear the cost of safe operations that benefit New Brunswick.

The final step, if a proposal reaches this stage, is for an open vote in the Legislature where NDP MLAs will be able to vote based on their beliefs and those of their constituents. Only if the proposal passes this final stage would the industry be allowed to go ahead.



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If any industry fails either test, or the final vote, the industry would not be eligible to reapply for approval for two years from the date of rejection. The reapplication would only be considered if the criteria that resulted in the initial rejection changed; in addition, all of this information would be made public.

We will apply the two-test one-vote model of safety and profitability to all natural resource development proposals. Shale gas will be subjected to the two tests described above, but only after two years—we do not believe the Conservatives have done the necessary work to make sure this industry is safe or profitable

In addition to the two tests, legal requirements regarding Aboriginal and treaty rights must be addressed. First Nations will be provided with the opportunities, information and resources necessary to participate in and benefit from all projects.

The NDP advocates a legislative ban on shale gas development as opposed to a moratorium, and the conditions mentioned above would have to be met in order for that ban to be lifted.

Deficit Reduction & Debt Plan

- 1. What is your long term plan to eliminate the deficit and reduce the debt?**
- 2. Please speak to the urgency of our financial situation and articulate your plans.**

PC Party of New Brunswick:

David Alward has tabled a plan that will balance New Brunswick's books by 2017-2018. This plan would produce a modest surplus of \$119 million dollars in the final year. This plan could be accelerated by new investment in the province that would increase revenues. Saying yes to our natural resources like shale gas and energy sectors could add a much needed boost to the provincial economy.

New Brunswick's financial situation requires urgent attention. Premier Alward has spent the last four years cleaning up the mess that was created by the former Liberal government. The choices that Premier Alward has made have not always been popular, but they have always been in the best interest of the province. Pension reform and spending restraint are not popular topics, but ignoring them would be wrong for New Brunswick. Premier Alward has cut the deficit in half and has a plan to return to balanced budgets, a plan built with conservative assumptions, a plan that New Brunswick can achieve.

Liberal Party of New Brunswick:

We have opted for a balanced approach to deficit reduction that includes strategic investments that will create jobs, revenue growth, and a review that will lead to \$250 million in savings throughout government. We will balance the ordinary account budget in 4 years and we would start paying down the debt within 6



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years. We would also create a contingency fund to avoid missing deficit projections. We will note that the Alward Conservatives first said that they would balance the budget by 2014, and subsequently missed their target every year. The effort to cut our way to prosperity has not worked and has in fact slowed our economic recovery and job creation. We believe our proposal is both balanced and realistic.

Health is the largest budget item in the province and we will look for savings in health through our program review. We will also change our approach to health care with more collaborative community-based care that better utilizes all health care professionals. We will also focus much more on preventative health care, with the idea being that the best way to reduce costs is to keep people healthy and out of hospitals.

We believe that strategic cuts are much more preferable to the across the board cuts that have taken place over the last 4 years. We believe in strengthening programs that best serve the public and eliminating those that are not efficient. For example, we have previously announced bringing economic development efforts under one crown corporation instead of the current model with competing bureaucracies. In the release noted above we also announce we will be eliminating duplication throughout the system and immediately save \$31 million through such a move. Overall to date we have identified savings of \$344 million in the civil service.

NDP Party of New Brunswick:

The NDP is the only party that has provided clear, costed proposals for the elimination of the deficit and reduction of the debt. Our responses to the 2014-15 budget outlined \$213 million in annual savings that could be found by measures such as eliminating corporate welfare and reducing the size of cabinet. On debt reduction, the NDP proposes converting 49% of the earnings of NB Liquor into an income trust, which would raise \$1.1 billion to be put directly on the debt while not harming our annual budgetary bottom line and keeping NB Liquor in public hands. The NDP has a plan to achieve a balanced budget within its first term of government and our platform will outline even more details on how this will be achieved.

The urgency of our financial situation is self-evident, and the province faces the prospect of bankruptcy if our financial house is not soon put into order. We must eliminate the deficit and reduce the debt if we are to fund the things that government must fund to provide the foundation for economic prosperity, namely education, healthcare, and infrastructure.

Conclusion

The Chamber members are looking for clear differences in party policies leading to the September 22nd election. **Please pick one of the above topics and tell us why your position is better for New Brunswickers than the other parties' position.**

PC Party of New Brunswick:

What sets Premier Alward and the Progressive Conservative Party apart from the others is that we are **saying yes** to New Brunswick's natural resources and energy development. The PC Party of New Brunswick is the **only party** that believes New Brunswick should benefit from our natural resources and a vibrant energy sector. The Liberals are against shale gas – only David Alward is saying yes to more than \$10 billion in new, private investment that will transform New Brunswick's economy.

Liberal Party of New Brunswick:

We are the only party to offer a diversified approach to economic development that will create jobs now and over the long term. The Alward Conservatives are obsessed with one thing that might create jobs several years down the road. We think that is the wrong approach. New Brunswick needs jobs now in many sectors, and we need investments to stimulate our economy.

To date, we have released several of our policies that will create jobs, including: creating a new economic development agency that is independent from government and targets high growth sectors (such as the ICT sector in Saint John); creating a Jobs Board chaired by the premier to ensure job creation is the focus of the government; giving each government department an economic mandate; supporting and increasing the role of local economic development agencies; and by making strategic investments in infrastructure and training we will fill the skills gap and create the most jobs-ready generation.

We will also make new investments and create a provincial infrastructure fund—this will create jobs now, stimulate our economy, and benefit our businesses by improving infrastructure which will better allow the movement of people and goods. This will also benefit the province by saving us money, as these important investments in our infrastructure will only be more expensive in the long term.

NDP Party of New Brunswick:

Discipline. An NDP government would have no MLAs who were nominated promising spending projects in their ridings that would compromise the government's spending plans.