

Speaking notes for
Premier Shawn Graham

Response to the
Speech from the Throne

November 27, 2009

Check Against Delivery

Mr. Speaker, as our government enters its fourth year, we have set out a clear vision for our province: we will become self-sufficient.

It is a bold goal.

While many define self-sufficiency in terms of equalization payments, of dollars and cents, at its heart is really a vision for a socially progressive, economically prosperous place where each New Brunswicker is best able to achieve his or her potential.

It is about making New Brunswick better. And even in the midst of the most serious economic downturn since the Great Depression, we continue to make progress toward achieving this goal.

We are seizing every opportunity to create jobs. We are creating the best learning opportunities. We are creating equal opportunity for all to access quality health and senior care. And we are taking bold steps to be sure that all New Brunswickers can share in this opportunity together.

With every decision we have made over the past three years, we've have asked the same question. Not, "What's the easiest thing to do?" But "what's the right thing to do?"

And because of this, Mr. Speaker, we are seeing progress.

More New Brunswickers are working than ever before. For two months running, our unemployment rate was below the national average for the first time on record! Since September 2006, New Brunswick has led the country in employment growth. Nobody, Mr. Speaker, nobody did better than New Brunswick.

Our population is growing. Following 10 straight quarters of decline under the previous government's watch, we've realized 10 straight quarters of population growth.

Tax levels are down. *The Plan for Lower Taxes* will result in savings that will grow to over \$380 million annually.

Mr. Speaker, we've seen record results in literacy with more New Brunswick kids reading at higher levels.

These are the measurements that help us keep score. What really counts are the positive changes happening every day in the lives of the people of this great province:

- In the lives of the worker who watched his mill re-open because we were able to help New Brunswick be more competitive,
- In the lives of the young family able to return to New Brunswick and give their kids the kind of childhood they had,
- Or the young couple who are able to keep more of their pay cheque and save up for their first home,
- Or the kid who struggled so long with reading but who now has a whole new world of opportunity open before him.

Mr. Speaker, these are the stories behind our successes. These are the people we think about when we ask the question: "what is the right thing to do?"

A moment for opportunity

Mr. Speaker, today we stand at an important turning point in our collective journey. Over the past month, I've heard a great deal from New Brunswickers: I've heard their fears and the apprehension fuelled by misinformation. And I've heard the good news from mill workers who no longer worry about sudden cuts at their mills to and investors who are looking at New Brunswick.

I've heard New Brunswickers and today I welcome the opportunity to speak to this House and to the people of New Brunswick about the proposed agreement with Hydro-Québec.

I want to take you back almost a year ago, to December 2008. Globally, we were just hitting the worst part of the economic downturn. New Brunswick had been one of the first jurisdictions out of the gate with an economic plan. We were going to make record investments in infrastructure and we were on track to introduce a significant plan for lower taxes.

But there were still significant challenges. Many, like the markets or declines in demand for products, were beyond our control. But some challenges could only be overcome by our government asking - and answering - what is the right thing to do?

For many years, NB Power has been one of those challenges. Our provincially owned utility is deep in debt and will need to increase rates every year to meet its obligations. At the same time, our American neighbours had just elected a new President and with Barack Obama's strong commitment to greener, cleaner energy. It was clear New Brunswick would either have to clean up its energy act or it would cost us big time – again in even higher electricity rates.

The status quo at NB Power was then and is now the biggest obstacle to creating the kind of opportunities we need to make New Brunswick self-sufficiency.

- There would be significant rate increases. For business, that meant being less competitive; putting jobs in jeopardy and hampering our ability to attract new investment. (Even the Opposition themselves were asking understandably and almost daily what we'd do to help industry with energy costs!) And it meant New Brunswick families would have to stretch their dollars even further.
- There would be billions more in debt. NB Power's \$4.8-billion debt is not manageable in the long-term and as we looked down the road at the costs required for refurbishment projects and the cost of carbon fuels, we knew that debt could only grow. The status quo exposes New Brunswickers to massive financial risk.
- The status quo meant a continuing over-dependence on carbon fuels, in a world that seeks to reduce that dependence. Reducing our use of these fuels reduces the environmental costs and the financial costs of a carbon tax or cap-and-trade system.

That's the reality, Mr. Speaker.

Rising rates, rising risk and debt and a dependence on carbon fuels... This is the status quo the Opposition favours when they refuse to present an alternative.

Mr. Speaker, these challenges are not new; they have been before governments for years. We could have left them for someone else to deal with down the road.

And believe me, Mr. Speaker, over the past month there have been a lot of people who have suggested we do just that; who have asked me why our government would undertake such a significant decision in an election year.

"Why not just take it easy over the next 12 months?" they ask. It's an understandable question. After all we've seen record job growth, got more kids reading, lowered taxes, built roads, recruited doctors and launched an

aggressive plan against poverty.... Why *not* just coast through until September?

But Mr. Speaker, my answer is the same commitment I gave to New Brunswickers when I sought their trust in September 2006: “I never want to look back and think we could have done something really important but we didn’t have the courage. We didn’t think it was our job. We were waiting for someone else.”

So Mr. Speaker last winter when I thought about the challenges we faced with NB Power and I asked myself, “What’s the right thing to do?” The status quo was not an option. We needed to take control of our future.

So as 2009 began, I started to consider how we might identify an opportunity to overcome those challenges. I had four clear criteria:

- New Brunswick must retain control of its energy sovereignty and its energy policies;
- New Brunswick families and business needed rate relief;
- The debt had to be slashed significantly or eliminated altogether; and
- We had to reduce our dependence on carbon fuels.

With those criteria in mind, we started to look for the right partner for New Brunswick: a partner with infinitely renewable, cheap and accessible resources of hydroelectricity. With the scale to absorb financial risk, and with a respect for New Brunswick and a desire for a true partnership, we have found that partner in Hydro-Québec.

Throughout this process, throughout those early conversations, throughout the launch of the formal discussions in June, throughout the development of this Memorandum of Understanding, those four criteria have remained: control of energy policies, lower rates, lower debt and reduced dependence on carbon fuels.

And the proposed agreement unveiled last month reflects that.

Control of our Energy Policies

First and foremost, let there be no mistake – New Brunswick will maintain complete and total control over its energy policies.

The New Brunswick Energy and Utilities Board would continue to regulate rate increases just as it has always done. Hydro-Québec would need the EUB’s approval before doing anything that would increase future rates beyond inflation.

Let me say that again— New Brunswick will maintain complete control over its energy policies.

What's more, NB Power will remain a stand-alone company. It will continue to be headquartered right here in Fredericton. The good men and women working at NB Power will continue to work at NB Power because they're dedicated and they provide reliable service. And customers will continue to receive the same reliable service under this proposed agreement.

This proposed agreement allows us to keep what was good and change what was challenging.

Lower rates

Second, New Brunswick families and small businesses will be protected against rate increases and have their rates frozen for five years. For the average family that heats with electricity, that means a \$1,400 saving over the next five years that they wouldn't have had under the status quo.

And New Brunswick industrial rates would be cut to match those in Quebec, which are among the lowest in North America. That means New Brunswick businesses would see their energy costs cut by 30 percent. This will secure existing jobs in our manufacturing and forest industries.

These lower rates will make New Brunswick a bigger draw for other industries looking to set up shop in a new location, particularly with New Brunswick's new tax advantages.

Now, Mr. Speaker, we've heard a lot of people ask why the rate reductions were structured the way they were. As if somehow, helping our major employers fails to help New Brunswickers.

Mr. Speaker, I want to address this. When a mill that shut-down is able to re-open its doors, who benefits? The workers, their families, the truckers who take the product to market and their families...

When a factory is able to expand because of reduced costs, who benefits? The men and women working on the lines and their families and the fishermen or farmers who provide the raw product and their families...

When a large multinational company looks to New Brunswick and sees low taxes, skilled workers and low energy costs, who benefits? The workers and their families...

Mr. Speaker, let me give you an example.

You know, my friend, the Minister of Fisheries, will proudly tell you how important Connors Bros. is to the working families in Charlotte County. It employs hundreds and hundreds of people and the spin-offs it brings to southwest New Brunswick are enormous. And I know the Minister of Energy had a great chat this week with Tony Hooper and the folks at the Blacks Harbour plant.

So, Mr. Speaker, here's what this proposed agreement means for a company like Connors.

They tell us they'll save about \$250,000.

With those savings they could purchase more fish for their plant. That means more work for the men and women on the packing lines, more work for the people who make the cans and print the labels and truck the product to market. It means more hours for those workers and more money in their pockets.

And at the end of the day, that quarter of a million dollars that right now is being spent just to keep the lights on? That will be transformed into over \$1 million worth of product being shipped to market and improving Connors' market exposure in a very competitive sector.

Competitive companies, more people working and more money in the pockets of working families: that's what this agreement is about, Mr. Speaker.

This not about industrial benefits versus individual benefits. This is about benefits for New Brunswick and for all New Brunswickers - benefits that lead us closer to self-sufficiency.

Paying Down Debt

Third, Mr. Speaker, this proposed agreement does more than cut NB Power's debt, it eliminates it entirely. This is the debt that hangs today over the heads of every single resident - to the tune of \$6,500 for every man, woman and child in the province. This constrains our financial flexibility and has the potential to

impact New Brunswick's credit rating. With this proposed agreement it will be gone. Forty per cent of the total debt exposure of our province will be gone.

And not only that, the risk of billions of dollars more debt from future refurbishment projects and rising fuel costs – potentially in excess of \$10 billion? Gone. The debt is gone. The risk is gone.

Cleaner air

And finally, Mr. Speaker, this proposed agreement significantly reduces New Brunswick's dependence on carbon fuels.

True we have provided grants to 10,000 households to improve energy efficiency. And our industrial efficiency programs have leveraged tens of millions of dollars invested in efficiency technology. And that is all good. But, Mr. Speaker, in 2007, 37 per cent of New Brunswick's greenhouse gas emissions came from energy generation. If we want to clean up our act we have to clean up our energy.

This proposed agreement would see New Brunswick exceed its 2012 climate change objective of reducing emissions to 1990 levels. We will be one million tonnes or six per cent below 1990 levels by 2012. And in the longer-term, when our other fossil fuel plants need to be replaced due to age or a price on carbon, we'll have access to a secure, reliable clean supply of power in our heritage pool.

Lower emissions mean cleaner air and a cleaner province for our kids and grandkids. It is an important benefit of this proposed agreement.

Mr. Speaker, no agreement is perfect. If you wait for perfection, you'll never move forward. But for the members opposite who seem to have short memories these days, I will remind them we had four criteria we were seeking – control over energy policies, lower rates, lower debt and lower emissions. That's what we went looking for. And Mr. Speaker, that is exactly what we have delivered.

It is of critical importance that New Brunswickers consider the options when they evaluate this proposed deal. The opposition has put no alternative on the table, so the options are the proposed agreement with Hydro-Québec or the status quo. I'll say again, our option is not perfect, but after months of careful negotiations we are convinced that this represents a dramatic improvement over the status quo and, of course, it's light years ahead of what we've heard from the party opposite

In fact, I think it's important, Mr. Speaker, to point out that with all that they've had to say on this deal, not once have we heard the Opposition say how they'd lower rates? They've presented no solutions for lowering debt. They have no ideas for lowering emissions. To be blunt, they have no ideas on anything!

All they have is fear. Look at the fear-mongering we've heard about next week's budget. They've raised the spectre of a billion dollar deficit. Well, Mr. Speaker, I can tell you today, when the Minister of Finance delivers his budget next week, it will not be a billion dollar deficit but it will be closer to our projections than many other jurisdictions in Canada.

Once again, Mr. Speaker, the members opposite don't have the facts, they only have fear.

The Leader of the Opposition spoke for 70 long minutes in this chamber last week, yet uttered not one single word about his plan for NB Power or for the betterment of the province of New Brunswick. That is because he simply doesn't have one.

All he and his colleagues have to offer New Brunswickers is fear.

Fear won't help New Brunswickers pay for rising power rates.

Fear won't make our businesses or industries more competitive.

It won't help communities where forestry jobs are in jeopardy.

Or make our air any cleaner.

Mr. Speaker, when I ask myself: "What's the right thing to do?" Fear is not an option. And, Mr. Speaker, the status quo is not an option either. A prosperous future for New Brunswick is not assured. It will only happen if we are courageous enough and bold enough to seize new opportunities.

That's what this agreement is really about. That's what this session will be about.

Seizing every opportunity to create jobs.

Mr. Speaker, unlike some provinces, we are not blessed with easy tickets to

prosperity like oil or gas resources. New Brunswick's opportunities lie in its people. We need to work harder than others. Be more entrepreneurial than others. We need to be smarter and we need to be bold to create a vibrant and diversified economy.

We need to make the most of every advantage – our location, our people – and where we have no natural advantage; we need to create them with lower energy costs and lower taxes.

Our *Plan for Lower Taxes* has drawn national attention – people know that New Brunswick is open for business.

We are creating an environment where people keep more of their incomes in their pockets and where businesses know they will pay less tax, meaning they can hire more people and reinvest more in their business.

Our government is giving the private sector the tools they need to create jobs and growth. Our Minister of Business New Brunswick is working with business leaders to make sure that when we roll out the welcome mat for new investment, Business New Brunswick is ready

In a period of global recession, Government can take steps to not only create economic activity but to make investments that will benefit our residents for decades to come. That is why we last year we unveiled a record capital budget and why, as I told the House yesterday, next Tuesday's budget will bring even more investments in building New Brunswick. In fact, we'll be growing our two year commitment in infrastructure investments from \$1.2 billion to a record \$1.6 billion, ensuring even more jobs for New Brunswickers and more infrastructure to build our future.

Our government has also brought high-speed Internet access to every corner of our province. That access is absolutely vital in growing and diversifying the economies of rural communities.

While we are seeing job growth in New Brunswick, we know there are disparities – some communities are not enjoying the same growth as others. Some face special challenges as they transition from traditional resource industries to a more diversified economy. For that reason, we have established a new Northern Economic Development Agency, based in Bathurst, to address the unique challenges of that region. We have a strong caucus from Northern New

Brunswick and they're working hard to make sure that their region is a vibrant part of a self-sufficient New Brunswick.

Creating the best opportunities to learn

Mr. Speaker, we're also creating the best opportunities for New Brunswick kids to learn.

We boosted the K-12 education budget by 16 per cent over our first three budgets and we'll be growing that budget even further next week. Today, about 85 per cent of the actions outlined in *When Kids Come First* are underway.

Those record investments are leading to record results. More kids are reading at higher levels than ever before.

And because we asked: "what's the right thing to do?" More New Brunswick kids are gaining proficiency in their second language.

This session we'll enter a new era in post-secondary education with the introduction of the *New Brunswick Community College Act*. By April 2010, the New Brunswick Community College and the Collège communautaire du Nouveau-Brunswick will be independent from government. These new community college systems will be more student-focused and better able to respond to the labour market needs of their community and our province. Because we asked, "what's the right thing to do?"

Creating equal opportunity for all to access quality health and senior care

Mr. Speaker, we know how much New Brunswick's health care system matters to people throughout the province. A strong health care system remains a top priority of our government.

Over the past few years we have introduced a number of structural changes to make our health care system more efficient. By moving from eight Regional Health Authorities to two, we have already been able to reinvest \$24 million into patient care.

This restructuring faced opposition by some – but already we have clear evidence that it was the right thing to do.

We have recruited 153 net new physicians to New Brunswick over the past three years. Today over 90 per cent New Brunswickers have access to a family doctor.

Earlier this week, our Minister of Health introduced the *Prescription Monitoring Act*, a commitment of our *Charter for Change*, and the *Personal Health Information Act* which is an important step towards *one patient, one record*.

These decisions have made a difference for thousands of people. Collectively, they are making our healthcare system stronger every day.

Mr. Speaker, I am also very proud of what we have accomplished for our province's seniors. We've increased hours of care for both home support and nursing homes. And we protected seniors' assets from the calculation of nursing home fees. That was the right thing to do.

Very soon, we will announce a major plan for nursing homes that will lay out the path to deliver on our commitment of 700 new beds added across the province.

As we enter the final year of our mandate and as Tuesday's budget will demonstrate, we will continue to make the changes and investments needed so New Brunswickers have access to quality health and senior care no matter where they live.

Sharing Opportunity

Mr. Speaker, two weeks ago I had the privilege to participate in the Final Forum on Poverty Reduction.

Mr. Speaker, this is a rare instance when I feel confident I can speak for both sides of this House. All of us who had the opportunity to participate in that final forum and, indeed, throughout the engagement process, were moved by the people we met and the stories they told. We were inspired by the commitment of New Brunswickers – businesses, non-profits and individuals - to overcome poverty in our province and make sure that every New Brunswicker can share in the opportunities along the road to self-sufficiency.

The plan we unveiled on November 13 calls on what's best in each of us. It is the most progressive plan to lift people out of poverty and share prosperity that we have seen in more than a generation.

It is a plan that honours our values as New Brunswickers.

It is unbelievable, and moreover, it is unacceptable that in a province as blessed and compassionate as ours, people receiving social assistance have been expected to live on less than \$300 per month. During this session, we will immediately increase that payment by 80 per cent.

This plan supports rather than punishes New Brunswickers' desire to work, to earn a decent living and to support their families. We will transform social assistance to help New Brunswickers get and keep good jobs. We'll make sure that no New Brunswicker leaving poverty has to choose between a job and their health card. And we will work with our partners to establish a universal drug plan for non-insured New Brunswickers starting in April 2012.

We want to make sure that every New Brunswicker who goes to work each day can earn a living wage. In 2011, New Brunswick's minimum wage will rise to the Atlantic average.

Mr. Speaker, this is a long-term and far-reaching plan and the work starts now. During this session, we will be introducing the *Early Learning and Child Care Act* and the *Economic and Social Inclusion Act*. This new framework for social policy will set the stage for a new era of community-based collaboration and solutions. Together, we will overcome poverty. By 2015, we will reduce income poverty by 25 per cent and cut deep-income poverty in half. That's the right thing to do.

Moving Forward Together

Mr. Speaker, during that Final Forum on Poverty, I was reminded of the reasons we're all here in this Chamber. It's to do what government does best: set the stage and bring together the players to create opportunities today and for our future.

Whether it's through the proposed agreement with Hydro-Quebec that means lower rates, lower debt, more jobs and a better environment...

Or investing in our classrooms so more New Brunswick kids are reading and succeeding...

Or bringing together business and community leaders for the most ambitious

fight against poverty in a generation...

It's all about creating the opportunities today for self-sufficiency tomorrow.

The status quo may be easier but to cling to it would be a mistake of historic proportions. It is a mistake we refuse to make.

Mr. Speaker, former Prime Minister Pierre Trudeau once said that the role of the true revolutionary is to patiently explain. By that definition, the men and women around me may be the most determined group of revolutionaries this province has ever seen,

Every single day they are seeking out new opportunities and making bold decisions. Every single day, they're out there talking with and listening to New Brunswickers. Every day they're asking: what is the right thing to do?

I know the last month has been particularly challenging for them. In the face of the fear-mongering of the Opposition and an onslaught of misinformation about the proposed agreement with Hydro-Quebec, my colleagues have been out in every corner of this province explaining the dangers of the status quo and the opportunity we have to change our destiny for the benefit of all New Brunswickers. For this I sincerely thank each and every one of them.

I believe, in the end, Mr. Speaker, that hard work and opportunity will win out over fear. That the right thing will win out over the easy thing. That New Brunswickers will choose opportunity. And that together, we will be that much closer to our goal of self-sufficiency.

Thank you, Mr. Speaker.
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