

# After four years in power, it is important to look at the Liberal government's decisions and their impacts on citizens

## ECONOMIC POLICIES

### Poverty

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- Reversed its *Charter for Change* promise to increase the basic social assistance rates to the Atlantic average for thousands of New Brunswickers living in poverty.
- Cancelled in 2009 the 2% increase in basic social assistance rates to offset inflation.
- Created a new Poverty Reduction Plan, inserting an additional layer to the bureaucracy responsible for poverty issues.

In N.B., Statistics Canada estimates that there are more than 100,000 citizens living below the Low Income Cut-off, generally called the poverty line. These people fall mainly in the working poor category (around 56,000), among the social assistance ranks (40,381 recipients in June 2010) and in the group of citizens living on a fixed income.

People living on income assistance have not seen the increase in their basic rates which was promised in the Liberal government's *Charter for Change*. Moreover, in 2009, the government did not budget for the 2% increase in social assistance rates it had given in previous years. Yet in 2009, the price of food went up by over 5% and the N.B. general inflation rate was 2.9%. It is not surprising to hear that during that year, there was a 14% increase in the number of people using food banks.

The N.B. government announced its Poverty Reduction Plan in November 2009 but this plan included very little money to bring about real changes since most of the budgeted funds will be used to put in place a new Crown Corporation mandated to administer the Plan. This new structure is adding a costly bureaucratic layer to tackle poverty issues and it will also put the decision-making process further away from our elected members in the Legislature.

### Minimum wage

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- Increased the province's minimum wage it still remains the lowest of the four Atlantic Provinces.

New Brunswick's minimum wage has long dragged behind that of other provinces. Despite two increases in 2009, one in 2010 and another one anticipated for this fall, the minimum wage in our province will remain one of the lowest in Canada. In July 2010<sup>1</sup>, the minimum wage in NB is at

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<sup>1</sup> <http://canadaonline.about.com/library/bl/blminwage.htm> (updated 07/01/10)

\$8.50. It is at \$8.70 in PEI, at \$9.20 in NS and at \$10.00 in NL. In July 2010, the average minimum wage in Atlantic Canada is \$9.10. Compared to the Atlantic average, N.B. workers have not attained the Atlantic average as they are earning \$0.60 an hour less.

Working at minimum wage does not permit NB citizens to live above the poverty line. Presently, NB's minimum wage workers earn \$8.50 per hour. A single person working full time, year-round, at this wage earns \$17,680 yearly. In a community like Moncton, Statistics Canada's low income cut-off for a single person is \$18,544<sup>2</sup>. Moreover, not all minimum wage workers are employed full-time. In 2008, only 43% of the women and 45% of the men working at minimum wage were working full-time in New Brunswick.

## ***Wage freezes in the public sector***

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- Adopted a policy for a 2-year wage freeze for government, nursing home, post-secondary education and municipal workers.

In 2009, the Liberal government has mismanaged the province's budget in such a way that they are now faced with a major deficit.

Part of their solution has been to attack workers who are delivering public services to citizens of this province. In 2009, they have adopted a two-year wage freeze policy for all public employees and have imposed cuts to several programs. The inflation rate for 2009 was 2.9% so, in reality, the purchasing power of thousands of workers and their families will continue to decrease.

Presently, the Liberal government is telling us that an even bigger deficit is predicted for 2010 and that, after the September 2010 election, we will have to tighten our collective belt.

## ***Tax cutbacks***

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- Destroyed equity in the personal income tax system by reducing four brackets of income tax down to two (9% and 12%).
- Favoured the business sector by giving across-the board tax cuts to the largest corporations in the province.
- Reduced provincial revenues by \$1.1 billion dollars (by 2012), thereby harming the government's capacity to deliver public programs and services.

Personal and corporate income taxes make up a very high percentage of revenues for government coffers. This money is used to help put in place public programs and services for all citizens.

Very important aspects of the income tax imposition are its progressive nature and its fairness. In other words, those who have more money should pay more taxes. Before the tax changes in 2009, New Brunswick had some fairness in its income tax system. In 2009, there were four levels:

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<sup>2</sup> Both amounts before-tax. 2007 Low-income cut-off.

- 10.12% on the first \$35,705;
- 15.48% between 35,707 and \$71,415;
- 16.8% between \$71,415 and \$116,105;
- 17.95% on earnings of \$116,105 and up.

This progressive income tax system has been replaced by a regressive income tax system with only two levels of taxation: 9% for \$37,893 and under, and 12% on revenues above this level. The wealthy in this province are the only winners in such an income tax environment.

Businesses will benefit from a 5% tax reduction; their tax rate will drop from 13% to 8%. In 2012, New Brunswick will have the lowest corporate income tax in all of Canada.

All together these major tax reductions will represent a loss of revenue for the province of over \$1.1 billion dollars between 2009 and 2012. This will have a major impact on our government's ability to deliver services and programs. It will also significantly increase the provincial debt load.

## ***Bailouts, loans and grants to the private sector***

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- Handed out \$9 million to the Irving-owned New Brunswick Southern Railway.
- Handed out \$50 million to finance Atcon.
- Loaned \$3.72 million and handed out \$500,000 to Imperial Manufacturing group.
- Contributed, in the form of loan guarantees and donations, \$223.5M to the private sector.

Since 2007, Graham's government has forwarded at least 223.5 million taxpayers' dollars in the form of hand outs, bailouts or loans to the private sector. This means fewer funds to develop and maintain social services and programs and more debt for future generations to pay off.

Below are a few cases in which public funds were used to bail out or boost private corporations.

On June 4, 2009, a \$12-million investment in Crandall University, known then as Atlantic Baptist University (ABU), was announced. This is one-third (30%) of a \$36.8 million dollar public fund reserved for universities that was given to a private university<sup>3</sup>.

Last year, Barrett Xplore received \$13 million from the province to help offer service in all rural and suburban areas. The Liberal government also gave the company a \$10-million loan guarantee<sup>4</sup>.

The New Brunswick and federal governments invested up to \$18 million to support planned improvements to the New Brunswick Southern Railway, owned by the Irving family, one of the richest corporations in Canada<sup>5</sup>.

<sup>3</sup> <http://www.gnb.ca/cnb/news/rdc/2009e0796rd.htm>

<sup>4</sup> <http://www.gnb.ca/cnb/news/bnb/2009e0735bn.htm> ; <http://telegraphjournal.canadaeast.com/rss/article/980437>

<sup>5</sup> <http://www.gnb.ca/cnb/news/rdc/2009e0960rd.htm>

The Liberal government also bailed out the Shippagan Caisse Populaire in 2007 with a \$37-million grant and another \$16.5-million in guarantees<sup>6</sup>.

## EQUALITY

### *Pay equity*

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- Refused to include private sector workers in the *Pay Equity Act* passed in 2009.

There is a real need to legislate Pay Equity in the private sector. Approximately 67% of women active in the labour market are employed in the private sector. Without pay equity legislation in the private sector, thousands of women - and men - are left in a situation of discrimination.

Pay Equity is equal pay for work of equal value. It is about recognizing the value of jobs traditionally or predominantly done by women compared to jobs predominantly done by men. In New Brunswick, 70% of women and 13% of men in the labour market hold predominantly female jobs.

## *Childcare*

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- Invested significantly less than the national average in child care programs.
- Considered “Early learning and child care services” as a private good to be purchased by parents, which led to gaps in availability, affordability and quality of programs.

The provincial government has recognized that taking a more active role could positively impact the quality and availability of child care services offered to children and families. It began and continues to invest funds directly in child care facilities and is taking a more active role in offering a number of training programs to child care educators.

Even with these initiatives, however, there has not been a fundamental shift in the provincial government’s approach to child care. Although it is considered to be an essential family support program, it remains market driven rather than publicly funded. The current funding model does not fully meet the needs of families in our communities. This market approach has led and continues to lead to several gaps in availability, affordability and quality of programs. In 2009, the number of regulated day care spaces in the province could only accommodate 19% of the needs of parents.

## ENERGY

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<sup>6</sup> <http://www.cbc.ca/canada/new-brunswick/story/2010/01/19/nb-auditor-general-caisse-populaire-1231.html>

## Uranium

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- Opened the doors to uranium exploration and mining without public consultation.
- Refused to implement a province-wide ban on uranium as requested by municipalities, environmental groups and high school students.
- Instituted electronic claims staking which leaves those New Brunswickers who do not have Internet unaware of possible claims being made on their own property.

In 2008, the Liberal government opened N.B. to uranium exploration and mining. After citizens and environmental organizations held numerous information sessions, the government hosted two sessions touting the benefits of uranium mining while ignoring the obvious dangerous aspects. The public expressed concerns over radon exposure emitted during uranium exploration. Radon exposure is the leading cause of lung cancer among non-smokers<sup>7</sup>.

When people complained about prospectors on their property staking claims, instead of listening to its citizens, the government developed an online claim staking system. The system lacks transparency. Many New Brunswickers are not online or do not have regular access to a high-speed Internet connection, making access to the online maps very difficult.

In light of long-term radiological dangers from drill cores, trenching and bulk sampling, New Brunswickers want a ban on uranium exploring in New Brunswick. Several municipalities, over 30 environmental groups and high school students have issued calls to ban uranium exploration and mining – and it's time for the government to listen. Nova Scotia passed legislation in 2009 that effectively legalizes its decades old moratorium on uranium activity in the province. In 2008, there is only one inspector in the New Brunswick Department of Natural Resources and more than 38,000 claims in the province. The Department needs more resources to properly inspect sites. Uranium exploration guidelines announced in 2008 should be turned into enforceable standards and regularly monitored.

## NB Power deal

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- Tried to sell off NB Power to Hydro Quebec without any public consultation.

The Liberal party electoral platform, *Charter for Change*, did not include any mention of selling NB Power. The deal negotiated with Hydro Quebec was done behind closed doors by a small number of people. It was presented to the public as a done deal.

If the deal had gone through, New Brunswickers would have effectively lost all control over energy production and distribution in our province. Green energy alternatives would have been sacrificed.

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<sup>7</sup> Canadian Cancer Society. "Radon and Lung Cancer". Document consulted July 2010 at [http://www.cancer.ca/Canada-wide/Prevention/Specific%20environmental%20contaminants/Radiation/Radon%20exposure%20and%20lung%20cancer.aspx?sc\\_lang=en](http://www.cancer.ca/Canada-wide/Prevention/Specific%20environmental%20contaminants/Radiation/Radon%20exposure%20and%20lung%20cancer.aspx?sc_lang=en)

The government was using the “debt crisis” to sell the deal to New Brunswickers. They said that NB Power’s situation was dire and urgent and that its debt was a burden on citizens. The Provincial Auditor General and all the major bond rating agencies have said that selling NB Power would have little or no impact on the Province’s credit rating. In fact, the government has never had to pay NB Power’s debt; the utility pays its own debt. NB Power has paid over \$1.3 billion of its debt in the last five years, while also contributing over \$500 million in taxes and profits to the province.

## ***Point Lepreau***

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- Decided without any public consultation to refurbish Point Lepreau, costing taxpayers half a million dollars per day.
- Lost \$450 million at Point Lepreau due to an extended shut down that was not anticipated.

Despite a clear recommendation from the Province's own Public Utilities Board advising against any retrofit at Point Lepreau, the government went ahead with a \$1.4 billion dollar contract with the Crown corporation the Atomic Energy of Canada Limited (AECL), in the spring of 2008. Delays and mistakes have cost New Brunswickers an additional \$475 million dollars and the price tag is rising. Point Lepreau is still not operational and the government has just signed a letter of intent with Areva to discuss building a second nuclear reactor at Lepreau.

The refurbishment was supposed to be completed at the end of 2009. The refurbished plant will not be ready until at least mid-2011. Meanwhile, New Brunswick taxpayers are paying half a million dollars per day in replacement energy. Point Lepreau was the guinea pig for AECL, which planned to use the success of its refurbishment as a model to sell the process to other countries that have a Candu-6 reactor.

## **ENVIRONMENT**

### ***Forestry***

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- Reduced the area set aside on public lands for wildlife by 50%.
- Massively expanded the spraying of herbicides.
- Allocated biomass to companies without biodiversity considerations or public consultation.

The provincial government's plan for the public forest will reduce the area set aside for wildlife by at least half in order to allow industry to keep cutting at its current levels.

The provincial government is going to massively expand the spraying of herbicides over our public forest, and this, at the public expense. This follows the decision to allow industry to almost triple the area of conifer plantations in areas of naturally growing forest.

Eight allocations to mine biomass from New Brunswick's public forest have recently been granted without any public discussion or debate. There is a glaring lack of consideration for habitat protection for New Brunswick's forest species in the province's Crown Forest Biomass Policy.

The provincial government has failed to address the aspirations of communities to establish community-based forestry initiatives in their regions.

New Brunswickers have repeatedly told their government they want to change the way forestry management is conducted in their public forest. Citizens want to save animal populations decimated by over cutting. They want to see a stop put to the damage to our rivers and lakes, and they want to diversify our forest-based economy. The province of Quebec, with approximately 90% of its forest land under public ownership, listened to public concerns and banned herbicide spraying of its public forest in 2001.

At least one-quarter of wildlife species in our Acadian forest depend on woody debris. The government has not considered how biomass mining will affect forest habitat, species and ecosystems. In British Columbia, community-based forestry is a growing and successful alternative of management. Community forestry administration allows residents to make decisions regarding their surrounding forest and forest resources.

## ***Protected natural areas***

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- Eliminated, in the Spring of 2009, 10 Local Advisory Committees on Protected Natural Areas.

The Protected Natural Areas Program is still in place but the 10 Local Advisory Committees were eliminated in the spring of 2009, and the program's budget was significantly reduced. The elimination of these Local Advisory Committees, which were functioning very well to get community involvement and input into the management of Protected Natural Areas, is a big loss, since the committees were made up of volunteers who were helping encourage local stewardship and awareness of protected areas. The committees were eliminated without any thought by Department of Natural Resources as to how to replace the service they were providing.

## **PRIVATIZATION**

### ***Public private partnerships (P3s)***

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- Decided to use Public Private Partnership deals to construct public buildings and roads despite the Provincial Auditor's report on the higher costs associated with P3s.

A Public Private Partnership (P3s) describes a method of privatization of public services and establishments. In a traditional P3 agreement, the government solicits for-profit companies to finance, design, build and manage establishments or projects. The government commits to rent

the establishment (e.g. highway) for a period of up to 30 years or more. Certain provinces have decided to use P3s with the promise that these agreements save money and are efficient, but the reality is very different. P3s are more expensive to build and manage. In 1998, the Provincial Auditor found the Evergreen School in Moncton cost \$900,000 more as a P3.

The province has entered into the following P3 agreements:

- Two P3 schools constructed by Brunswick Learning Centres, Inc. will soon open. Eleanor W. Graham Middle School in Rexton will open in September 2010 and Moncton North School will open in January 2011.
- Courthouses in Moncton and Saint John.
- A P3 agreement was signed with Transfield Dexter Gateway Services Ltd. for projects on the Route 1 Highway in April 2010.

## **CUTBACKS**

### ***French immersion***

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- Was forced by the courts to consult prior to making any changes in the French Immersion Programs, the changes proposed being called “unfair and unreasonable” by the judge.
- Eliminated the “Core French” curriculum.

Kelly Lamrock as Education Minister in 2008 announced that early French Immersion Programming, which began in Grade 1, would be eliminated from New Brunswick elementary schools. Plans to eliminate the "Core French" curriculum, which gave students limited French instruction along with other subjects, were also announced.

In place of the above-mentioned elementary school programs, a grade 5 "Intensive French" program would be introduced, providing students with a half year of instruction in French and the other half in English. In grade 6, students could choose to enter a late immersion program or continue with some sort of "Intensive French" which was undefined.

In response to opposition by parents and language experts, French immersion was reinstated in the elementary school starting in grade 3. The intensive French program in grade 5 remained in place while the core French curriculum was eliminated.

### ***Ferries***

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- Cancelled the Hampstead ferry.
- Made cuts to the Belleisle and Gagetown ferry runs.

At the 2009-2010 provincial budget unveiling, Finance Minister Victor Boudreau announced that the Gagetown and Belleisle ferries would cease operations, while the Hampstead ferry's summer run would be cancelled.

The rural communities felt that they would be enormously affected by these cuts: not only job cuts but also decreases in tourism and business activities. The Hampstead ferry was cancelled. After much lobbying from affected communities, the provincial government decided to keep the Belleisle and Gagetown ferries, but with shorter schedules and less staff.

## ***NB Court Social Worker Program***

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- Eliminated the New Brunswick Court Social Worker Program.

In February 2008, a Task Force appointed by then Justice and Consumer Affairs Minister T. J. Burke to study the family court system called for the expansion of the role of court social workers as mediators. Although the report submitted by the Task Force was handed in months before the Provincial Budget in March 2009, it was announced that this program would be eliminated.

Court social workers provided guidance for people going through very stressful ordeals, and offered the possibility to resolve disputes outside of the courtroom, in a manner that promotes the well-being of children involved. The elimination of court social workers contradicts the government's position which claims to want to reduce poverty and reform the clogged family court system.

## ***School transportation***

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- Announced \$2 million dollars in cuts to school transportation.
- Cut 61 school bus runs across the province.

Government slashed the school transportation budget to the tune of \$2 million dollars. Budget reductions have now been imposed for three successive years. These reductions have resulted in less bus runs and layoffs of 34 employees. For school-age children, this means longer bus runs, overcrowding, changes to school hours, and fewer school trips or transportation to after-school programs.

## ***Legal Aid***

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- Reduced funding to provincial Legal Aid services by \$205,000.

Legal Aid services provide the means for low-income people to receive legal representation or advice from a lawyer during court proceedings. During stressful times and moments of crises where legal proceedings are required, Legal Aid services are crucial. There are now backlogs for receiving Legal Aid. Cuts to Legal Aid over the last two years totalled \$727,000, or 10% of the Legal Aid budget.

# HEALTHCARE

## *Hospitals*

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- Abolished all elected board members in the newly created Regional Health Authorities.
- Appointed a number of Board Chairs and Chief Executive Officers from the private sector to the Regional Health Authorities, Facilicorp and NB Health Council.
- Did not consult the public on any of these major changes.

The NB Hospital system was formerly administered by eight regional authorities. Mike Murphy, while Health Minister, decided to reduce this number to two, one region which would function in English and another one which would be bilingual. After a one-year battle, the government announced that the second one would function in French.

Formerly, half of the board members of hospitals were elected and the other half were nominated by government. The Liberal government decided to eliminate all elected board members, thus attacking the democratic rights of citizens to have a say in the administration of their hospitals. What is more troubling is the appointment of former private-sector administrators in key decision-making positions in the new structure. All four new structures will be headed by people hired directly from the private sector. Facilicorp NB, which will administer all the non-medical aspects of hospitals, will have all of its board members coming from the private sector (except the representatives from the health authorities). The President and CEO of the NB Health Council who are tasked with monitoring the performance of the health system are also from the private sector.

The new structure comprises:

- Regional Authority A Chair: Aldéa Landry from Landal, a private consulting firm;
- Regional Authority Horizon Chair: John Laidlaw, a corporate and commercial lawyer with Cox and Palmer;
- Facilicorp NB Chair: Roxanne Fairweather, CEO of Innovatia, a privately held information and technology services industry and formerly the Vice-President of Bell Aliant COO Innovatia;
- NB Health Council Chair: Rino Volpé, President of Gestion 4m Management Inc. and formerly Vice-President of J. D. Irving Ltd;
- CEO of NB Health Council: Stephane Robichaud, formerly from the Canadian Federation of Small Businesses.

This major transformation of our health system has been done without an ounce of public consultation. Legislation ushering in these changes was passed without any debate in the Legislature.

## *Seniors and nursing homes*

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- Backed out on its promise in the Charter for Change to increase the hours of care to 3.5 per nursing home resident.

In the *Charter for Change*, Shawn Graham expressed a will to "provide greater dignity for those living in nursing homes who have spent their lives building our province."

Since 2006 he failed to increase the hours of care to 3.5 hours within two years as promised in the *Charter for Change* to residents of nursing homes, so that they would receive timely feeding, more than one bath per week and improved access to regular exercise. The quality of home care services is compromised by a crisis in recruiting and retaining staff. Hourly rates paid by the government to home care agencies have increased very little in the past decade and working conditions of home support workers are very difficult. They have to pay their own travel expenses, their salary is low and they have no pension plan.

## ***Ambulance fees***

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- Instituted a \$130 ambulance fee for all citizens.

In 2005, the Bernard Lord government had removed the ambulance fee. In 2009, the Graham government put in place a \$130 ambulance fee for every patient transported by ambulance, saying that citizens are using ambulances as taxis. In reality, this is just a tax grab inflicted on sick and injured citizens.

The government has never reported how many people were supposedly abusing the system. This fee will put an added burden on all citizens, but especially on workers earning low wages, on those on fixed incomes and on seniors. On the one hand, the provincial government is lowering the income tax level so we can have supposedly more money in our pocket but on the other hand we are expected to pay more for essential services such as ambulances.