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| **Province** | **Législature/Legislature** | **Session** | **Type de discours/Type of speech** | **Date du discours/ Date** | **Locuteur/Speaker** | **Fonction du locuteur/ Function** | **Parti politique/ Political party** |
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**Introduction**

Mr. Speaker, today **1** rise in this House to table our government's fourth budget, a budget that is built on the foundation set out in our previous budgets of managing smarter for a brighter future. Decisions based on the application of sound business practices, performance excellence and continuous improvement are beginning to pay dividends and position us to take advantage of many opportunities to grow our economy in a responsible and sustainable manner.

New Brunswick is emerging from an extended period where global economic uncertainty has created challenges for our province. These challenges have required us to make tough choices and **1** have no doubt there are tough choices left to come. Today we stand at a crossroads in our province's history. Do we take the path of less resistance and indecision? Or do we continue with our plan that leads towards economic prosperity and balanced budgets?

Our success has long been founded on developing our greatest resource - our people. Their talent and dedication is the foundation upon which New Brunswick has been built. The challenge is to create the opportunities to keep New Brunswickers home. We have chosen to put our natural resources to work for the people of this province. New Brunswick has a long history of developing its mineral and forest resources in a socially, economically and environmentally sustainable manner to provide jobs, stimulate investment, generate wealth and grow the economy.

We are one of Canada's most export-oriented provinces and have successfully used our strategic location to trade on the world stage as seen by the worldwide shipping lines now calling on the Port of Saint John. Conditions are right to expand our reach into Europe, China and lndia. We are also well positioned to play an important nation-building raie in the export of Canadian petroleum resources that currently do not have direct access to world markets.

Today's opportunities build on our history and it will take leadership and the cooperation of all New Brunswickers to move forward.

Mr. Speaker, when **1** delivered our government's first budget there were four main pillars upon which we developed our plan:

1. Effectively changing the way government spends by developing a culture of cost contrai, accountability and providing value for money;
2. Effectively managing the expectations of the public in terms of our ability to fund essential, high-quality services;
3. Increasing revenues in a fair and efficient manner; and
4. Providing the environment for growing the New Brunswick economy and creating jobs and prosperity.

When **1** reflect on our progress against this plan, **1** realize that these four pillars have provided us with a solid foundation, but there is still much work to do. The year before we took office, spending grew by 5.9 per cent and we were facing annual deficits in the order of one billion dollars if spending was not curtailed. As responsible managers of the province's finances, our first order of business was to prevent this from happening. ln our last three budgets and the one **1** am tabling today, we consistently limited spending growth to below 2.5 percent. **1** am proud to note that for each of the last two years, we have seen departmental spending come in under budget. The last time this happened was 2002-2003.

ln our first budget, our plan also committed to effectively managing the expectations of the public in terms of our ability to fund essential, high-quality services. ln this regard, as **1** travelled the province and spoke with New Brunswickers on our fiscal challenges, **1** was encouraged by their level of engagement and their willingness to identify solutions. Aside from the numerous conversations **1** had with New Brunswickers over the last three years, our Taxpayers First website has seen over 35,000 visits since its launch and we continue to encourage and receive input from our residents on an ongoing basis.

From this level of engagement, one thing has become clear - the public has set the bar high for us. They expect a lean, more responsive government that delivers much-needed services in the most effective and efficient manner possible. By building a culture of performance excellence, our government has responded to this challenge and continues to deliver high-quality services and invest strategically in priority areas. Today's budget is no exception.

Mr. Speaker, we also committed to increasing revenues in a fair and efficient manner. ln previous budgets we made the difficult decisions to bring greater balance to revenue and spending. Further measures to address our fiscal situation today would only weaken our economic recovery. With a number of promising projects on the horizon, we are creating an environment that supports a return to healthy economic growth and allows our revenue and expenditure initiatives to mature in a sustainable manner.

We remain committed to eliminating the deficit and reducing net debt, but we recognize the need to balance our fiscal realities against our economic realities. By taking a measured, balanced approach we are setting the stage for a more prosperous province for future generations of New Brunswickers.

ls there more that needs to be done? Without question there is. But when New Brunswickers look at our government's fiscal performance, they will remember where we came from and the significant work that has been done to get us to where we are. As well, the contributions of the public service and all New Brunswickers to getting the fiscal house in order cannot be ignored. lt is that level of continued focus and leadership that is required to get us to where we need to be. We have stopped the undisciplined spending and have changed the

culture of government to a more performance-based organization where cost reductions and efficiencies are the norm.

**Economic and Fiscal Environment**

Mr. Speaker, the economic and fiscal turmoil that has weighed down jurisdictions around the world in recent years is abating, with many poised to show stronger, more sustainable growth in the years to come.

A number of governments at all levels, across the globe and here in Canada, have taken steps-and made progress-to address their fiscal situations, yet still struggle to balance their budgets.

This is the environment that New Brunswick finds itself in and we are not alone. A number of provinces have noted that economic growth has been slower than expected and they continue to work towards a return to balance.

***Economic Update and Outlook***

Mr. Speaker, 1 would now like to provide an update on the New Brunswick economy for 2013 and 2014.

The International Monetary Fund (IMF) notes that advanced Economics strengthened in 2013 with growth in the U.S. and a modest recovery in the Euro Zone gaining momentum in the second half of the year. Canadian growth prospects declined slightly as the year progressed, as uncertain global and domestic economic conditions delayed improvement in exports and investment.

The Department of Finance estimates the New Brunswick economy grew by 0.1 per cent in 2013. Economic activity was constrained by lower-than-anticipated employment and income growth, with lower levels of trade and consumer spending also contributing.

Mr. Speaker, expectations for improved global growth are on the rise. Led by a stronger U.S. economy and a Euro Zone in recovery, global growth is poised to improve in 2014. Similarly-according to the Bank of Canada-the Canadian economy is set to grow by 2.5 per cent in 2014 with economic momentum building throughout the year.

ln this environment, the New Brunswick economy is expected to see improved growth in 2014. The Department of Finance is forecasting real Gross Domestic Product growth of 1.1 per cent for the year, comparable to private sector expectations.

Our natural resources sector is well positioned to be a growth leader this year as the forest industry takes advantage of a stronger U.S. market and a weaker

Canadian dollar. New investments made in our forestry, mining and agriculture sectors are also expected to contribute to growth in 2014.

Employment is expected to build on the gains seen in the second half of 2013 and will show modest improvement in 2014. However, job growth will remain muted until a number of major projects are started. As such, income and consumer spending growth will be constrained in the short-term.

Mr. Speaker, over the medium-term New Brunswick is on the cusp of a strong rebound that could last for several years if we are prepared to take advantage of the opportunities before us. The Canada-European Comprehensive Economic and Trade Agreement (CETA) will provide New Brunswick exporters the opportunity to expand into the European Union. The development of the Sisson Brook mine will contribute to improved growth prospects in the mining sector over the next three to five years. Longer-term, the Energy East Pipeline and the development of a natural gas industry have the potential to significantly boost investment, job creation and government revenues for years to come. Given these projects and planned investments in the forest sector, the Department of Finance is forecasting growth of 2.1 per cent in 2015.

***Fiscal Update and Outlook***

Mr. Speaker, **1** would like to now provide an update of our current fiscal situation. We are now projecting a deficit of $564.1 million for 2013-2014. Spending is being managed more responsibly and effectively, but economic challenges in recent years have contributed to a substantial revenue shortfall.

We have made significant progress in reducing our expenses and **1** would like to recognize the important work that my colleagues and our public service have done in this regard. Spending is now projected to be $201.3 million below budget in 2013-2014.

Revenues are now projected to be $286.7 million lower than budget mainly due to reduced tax and royalty revenue related to weakness in the economy as well as lower net income of NB Power.

Net debt is projected to increase by $607.2 million, an increase of $12.8 million f rom budget.

As you can appreciate, this is not the outcome we were working towards. However, the foundation upon which our plan is built remains in place.

Mr. Speaker, **1** would now like to outline our plan for the upcoming fiscal year.

Today's budget continues the trend from previous budgets of managing smarter. Spending will continue to be closely managed as we deliver government services in a disciplined, responsible and efficient manner. However, today's budget also

recognizes that our economy is showing signs of recovery and supports an environment of increased growth, which will further lead to improved revenue growth.

For 2014-2015, we are projecting a deficit of $391.1 million.

Improved economic conditions combined with the maturation of previously announced tax changes are expected to increase revenues by 4.3 percent over revised 2013-2014 estimates, surpassing $8.0 billion.

By continuing to closely manage our expenses, growth in spending will remain below historical norms. Operating expense growth will be limited to 1.9 percent, an increase of $155.9 million over revised 2013-2014 third quarter estimates. The expenditure plan outlined in this budget is below spending projections outlined in the multi-year plan in the 2013-2014 budget. Spending will be focused on a number of strategic new investments in priority areas such as health and senior care.

Net debt is projected to increase by $530.7 million, totaling approximately $12.2 billion by year-end 2014-2015.

**Responsible Management of Public Finances**

***Building* a *Culture of Performance Excellence***

Mr. Speaker, significant cultural change is underway within the public service of New Brunswick. Fiscal year 2013-2014 marks the second year of implementation for the Performance Excellence Process, a formal management system built upon leading business practices to develop, communicate and review strategy. This process provides the public service with a sustainable methodology to align performance and execute strategy for the Government of New Brunswick.

Our success in building a culture of performance excellence was recognized last year when the province was awarded the 2013 Atlantic Canada "Innovation in Practice Award" from Progress Media. This award recognizes the development, application and results of the Performance Excellence Process in our public sector. lt is noteworthy to be recognized by the private sector for innovation in government.

Another element of performance excellence is "Lean Six Sigma" process improvement. To date, over 1,400 government employees have been involved in over 400 projects and waste walks, resulting in savings of more than $12 million. Examples of savings include:

* $937,000 in regional infrastructure storage;
* $819,000 in employee mileage and rentai travel expenses;
* $516,000 in bank interest costs;
* $305,000 in oncology medication waste;
* $222,000 in veterinary pharmaceutical inventory; and
* $78,000 in reduced envelope size and postage costs for pleasure craft licenses.

Mr. Speaker, building a culture of performance excellence has also led us to a more focused, efficient approach towards collecting money owed to taxpayers. The Auditor General noted the need to improve our efforts to address our outstanding receivables. We are centralizing staff from a number of departments into a new Collection Services Branch, which will lead to a consistent, focused approach on how outstanding receivables are addressed. Collection efforts this year have resulted in $10.3 million being recovered and we expect this new approach to generate additional cash for the province.

The province will work to increase revenue for taxpayers by instructing the Atlantic Lottery Corporation to undertake a review of the video lottery program, as well as other related programs, with the objective of ensuring the effective, legal and efficient utilization of all provincial assets.

Managing smarter and building a culture of performance excellence also means addressing our provision for loss expense. The province receives revenue from a number of different sources, including property taxes, fees and fines, and loan repayments from businesses. When it is unlikely that some of these amounts will be collected, we record a provision for loss expense.

From 2007-2008 to 2010-2011, the provision for loss expense averaged $93 million per year. By exercising greater prudence on our economic development files and putting greater emphasis on our collection efforts, we have made great strides in reducing our provision for loss expense. For the four fiscal years starting in 2011-2012, the provision for loss expense is expected to average just $13 million per year. This represents an 86 per cent improvement from the previous four-year average.

ln 2014-2015, the last wave of departments will be adopting this methodology of performance excellence. We have already seen the significant impact that this way of doing business has on the cost and quality of services offered to the people of New Brunswick. 1 applaud my colleagues and the public service for their efforts in this regard and look forward to seeing further savings and efficiencies.

***Managing our Human Resources Responsibly***

Mr. Speaker, in order to further meet government's objectives of living within our means and ensuring fiscal sustainability, we continue to implement a number of corporate human resource initiatives across government.

With annual expenditures in the range of $2.4 billion, wages represent a significant portion of provincial spending. For this reason, our government put a three-year plan in place to reduce the size of the public service, and we are on track to realize the $86 mil lion target in savings by 2014-2015. Through retirement and attrition, we are targeting a reduction to the public service of at least 1,500 employees over a three-year period. We have taken a strategic approach to reaching our target with respect to attrition. Service delivery to the public remains the foremost priority as departments carefully plan staffing levels to ensure that the public does not see a reduction in service.

1 am pleased to report that we have exceeded the targets set for the first two years of this program with a total reduction of 1,211 employees. Ali parts of the public service have been reduced by over 2,000 positions since our government took office.

The changes to the retirement allowance policy announced in last year's budget proved to be successful. The province's future liability for the retirement allowance has been reduced by approximately $62 million. Our management and non-union employees reacted favourably to this policy change, as more than 75 percent of eligible employees chose the payout option. These changes will also be negotiated with public sector unions for bargaining employees.

Mr. Speaker, our efforts to improve management and lower the use of sick leave through initiatives such as a comprehensive Attendance Management Program are now yielding results. The province has realized productivity savings of approximately $1.2 million to date.

The Department of Human Resources continues to work collaboratively with all stakeholders in an effort to increase employee health and well-being and to reduce the total cost of absenteeism. Initial results show that everyone is committed to ensuring we achieve a 20 percent reduction in sick leave usage by March 31, 2015, resulting in savings of approximately $20 million.

***Creating* a *Sustainable Future for Pensions***

Mr. Speaker, pension plans in Canada and around the world continue to face challenges and New Brunswick is no exception. Over the past year, there has been a great deal of discussion in New Brunswick on how to ensure that our public sector pension plans are sustainable, secure and affordable. lt hasn't been easy working with friends and neighbours to save their pensions, but choices needed to be made. Maintaining the status quo was not an option. We were facing a one billion dollar deficit in the largest public service pension plan, under the *Public Service Superannuation Act (PSSA)* - a deficit that was expected to increase due to demographic realities and realistic estimates of future investment returns.

Changes to the *PSSA* represent one of the cornerstone pieces of our first mandate. These amendments ensure that the public service plan is sustainable for current and future retirees.

The pension model we have adopted has been recognized across North America by sources including the *New York Times* editorial board, the Boston College Center for Retirement Research and pension experts such as Jim Leech, the retired head of the Ontario Teachers' Pension Plan. Our model has been adopted by a number of municipalities and private organizations in the province. Support from unions representing two-thirds of the bargaining positions in the public service plan came about after our government undertook a consultation and collaboration process that lasted more than a year.

Three-quarters of New Brunswick public servants now have the benefit of a more secure, sustainable and affordable pension plan as a result of the legislative changes we have led. Furthermore, retirees were assured in the legislation that they will never see their pensions reduced from their current level. Ali plan members will continue to receive cost of living increases among the highest of any public sector plan in Canada.

The effect of these changes was immediately evident when we announced that public service retirees will be receiving full indexation for this year under the new plan, an amount that would not have been provided until a subsequent year under the former plan.

We have made much progress in addressing our pension issues over the last year, but we recognize that there is more work to do. Not only has the number of MLAs been reduced by six for the upcoming election, the MLA pension plan will adopt the shared-risk pension model this legislative session.

We continue to collaborate with the New Brunswick Teachers' Federation to make the necessary reforms to the teachers' pension plan. This plan currently costs taxpayers three dollars for every dollar put in by plan members. This is simply unsustainable for our province. The province has contributed $830 million over and above teachers' contributions in the last 10 years. We simply cannot leave this inequitable funding model for the next generation.

Other provincially sponsored or funded pension plans will also be assessed and reformed as required to ensure publicly funded pension plans are sustainable, secure and affordable for the long-term, as opposed to postponing the difficult decisions.

***Investing in our Infrastructure***

Mr. Speaker, New Brunswickers have the right to expect access to quality, healthy and safe infrastructure. They see it as an important resource that contributes to their economic and social well-being. However, New Brunswickers

also recognize that our fiscal situation requires us to make choices based not only on what we want, but what we need and can afford.

For the 2014-2015 fiscal year, total capital spending of $555.2 million is projected across government. Only $35 million, representing just 6.3 per cent of total capital spending, will be dedicated to commence new capital projects.

Strategic, well-planned investments in our transportation network can support economic growth. Proper maintenance can also save money over the longer-term that can be reinvested in needed improvements. Today's budget includes $223.3 million for the repair and maintenance of our transportation infrastructure, including funds to undertake various safety upgrades on Route 11 between Shediac and Miramichi.

ln 2014-2015, our government will invest a total of $99.4 million in our K-12 infrastructure. This investment includes the construction of a new K-8 school in Miramichi and a K-8 school in the Restigouche area. Work will also start on renovations and additions at Gretna Green Elementary in Miramichi and at Riverview High School.

Today's budget includes a total of $212.9 million for the maintenance and improvement of our health care infrastructure. This includes initial funding for the Fredericton Community Health Centre, a partnership project between Horizon Health, the University of New Brunswick **(UNB)** and the **UNB** Community Health Clinic. This project represents a new model in the delivery of health services in the capital region. We will also invest $13.0 million to address space shortages at the Dr. Georges-L.-Dumont University Hospital Centre through the addition of a surgical suite. Funds have also been allocated to begin work on longer-term upgrades to the Dr. Everett Chalmers Regional Hospital and the Chaleur Regional Hospital.

My colleagues will provide more information on these and other strategic investments when they table their estimates in the Legislature in the upcoming weeks.

***Multi-Year Capital Plan***

Mr. Speaker, in her latest report, the Auditor General noted the need for a comprehensive long-term infrastructure plan that will ensure the sustainability and safety of all essential infrastructure, including highways, hospitals, schools and bridges, while respecting the fiscal challenges faced by the province. By tabling the 2014-2015 capital budget along with multi-year targets, our government is meeting these expectations.

Today's capital estimates represent disciplined management by planning for the infrastructure we can afford. **1** am pleased to report that we are within six per cent of our original multi-year plan tabled in December 2012 covering the 2013-2014

to 2015-2016 period. This multi-year capital plan outlines our priorities for the next three years and highlights funding to help complete existing projects and maintain our buildings, roads, bridges and other infrastructure assets.

**Multi-Year Capital Plan** ($ **millions)**

Total Capital Expenditures

**2014-2015 Budget**

555.2

**2015-2016 Plan**

486.1

**2016-2017 Plan**

513.6

**lnvesting in Families and Communities**

Mr. Speaker, New Brunswick's health care system represents about 40 per cent of the provincial budget. Growth in health expenditures had reached unsustainable levels, with annual increases in the six to eight per cent range. However, through the efforts of the Office of Health System Renewal, the Department of Health and other health system providers, New Brunswick is leading the country by controlling spending without compromising the quality of care.

The collaborative efforts of all partners to operate the health care system more efficiently are paying dividends. 1 am pleased to point out that health expenditures are expected to be under budget for the second year in a row. The Department is expected to be underspent by at least $30 million. To produce a surplus of this magnitude is unprecedented. ln 2014-2015, the Department of Health's ordinary account budget will grow by less than two per cent, which includes investments in the new prescription drug plan for the uninsured. This comes just one year after keeping Health's budget fiat in 2013-2014.

The Department of Health will continue to identify best practices, benchmark against industry standards and implement a number of efficiency and savings initiatives that have allowed it to contrai its expenditure growth in recent years. These items include reducing central office employees through attrition, delivering non-clinical services in the most efficient manner possible, and general efficiencies across the entire health system without impacting front-line service delivery.

Mr. Speaker, there are many people living in our province today who are facing high drug costs, including 70,000 families, well in excess of 150,000 people, that have no drug coverage at all. We know that when people have access to the prescription drugs they need they are healthier overall; they take less time off work; they visit emergency rooms less often and are less likely to be hospitalized.

The New Brunswick Drug Plan will give New Brunswickers the peace of mind that they will have fair and affordable drug insurance when they need it, and 1 am pleased that our government was able to put this plan in place. Because of our efforts towards fiscal sustainability in health care, our government is able to invest an estimated $27 million this year in the plan. This will lead to lower health care costs and creates opportunities to invest that money in other ways that improve our economy and quality of life.

Mr. Speaker, with an aging population we recognize that more emphasis must be placed on community and home-based care and supports that maintain seniors' health and independence. We will be investing $7.2 million in our Home First Strategy. By making this strategic investment, we are changing the philosophy and practice so that seniors are supported in their communities to the extent that lengthy hospital stays and premature residential placements are avoided. The *Living Healthy, Aging Wei/* report will provide further guidance as we develop additional initiatives to create supportive environments for healthy aging.

Ali of us, however young, are the elderly of the future. Our policies today must take into account the needs of tomorrow.

That is why we need to view the sustainability of our long-term care system as a shared responsibility among government, the long-term care sector, individuals and communities. The Department of Social Development has risen to the challenge of finding efficiencies so that programs and services can be delivered within the province's fiscal realities. And while we have made great progress in containing spending, we must continue to prioritize our resources where we can make the greatest impact on those that need our help the most.

Reducing, preventing and alleviating poverty is an important focus of our government as we work to rebuild New Brunswick together. Basic social assistance rates were increased by four per cent last fall and a further increase of three per cent will take effect in April 2014.

Investing in our children and our schools is one of our government's top priorities. With the challenging financial situation that we face, we must ensure that we get maximum value from every dollar we invest in our learning system. The Department of Education and Early Childhood Development's (EECD) budget is increasing by one percent in 2014-2015.

Additional funding of $1.5 million will be added to the EECD budget in order to support initiatives from the June 2013 report by Pierre-Marcel Desjardins commissioned by the Groupe d'action de la Commission sur l'école francophone.

Building on the school district reorganization our government previously undertook, EECD will work to identify the most efficient and effective ways of delivering programs to our children. These efforts, in combination with improvements to process management, procurement, information technology and absenteeism, will generate an estimated $5.2 million in savings without negatively impacting classroom learning. Moreover, by managing smarter and continuously identifying efficiencies, our government will be able to continue making investments in priority areas such as inclusive education, and more affordable and accessible learning opportunities.

Our government committed to a renewal of New Brunswick's cultural policy over the course of this mandate. The Department of Tourism, Heritage and Culture has led that process to include wide public consultations as well as a stakeholder working group. The renewal is now in its final stages and this budget will provide the initial funding to support its recommendations.

Mr. Speaker, our government recognizes the significant contributions the First Nations people have made in the development of our province. There is an urgent need to achieve greater social, economic and health outcomes among our First Nations communities. As such, we are committed to working in partnership with our First Nations throughout the province by encouraging and promoting opportunities for economic development and success through education and training while ensuring a fair and sustainable revenue sharing model.

**Maintaining a Competitive Tax System**

Our government recognizes the importance of a competitive tax system in supporting economic growth. lt is through building a strong economy and growing our tax base that we can ensure that financial resources are available to maintain essential public services that New Brunswickers have come to expect.

ln previous budgets, our government has made difficult decisions to bring greater balance to revenue and spending in order to address our fiscal challenges. These changes have contributed to a more sustainable fiscal foundation while maintaining a competitive tax system. ln fact, New Brunswick's persona! and corporate income taxes are competitive when compared to our neighbouring provinces. Furthermore, the Canadian Federation of lndependent Business (CFIB) recently ranked New Brunswick as third among the provinces when it comes to small business-friendly tax systems.

To further enhance our competitiveness, we are developing a smart regulations system to reduce red tape and minimize the time and money New Brunswickers spend on accessing government services. The smart regulations system has a goal of reducing the burden on businesses, non-profit groups and individuals by 20 per cent. At the same time, smart regulations will place an emphasis on preserving regulations that protect the environment, set the rules of fair commerce and provide for the health and safety of New Brunswickers. These efforts have been recognized by the CFIB as an important contributor to the well­being of small business owners in the province.

Our government recognizes that additional tax increases would put undue pressure on New Brunswick citizens and businesses and limit the economic growth potential that lies before us. This is why we will not be introducing new taxation measures in 2014-2015. This will also provide needed stability to our tax system.

Mr. Speaker, we recognize the need to encourage small business investment and 1 am pleased to announce today two initiatives that will assist in this process.

Effective for the 2014 taxation year, the Small Business Investor Tax Credit will be enhanced to allow New Brunswick corporations and trusts to be eligible for a 15 per cent non-refundable corporate income tax credit on eligible investments up to $500,000. This translates into a tax credit of up to $75,000 for New Brunswick corporate and trust investors who invest in eligible small businesses in the province. This will open a whole new pool of capital to small businesses that have long cited access to capital as one of their top challenges.

Secondly, our government is delivering on its commitment to create a new tax incentive program for Community Economic Development Investment Funds where local people can pool resources and keep capital funds working in New Brunswick. The government will further enhance the Small Business Investor Tax Credit to provide individual, corporate and trust investors with an equivalent non-refundable income tax credit for investing in a registered community economic development fund.

Fair and competitive business practices are essential to ensuring sustainable and long-term private sector investment. We will be reviewing our agreements particularly as they relate to taxation and revenue sharing to ensure this element of fairness is maintained.

Mr. Speaker, we recognize that our mineral resources are owned by the people of New Brunswick and they deserve to receive fair value for these non-renewable resources. We also recognize that our mineral resource sector requires stability in the royalty structure to operate efficiently.

Our government has undertaken a comprehensive review of our mineral royalty structure. We have already announced a competitive, investment-friendly royalty structure for natural gas that maximizes the return to the province without discouraging development.

There are a number of opportunities before us that can strengthen our economy, create jobs, increase incomes and generate additional revenue if we are prepared to take advantage of them. We must ensure that our tax system remains competitive if we are to attract the investment needed to make these opportunities a reality.

**Investing in a Stronger Economy**

Mr. Speaker, putting our resources to work means building on an agenda that focuses on skills development, innovation, investment and trade. By putting our human and natural resources to work, we can strengthen our economy, generate prosperity for New Brunswickers and create opportunities to those who want to call New Brunswick home.

***Putting our Resources to Work through Skills Development***

Our province has faced some trying economic times in recent years and we have seen our most valuable resource-our young and skilled people-leave the province to find work. If we are to reverse this trend, we must ensure that our workforce needs and skills development activities are aligned with emerging economic opportunities.

We are investing in our young professionals through the "One-Job Pledge". Since its launch in January 2013, this initiative has surpassed its initial goal of creating 650 jobs and is currently nearing its revised target of 850 jobs; the program's target has been expanded further to 1,000 jobs. Furthermore, the "One-Job Pledge" is just one part of our *Labour Force and Skills Development Strategy 2013-2016* to help New Brunswickers obtain the skills and training they need to meet the challenges of today's labour market needs.

Mr. Speaker, we are creating opportunities for our people to develop the skills and pursue opportunities here at home and in the Atlantic region. ln partnership with the Government of Canada and the Atlantic provinces, we have launched an initiative to harmonize apprenticeship systems across the region. This initiative will lead to increased availability of training, higher apprenticeship completion rates, increased labour mobility and additional job opportunities for apprentices across Atlantic Canada. We have also introduced new apprenticeship incentives that will support bath employers and apprentices. They include the Apprenticeship Employer lncentive Grant, Apprenticeship Tuition Rebate, Out-of-Province Apprenticeship Strategy and the Provincial Government Hiring Apprenticeship Initiative.

We continue to ensure that skills development programs that are cost-shared with the federal government reflect the needs of New Brunswickers. Over the last year, Premier Alward and Premier Clark-his British Columbia counterpart have led the discussion to bring about changes to the Canada Jobs Grant in order to reflect provincial fiscal realities and local labour market needs. Although further work needs to be completed, these efforts have been recognized by the Government of Canada and have resulted in a significant departure from the initial program design.

***Putting our Resources to Work through Innovation***

Mr. Speaker, a greater emphasis on innovation and the adoption of industry best practices are required to compete in an ever-changing global economy. We have committed to investing more than $80 million over five years to make New Brunswick an innovation leader and provided much-needed leadership through the establishment of the New Brunswick Research and Innovation Council creating an environment that fosters entrepreneurship and creativity.

Investments in initiatives such as the Industry Innovation Challenge, New Brunswick Graduate Scholarship Program, the Innovation Voucher Fund, Innovation Research Chairs and the Brilliant Labs initiative are creating a culture whereby innovative thinking becomes a key driver of economic growth.

We are also putting an emphasis on innovation in our traditional sectors such as agriculture, by investing $29.6 million over the next four years in *Growing Forward 2,* a federal-provincial agreement covering productivity, innovation, competitiveness and market development.

***Putting our Resources to Work through Investment Attraction***

Mr. Speaker, our government is taking steps to attract investment to grow our economy and put our human resources to work. There are a number of projects on the horizon that are well positioned to brighten our economic prospects.

Investing in the value-added food sector is an important part of our government's plan to rebuild the economy and create jobs in our communities. We continue to work with strong partners like Oxford Frozen Foods Ltd. to grow the blueberry sector in our province. Efforts such as this will result in $184 million being invested in the coming years and 300 jobs being created on the Acadian Peninsula.

The forest sector has long been a cornerstone industry for New Brunswick. Over the past decade, this sector has had its difficulties but it has turned the comer. ln the coming days we will unveil our forestry plan that will focus on increasing the amount of fibre we can put in the system. The new influx of wood to the marketplace will stimulate private sector investment and is designed to improve productivity, competitiveness and create and maintain jobs at a number of mills around the province.

There will be fundamental changes to how we approach our forestry sector but we will ensure that it's sustainable for the long-term, and that First Nations and private woodlot owners benefit as well.

We will also continue our investment attraction efforts particularly as it relates to the development of our natural resources and energy sector. We have seen Premier Alward's leadership in promoting the New Brunswick story as it relates to the Energy East Pipeline. We continue to establish a framework that would allow

for significant, responsible investment in our natural gas resources and we are nearing the approval stage of what could be one of the largest tungsten mines in the world in Sisson Brook.

***Putting our Resources to Work in Global Markets***

Mr. Speaker, New Brunswick is one of Canada's most export-oriented provinces. We have the largest petroleum refinery in the country, the deepest seaport on the east coast of North America and we are the largest exporter of seafood in the country. We need to put these strategic infrastructure and geographic resources to work.

With global economic growth on the rise, the time is right for increased export sales of New Brunswick goods and services and we are prepared to take advantage of these changing market conditions. Through our export strategy, *Growing Global Markets,* we have identified new opportunities to diversify the markets we serve and help local companies connect globally. Additionally, we are working to take advantage of CETA to grow the export of our agricultural, seafood and forest products.

Longer-term, we will grow our global trade presence in the energy sector with the development of the Energy East Pipeline and marine facilities at the Port of Saint John. We already have the infrastructure via the Maritimes and Northeast Pipeline and the Canaport LNG terminal to further grow our global presence in the energy sector should it be determined that our natural gas resources can be extracted in a responsible and environmentally friendly manner.

**Building a Strong Foundation for Accountability**

Mr. Speaker, our government believes in its commitment to an open, transparent and accountable government.

An independent Auditor General has a vital role to play in the accountability and transparency of the provincial government. Our government has strengthened the independence, authority and mandate of the Auditor General to examine and comment on the fiscal situation and the effectiveness of various government programs and provide recommendations to improve their performance.

We are committed to continuous improvement and to strengthening our relations with Crown corporations by clearly and transparently defining their roles and responsibilities. To illustrate, we only need to look at how NB Power now operates. They have established a 10-year vision to provide safe and reliable service while pursuing low and stable rates for its customers and have a plan to pay down one billion dollars worth of debt.

**NB** Power has also increased transparency through improved regulatory oversight and community outreach initiatives and has partnered with Siemens Canada to launch new Smart Grid programs and services that will enhance customer service and help New Brunswickers save energy.

Evidence of our commitment to finding the "best and the brightest" to lead our public sector corporations was seen when Premier Alward recently announced the first public recruiting process for the President and CEO position of **NB** Liquor. **1** am proud to welcome Brian Harriman back to the province in his new job. Mr. Harriman is familiar to many in the industry and has an impressive track record.

Mr. Speaker, managing the province's finances in a responsible manner is the most important role of any government. To improve transparency and accountability in the province's finances, our government now publicly releases quarterly economic and fiscal updates.

Our government remains committed to fiscal responsibility. New fiscal accountability legislation will be introduced this session with requirements for deficit reduction and an annual multi-year fiscal plan.

Among other transparency initiatives, new legislation will include time lines for the release of quarterly updates and will see the provincial Auditor General report on the province's finances 60 days in advance of each fixed election date.

Mr. Speaker, in September, New Brunswickers will have the opportunity to cast their ballots on the future direction of the province. To ensure that New Brunswickers understand the impacts of election promises, our government will introduce legislation this session to increase transparency and accountability in election commitments. A process will be developed to make fiscal and economic information available to voters in advance of the election date.

**Living Within our Means**

Mr. Speaker, in last year's budget, our government stated it was no longer practical to consider a return to budget balance by 2014-2015 despite having instituted a number of revenue measures and spending efficiencies. ln particular, the weakened economy has significantly eroded the province's revenue base, resulting in a delay in returning to balance.

A number of governments are facing similar challenges in returning revenues and spending to balance over the short-term. Living within our means requires us to remain vigilant in ensuring that the programs and services we provide are appropriate and affordable.

The multi-year plan 1 am setting forth today outlines a continued path of improvement to a surplus of $119 million projected for 2017-2018. Revenue projections reflect an economy that will begin to gain momentum in 2014 and the maturation of tax changes implemented in our previous budgets. Spending projections reflect policy decisions of government and growth pressures.

Over the next three years, additional revenue and savings will need to be achieved to meet our objectives. lt is incumbent upon government, as part of its due diligence and commitment to sound fiscal management to continually seek opportunities and efficiencies as a normal course of action.

Economic commentators are optimistic in the development of our natural resource and energy transportation sectors over the next few years. If the future unfolds as we expect, we will be positioned for additional economic growth and additional revenues. We must not lose sight of our goal and we must continue to pursue the balanced approach to success by closely managing expenses.

**Conclusion**

ln conclusion Mr. Speaker, we have made measureable progress in addressing our fiscal difficulties and are trending in the right direction. But we know we can do better. The public realizes we are facing significant challenges in this province that will not be met by rhetoric but through real decisions and aggressive change. We have a great province and it can be so much greater.

Politicians at all levels are realizing that we must continue to make better decisions on a regular basis, decisions that reflect the collective good of the province. We must resist the political pressures and tactics that often accelerate in an election year. Our best achievement cannot be simply undoing what our predecessors may have done.

Private investors are realizing the province has stabilized its thirst for spending and is now on a path of economic recovery. We have built transparency and greater accountability into our daily operations and the efficiency of services. We are open for business.

Our employees are realizing that they must play a stronger role in the development and creation of the long-term vision for the province in their related field of expertise. It is these very leaders that have the experience, professional knowledge and ability to ensure continuity and that the continuous improvement philosophy is applied to programs and services.

Our foundation for success has been built on the four pillars 1 outlined in our first budget. The cultural shift to continuous performance improvement and accountability is well underway. We have talented and very capable individuals who are demonstrating their potential on a daily basis. We continue to right-size government through an effective attrition program and reorganization process.

We have a long history of putting our resources to work to generate jobs, increase wealth and grow our economy. Today's opportunities build on this history and we have shown the leadership and focus required to develop a skilled workforce and regulatory environment to see these projects come to fruition.

Mr. Speaker, today's budget balances our commitment to managing our resources smarter and controlling spending to a level we can afford while taking advantage of opportunities to grow our economy in a sustainable manner.

Through the support of all New Brunswickers, our government will move this province forward through smarter management and putting our resources to work.