
Government Renewal and Increasing the Role of Caucus

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Two major themes have become apparent since the Progressive Conservative took office on October 12, 2010. One is that the province is facing a major fiscal challenge and New Brunswickers recognize the need to address that. Secondly, the public wants to be consulted on important decisions. This article looks at steps that have been taken to deal with these issues.



The New Brunswick Public Accounts indicate the province reported six years of balanced budgets between 1999-2000 and 2007-2008. From 2007-2008 to 2009-2010, government expenses increased 12.5% while revenue was essentially unchanged. Significant deficits were incurred as a result. Fiscal year 2008-2009 reported a deficit of \$192.3 million which rose to \$737.9 million in 2009-2010. Provincial net debt, which was under \$6.6 billion for 2006-2007, grew to \$8.4 billion as of December 31, 2010. For 2010-2011, the deficit, estimated at \$740 million, will bring the debt to well over \$9 billion. The provincial credit rating has been downgraded and the cost to service the public debt for the year ending March 31, 2010, was \$616.6 million.

A plan for economic recovery is essential as our spending is not sustainable and could impact our ability to provide essential services.

Government Renewal Plan

It is clear that changes have to be made to deliver services in a more efficient manner. In 1994, the federal government, under Prime Minister Chretien implemented a "Program Review" with Donald Savoie of Moncton and Peter Aucoin from Nova Scotia doing

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the analysis. In 1999, former New Brunswick Premier Bernard Lord led a reform which looked at what government was doing, who did it, how effective was it and finally, whether government should be doing it. In 2010 the new government in New Brunswick decided to implement a government renewal plan. It would concentrate on four areas:

- Provide core services
- Engage stakeholders to link services with expectations
- Ensure government meets 2011-12 budget targets
- Provide direction for a 3 year plan to balance the budget by 2014-15.

A report tabled June 3, 2011, entitled *Government of New Brunswick Workforce Profile 2010: Office of Human Resources* provides statistical information about key characteristics of the provincial government's workforce. In 1960, New Brunswick had 3000 public servants. Today, we have well over 56,000.

As governments change, so, too, does the workforce. The challenge is to make sure each position is essential and that the person in the position has the required qualifications. Governments provide services and implement legislation. However, members of the public also put pressure on politicians to provide employment. In New Brunswick, the top civil servant positions were reduced by 10% under the new government. Deputy Ministers, for instance, earn a salary of up to \$175,000, while the salaries of other civil servants range as high as \$450,000, Assistant Deputy Ministers earn \$125-150,000 while New Brunswick MLAs earn \$85,000. There were 105 Deputy Ministers, Assistant Deputy Ministers and executive directors. In fact, in excess of 4,200 government employees earn more than MLAs.

Public Engagement

While the notion of cutting spending arbitrarily by 1%, 2% or 10% across the board has been used in the past, we wanted to go further and deeper. Traditionally, cost-saving measures such as letting vacant positions go unfilled and general across-the-board cuts have been used. However, one vacant position could be essential and far more critical than three other filled positions. Given the precarious position of the provincial finances, we felt that more was needed. Although we did implement an initial 1% in-year spending restraint program and a 2% cut in the current fiscal year, we also embraced a strategy of renewal which would focus on core services, making their delivery subject to performance measures and implementing a continuous performance improvement plan.

It was thought that to determine public expectations, steps had to be taken to engage the public. The Minister of Finance and other Ministers toured the province and received suggestions on how to provide services more efficiently. A Social Policy Network Forum was set up to engage citizens and Town Hall meetings were held.

Public engagement is necessary to ensure an alignment between affordable, quality public services and public expectations. A huge public consultation process was developed to determine the Progressive Conservative party platform prior to the September 27th election and public consultation had to be maintained for the implementation.

Under the government renewal program, the objective is to return to balanced budgets by 2015.

Every department of government and Crown agency has been engaged to deliver its essential programs more efficiently.

Regardless of political stripe, MLAs want to be more relevant and involved in government. With 42 members, the Government Caucus in New Brunswick is considered large. As a sign of austerity, the new Cabinet was reduced from 21 to 16 members. With the majority of newly-elected MLAs not being members of Cabinet, it was essential to provide more opportunities for involvement. Many first-time Members find their enthusiasm and energy reduced as they discover the realities of government with large bureaucracies, and major decisions being made by the Premier and Cabinet. So the drive to “change the world” by the newly-elected has to be channeled into avenues

of service and involvement or it may soon lead to frustration and eventually, complacency.

In New Brunswick, as the new government took power, the following steps were taken to enhance the role of MLAs:

- MLAs were assigned as Legislative Assistants (Secretaries), much like the federal system.
- For the first time, government MLAs were sworn in as members of the Policy and Priorities Committee, one of two Cabinet committees, which is the first step for each department’s legislation.
- MLAs were sworn in as members of the Board of Management
- A Legislative Review Committee made up of government MLAs was established to examine legislation after it had been processed from departments to the Policy and Priority Committee, Board of Management and Cabinet.
- Caucus agendas are determined by MLAs and they must give final approval for legislation.
- MLAs are equal contributing members of the Government Renewal Committee. The Government Renewal Committee is made up of equal numbers of Cabinet Ministers and government private backbench MLAs.

Strategy for Government Renewal

The objectives identified, namely, providing core services, engaging the public and balancing the budget, are to be achieved largely through the work of three committees.

- A central committee made up of four Deputy Ministers involved with policy, including the Premier’s Chief of Staff, meet for an entire day each week.
- Deputy Ministers from each department meet every 2 weeks to identify core services and implement performance reviews.
- The third committee is made up of 4 Cabinet Ministers and 4 MLAs, as previously noted, who were to meet every 2 weeks but are now meeting weekly at their own request.

The Cabinet and MLA Committee has the steering committee of the government review office and Deputy Minister committees reporting to it. All 25 government departments and agencies are being reviewed as well as renewal projects including Crown agencies and assets.

The Departments of Health, Education, Social Development, Transportation and the Internal Services Agency will report directly to the Government Steering Committee. Each department will go through an analysis schematic to determine core functions. Five tests will be utilized:

- Public Interest Test
- Role of Government Test

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- Provincial Level Test
 - Partnership Test
 - Efficiency Test

Then, the affordability test will be used to determine if the service should be discontinued or transferred.

There are 3 major projects underway, 9 horizontal projects proposed and 8 corporate projects led by central government. There is also a review of Legislative Officers being conducted by Bernard Richard, former Ombudsman and the province's first Child and Youth Advocate. The review is intended to find ways in which the efficiency, effectiveness and accountability of legislative officers can be enhanced without impairing their independence. Mr. Richard is to report his findings and advice to the Speaker October 31, 2011.

Sector Renewal Projects include the formation of Invest New Brunswick, a new agency aimed at outside investment, an energy system review and consultation on local government. The Province currently has 371 Local Service Districts, towns, cities and rural communities for a small population of 751,000 people.

Social Policy Network Forum

The Social Policy Network Forum and the Premier's Citizen Engagement Unit are two initiatives provided to give New Brunswickers an opportunity to have their say on significant issues. Through town hall meetings, and formal consultations on Crown forests, energy, wetlands, finance, local government, health and education, the public were provided the tools for meaningful engagement.

In addition to the following actions: reducing the size of Cabinet to 16 from 21; freezing MLA salaries and reducing MLA pensions by 33%; and reducing the number of top administrators in the civil service and the government also commissioned a report on legislative reform by professors Don Desserud and Cody Waite.

During the September 27, 2010, provincial election, five parties ran candidates: the Parti Vert N.B. Green Party (PVNBGP); Liberal Party; New Democratic Party (NDP); People's Alliance Party (PANB), and the Progressive Conservative Party of New Brunswick.

The PCs received 48.4% of the vote, Liberals 34.2% of the vote, the NDP 10.3%, the PVNBGP, 4.5%, and the PANB, 1.2%.

The PCs won 42 of the 55 seats, with the remaining 13 seats going to the Liberals; the latter three parties did not elect any members.

When interviewed by CBC, Mr. Desserud commented that when he contacted the NDP, Green and People's Alliance parties, in an attempt to give them opportunities to be heard in the Legislature, they said they were not elected, therefore they did not deserve to be there.

The Desserud and Waite report concluded that the best way to involve third parties in the Legislature was to improve civic engagement in general. They considered petitions and posting questions by proxy to have little benefit. The Report contains recommendations that would fundamentally alter the way the Legislature functions. The report did, however, recommend that certain committees be struck with specific mandates and that such committees be encouraged to appoint appropriate representatives from third parties without representation in the House. The Desserud and Waite report was tabled in the Legislative Assembly June 10, 2011.¹

Conclusion

In the short term it is projected to reduce the deficit from \$1B to \$448.8M. Extensive public consultation including the creation of a direct line to the Premier, dave@gnb.ca, allowed the public to have their say on how to reduce spending. This allowed the new government to reduce the projected deficit by over 50%. It also paved the way for the elimination of the deficit by 2014, without raising the HST.

It is also anticipated to reduced the number of top civil servants by 10%. For every 1,000 people in New Brunswick, there were 12.9 public administration workers not including teachers and nurses. British Columbia had 4.4 per 1000, Ontario 4.9 per 1000 and Nova Scotia 9.3 per 1000. The average weekly wages of provincial public servants increased by 55% over the 12 years ending in 2009. The private sector saw a wage growth of 30%.

Notes

1. It can be found at: <http://www2.gnb.ca/content/dam/gnb/Departments/eco-bce/pdf/2011ProposalsLegislativeReform.pdf>