



**OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
PROVINCE OF NEW BRUNSWICK**

**REPORT TO THE SPEAKER
OF THE
LEGISLATIVE ASSEMBLY OF NEW BRUNSWICK
OF THE
INVESTIGATION**

**BY THE HON. ALFRED R. LANDRY, Q.C.
CONFLICT OF INTEREST COMMISSIONER**

**INTO ALLEGATIONS BY MS. MARIE-PAULE MARTIN,
OF VIOLATIONS OF THE *MEMBERS' CONFLICT OF INTEREST ACT*
BY MR. VICTOR BOUDREAU, MLA FOR SHEDIAC—CAP-PELÉ
AS HE THEN WAS**

Report to the Speaker
of the
Legislative Assembly of New Brunswick
of the
Investigation
by the Hon. Alfred R. Landry, Q.C.
Conflict of Interest Commissioner

Into Allegations by Ms. Marie-Paule Martin,
of Violations of the *Members' Conflict of Interest Act*
by Mr. Victor Boudreau, MLA for Shediac—Cap-Pelé
as he then was

Introduction

Ms. Marie-Paule Martin, of Shediac, in the County of Westmorland and Province of New Brunswick has requested, by affidavit dated April 7, 2014, an investigation pursuant to Section 36 of the *Members' Conflict of Interest Act*, SNB 1999, c M-7.01, to determine whether Mr. Victor Boudreau, Member of the Legislative Assembly for Shediac—Cap-Pelé has violated section 5 of the *Act* which provides as follows:

Insider Information

5(1) A member shall not use information that is obtained in his or her capacity as a member and that is not available to the general public to further or to seek to further the member's private interest or to further or seek to further another person's private interest.

5(2) A member shall not communicate information described in subsection (1) to another person if the member knows or reasonably should know that the information may be used for a purpose described in that subsection.

MLA Boudreau and his friend Mr. Michel Boudreau have on January 17, 2014, incorporated a corporation named "Camping Shediac Camping Ltée/Ltd." which corporation is to own and operate a 650 site campground in Shediac on land to be leased from the Anglican Parish of Shediac. Ms. Martin, owner of Beauséjour Camping in Shediac alleges that MLA Boudreau received insider information, particularly on May 6, 2013, when he met in his constituency office with Ms. Martin and also Ms. Sophie Belliveau-Doiron, manager of Ocean Surf Trailer Park, also of Shediac, to discuss three topics, namely a proposed 3% tourism levy, the issue of the provincial campground expansion and the rumored tax for seasonal lots.

Provision for investigations

Section 36 of the *Members' Conflict of Interest Act* provides that any person may request in writing that the Commissioner investigate an alleged breach of the *Act* by a Member of the Legislative Assembly. The request must be made in the form of an affidavit and set out the grounds and the nature of the alleged breach. Upon receiving the request for an investigation the Commissioner may conduct an investigation with or without conducting an inquiry under s. 37. (See *Members' Conflict of Interest Act*, S.N.B. 1999, c.M-7.01, s.36 and s.37.)

Process

The evidence obtained in the within investigation came from two sources.

Firstly, I have received three affidavits, two by the complainant, Ms. Marie-Paule Martin and one by the respondent, MLA Victor Boudreau.

Secondly, I have interviewed three witnesses namely Ms. Marie-Paule Martin, Ms. Sophie Belliveau-Doiron and MLA Victor Boudreau.

Local Campgrounds

There are seven privately-owned campgrounds in the Shediac area, as well as the Parlee Beach Provincial Park Campground.

There is a province-wide association of campground owners called the New Brunswick Campground Owners Association (NBCOA), but there is no association of the local Shediac area campgrounds. However, some local campground owners met on May 1, 2013, to challenge the provincial plan to expand the Parlee Beach Provincial Park Campground.

The New Brunswick Campground Owners Association Annual Meeting held in Fredericton on April 30, 2013

On April 30, 2013, the New Brunswick Campground Owners Association (NBCOA) held its annual meeting in Fredericton, which meeting was attended by both Ms. Martin and Ms. Belliveau-Doiron. At the meeting, the proposed 3% tourism levy was discussed and

as indicated in the minutes of the meeting the NBCOA membership voted 100% against this anticipated marketing fund.

Following is an extract from a two-page document entitled “Minutes from the annual NBCOA meeting April 30, 2013 and additional information”:

The NBCOA does not need the 3% marketing tax and we do not want to be part of it. The camping industry is providing services to the tourism sector for two to three months per year. Most of the marketing is done via internet and social media at a relatively low cost. For our industry, this is the most effective marketing tool for the present generation of campers.

If the 3% tax was put in place we do not know how the marketing funds would be divided and by whom. Many of the new areas of the province are dominated by the roof accommodation sector. Since it has been decided that the roofed accommodations would have 1 vote per room and that the campgrounds would have 1 vote per 5 sites, we assume that the roofed accommodations would control at the board level. The roof sector is completely different than the camping sector. In our industry, the clients live in nature and move around with the RV, thus paying more gas taxes. Their units are stored in the winter months.

The NBCOA membership has voted 100% (those that have returned the survey) against this antiquated marketing fund and they want to use the popular and less expensive internet approach.

Although the minutes of the April 30, 2013 meeting in Fredericton indicate that the meeting was held on that date, Ms. Belliveau-Doiron indicated at her interview that such annual meetings, are always held on Saturdays. April 30, 2013, however, fell on a Tuesday. This discrepancy is not material to the purpose at hand.

The minutes of the NBCOA meeting of April 30, 2013 were given to MLA Boudreau by Ms. Martin and Ms. Belliveau-Doiron at their hereinafter described May 6, 2013 meeting with MLA Boudreau.

Meeting of Local Campground Owners held on May 1, 2013

On May 1, 2013 a meeting of the local campground owners was held at Ms. Martin's residence attended by most of the local campground owners as well as municipal and chamber of commerce representatives. At that meeting, Ms. Martin and Ms. Belliveau-Doiron were asked to represent all local campground owners and meet with MLA Boudreau to express their concern with the government's plan to expand the camping facilities at the Parlee Beach Provincial Park.

As mandated by the group, Ms. Martin and Ms. Belliveau-Doiron secured an appointment for a meeting with MLA Boudreau on May 6, 2013.

There are no minutes of the meeting of May 1, 2013, held at Ms. Martin's residence but her affidavit indicates that the meeting of the local campground owners was held on that date.

The evidence is that the main topic of discussion at this May 1, 2013 meeting was the proposed expansion to the Parlee Beach campground as well as the expansions made and/or planned respectively by the local privately-owned campgrounds.

There is evidence that the actual and/or proposed expansions included 400 sites at Ocean Surf Trailer Park, 200 sites at Beauséjour Camping, 90 sites to South Cove Camping, and some expansion by Camping Oceanic.

Meeting at MLA Boudreau's Constituency Office with Ms. Martin and Ms. Belliveau-Doiron held on May 6, 2013

On May 6, 2013, Ms. Martin and Ms. Belliveau-Doiron met with MLA Boudreau at his constituency office as mandated by the local campground owners. The meeting lasted approximately thirty minutes.

Paragraphs 3, 4, 5, 6, 12, 13, 14 and 17 of Ms. Martin's affidavit dated April 7, 2014, read as follows:

3. May 6th, 2013: Victor Boudreau in his capacity as an MLA met with I and Sophie Belliveau, manager of Ocean Surf Camping, which we were asked to represent all local campground owners-operators (as per meeting with owners of May 1st, 2013) who were concerned with the Provincial Government's plan to expand camping facilities at Parlee Beach Provincial Park.

4. At this meeting, the owners-operators present expressed their concerns on behalf of all campground owners of the Greater Shediac area to Mr. Boudreau that an expansion in the provincially owned and operated facility would be in direct competition with the privately owned and operated facility would be in direct competition with the privately operated campgrounds in the area and possibly create an unequal playing field.

5. At this meeting, the local campground owners present gave Mr. Boudreau detailed information related to their campgrounds to justify their concerns.

6. Those present discussed their concerns related to the government expansion (of the Parlee Beach facility); and their opposition to any new taxes for campground operators that could be imposed.

...

12. If Mr. Boudreau knew at the meeting on May 6th, 2013 that he was planning to go into the campground business, why did he not disclose that information to the group that was present that day?

13. If Mr. Boudreau knew at the May 6th, 2013 that he was planning on opening a campground in the Shediac region and going into direct competition with the people that were present, why did he allow the other owner/operators to give him detailed information about their business models?

14. I believe that Mr. Boudreau knew at the May 6th, 2013 meeting that he had intentions of opening a competing business and should have disclosed his future intentions, and not accepted the information that was given to him as this information may have enhanced his own personal business advantage.

...

17. My request for an investigation is made in good faith. I believe that Mr. Boudreau knew during our May 6th, 2013 meeting that he had plans and intentions of opening a competing business and I believe that he should have disclosed that information to the group that day. Furthermore, I believe that it was improper for Mr. Boudreau to accept detailed business information from the campground owners knowing that he would be in competition with them in the immediate future.

Paragraphs 5 to 12 of MLA Boudreau's affidavit dated April 29, 2014, state in response:

5. At the Meeting, I discussed three issues with Ms. Martin and Ms. Belliveau-Doiron: a proposed three percent (3%) tourism levy, the issue of the provincial campground expansion, and a rumored tax for seasonal lots.

6. I took hand-notes recording the subjects we discussed in the Meeting (see "**Exhibit A**" attached).

7. At the Meeting, neither Ms. Belliveau-Doiron nor Ms. Martin gave me detailed information about their campgrounds.

8. At the Meeting, neither Ms. Belliveau-Doiron nor Ms. Martin gave me any business plans, sensitive commercial information, financial statements or banking information in relation to their campgrounds.

9. The only document given to me at the Meeting was a document (the "**Document**") entitled "Minutes from the annual NBCOA meeting April 30th, 2013 and additional information" (see **Exhibit "B"** attached).

10. The Document references the proposed three percent (3%) tourism levy and its potential impact on campgrounds in New Brunswick, but contains no detailed information on the campgrounds of either Ms. Belliveau-Doiron or Ms. Martin.

11. At the Meeting, I agreed with Ms. Belliveau-Doiron and Ms. Martin that I would raise the issue of the provincial campground expansion with the Minister of Tourism, Heritage and Culture (the "**Minister**") in the Legislative Assembly before the Standing Committee on Estimates while the budgetary estimates for this Department of Tourism, Heritage and Culture were to be discussed.

12. At the time of the Meeting, I had no intention or plan to open, operate, or have an interest in, a campground in or around the region of Shediac, New Brunswick.

Exhibit A referred to in paragraph 6 of MLA Boudreau's affidavit are the following hand-written notes by MLA Boudreau recording the three subjects that were discussed:

1. Tourism levy de 3% – 100% des prop [propriétaires] de terrains de camping sont contre. De plus, la proposition semble

exclure les terrains de camping prov. [provincial] et féd. [fédéral].

2. Expansion du Camping Plage Parlee – à cause de la politique du gouv [gouvernement], les banques ne prêtent pas d'argent pour des expansions privées, mais la prov. prend de l'expansion avec l'argent des contribuables? 60 sites – est-ce qu'il y a réellement un manque de sites – dernière étude en 2003, bcps [beaucoup] d'expansions depuis ce temps. Prog. [programme] du govt [gouvernement] pour améliorations seulement, pas pour des expansions.

7 parcs privés à Shediac, sans Parlee.

3. Une taxe pour un lot saisonnier – avec des structures permanentes. Une taxe semblable existe en Ontario? L'ass. [association] est en discussion avec les dealers et les fabricants, qui ont un avocat sur le dossier.

La ville et la ch. de comm. [chambre de commerce] appuient les campings.

In her second affidavit dated May 20, 2014, Ms. Martin adds the following in paragraph 2 and paragraph 10:

2. As stated in Paragraph 5 of MLA Boudreau's Affidavit, three topics were discussed during the meeting of May 6, 2013. However I have to contradict MLA Boudreau on Paragraph 7 that no information was transmitted when we spoke about the expansion of Parlee Beach Campground. The expansions of three local campgrounds were discussed as well as the number of sites that were being planned. This was to substantiate why we considered the provincial park expansion as an unreasonable use of our tax money to compete against us.

...

10. I do verily believe that MLA Boudreau was planning his proposed campground when he met with Mrs. Sophie Belliveau from Ocean Surf and me. Before any conversation could take place, MLA Boudreau should have stated, there and then, his conflict of interest which he did not do. Furthermore, within the time line between 2012 and 2014 MLA Boudreau has acquired confidential data in the most devious manner which he and others in his company can profit from.

I find based on the affidavits and the interviews that the only information given to MLA Boudreau by Ms. Martin and Ms. Belliveau-Doiron at the May 6, 2013 meeting was the expansions to campgrounds made and/or planned by the local campground owners.

The only document given to MLA Boudreau at that meeting were the Minutes of the NBCOA meeting above referred to.

Ms. Martin and Ms. Belliveau-Doiron both agree with MLA Boudreau's note as to the three topics discussed at the May 6, 2013 meeting, which note is reproduced above.

May 15, 2013 Meeting of the Standing Committee on Estimates

On May 15, 2013, MLA Boudreau questioned the Minister of Tourism, Heritage and Culture, the Hon. Trevor Holder, at a hearing of the Standing Committee on Estimates for approximately one hour. Paragraphs 13 to 21 of MLA Boudreau's affidavit describes the meeting as follows:

13. On May 15, 2013, the Minister appeared before the Standing Committee on Estimates to discuss the budgetary estimates for this Department of Tourism, Heritage and Culture (the "**Estimates Hearing**").

14. At the time of the Estimates Hearing, I had no intention or plan to open, operate, or have an interest in, a campground in or around the region of Shediac, New Brunswick or any other place.

15. In my capacity as MLA for Shediac-Cap-Pelé, I asked questions to the Minister for approximately one hour at the Estimates Hearing; this one hour period included time given to the Minister to respond to my questions.

16. In response to my questions at the Estimates Hearing, the Minister committed to sitting down with representatives of the campground industry (the "**Industry**") in the Shediac area, representatives of the Town of Shediac, as well as with other stakeholder or stakeholder groups prior to moving ahead with any expansion of the Industry in the Shediac area (the "**Promised Consultation**").

17. To the best of my knowledge, the Promised Consultation has never occurred.

18. Following the Estimates Hearing, I requested a copy of the Hansard transcript (the “**Transcript**”) of my questions to the Minister at the Estimates Hearing (see **Exhibit “C**” attached).

19. Although I don’t have a copy of my email, I recall sharing the Transcript by email with Ms. Belliveau-Doiron and Ms. Martin.

20. I also recall Ms. Belliveau-Doiron and Ms. Martin replying to my email and thanking me for raising their concerns with the Minister in the Estimate Hearing.

21. Ms. Belliveau-Doiron and Ms. Martin have not spoken to me about the Meeting, the Estimates Hearing, or the matters raised in either the Meeting or the Estimates Hearing, since they thanked me for raising their concerns with the Minister in the Estimates Hearing.

At the hearing of the Standing Committee on Estimates, MLA Boudreau stressed that the local campground owners opposed the provincial plan to expand the provincial campground by between 40 to 50 sites and felt that the government was using their tax payers’ dollars to compete against them, as opposed to developing a better way to refer clients to them. The Minister, the Hon. Mr. Holder committed to meet with the stakeholders prior to moving ahead with the expansion, but that consultation has not taken place.

The eleven-page Hansard transcript of the May 15, 2013 hearing of the Standing Committee on Estimates is annexed hereto as Appendix “A”.

June 2013 versus Late July 2013

Ms. Martin asserts that MLA Boudreau during the month of June 2013, only a couple of weeks after the May 6, 2013 meeting, met with the Shediac Anglican Church to discuss the lease of the parcel of land for the proposed new campground and bases that assertion on the following letter which she obtained from Mr. D.A. Maltais, President of Camping Oceanic:

Dear Marie-Paule,

As per requested, I am confirming that a meeting took place between Mr Bill Murray and I on January 12th, 2014. Mr Murray is the representative of the Anglican Church – Parish of Shediac, and he is responsible to deal with all church land being leased or

sold. As we are leasing a parcel of land from the church and have a non-competitive clause in our lease agreement, Mr Murray met with me in order to advise me that the church had the intention of leasing to two promoters a parcel of land adjacent to ours for the purpose of establishing a campground. During the meeting, I was informed that the promoters were Michel Boudreau and Victor Boudreau, the current MLA for Shediac–Cap-Pelé. It was also affirmed to me the first meeting on this issue took place between Mr Murray and Mr Victor Boudreau during the month of June 2013.

If you have any other questions, please do not hesitate to communicate with me. (The underlining is mine)

MLA Boudreau on the other hand advances a different timeline and states as follows in paragraphs 22, 23 and 24 of his affidavit:

22. While I was on vacation in late July and early August, 2013, I began discussing the possibility of starting a business and owning a campground with my personal friend, Michel Boudreau (“**Mr. Boudreau**”).

23. On or about August 14, 2013, I reviewed some property records relating to a property in Shediac owned by the Anglican Parish of Shediac as a possible location for a campground business.

24. On or about August 26, 2013 I telephoned Bill Murray (“**Mr. Murray**”) of the Anglican Parish of Shediac to discuss the possibility of leasing land owned by the Parish.

Concerning the discrepancy in the dates as above-described, it appears nevertheless that both dates (June 2013 and late July 2013) were subsequent to the May 15, 2013 meeting.

2012 Negotiations by Mr. Michel Boudreau

Ms. Martin asserts that in June 2012, Mr. Michel Boudreau was interested in buying her campground and that at the time he received information both about her business plan and her fiscal data.

To support this allegation, Ms. Martin attached as exhibit “A” to her second affidavit the February 15, 2013 invoice of her accountants, P.L. Bourque & Assoc. Inc., which reads in part as follows:

20-Jun-12 Discuss sale of business to Michel Boudreau.

27-Jun-12 Discuss sale to Michel Boudreau for \$4,000,000, discuss with Marie-Paule.

27-Jun-12 Michel will not pay \$4,000,000 – not enough money for down payment – to prepare figures to justify the \$4,000,000.

11-Jul-12 Discuss new loan for \$60,000.

12-Jul-12 Discuss sale of business to Michel Boudreau.

MLA Boudreau and Mr. Michel Boudreau are friends and have over the years entertained the idea of going into the campground business, both being avid campground users. MLA Boudreau did not participate in the 2012 negotiations for the purchase of Ms. Martin's campground. It is Mr. Michel Boudreau who approached Ms. Martin. MLA Boudreau, however, was aware of the negotiations being conducted by Mr. Michel Boudreau on their behalf.

Exchange of e-mails between Ms. Martin and MLA Boudreau

The following four e-mails were exchanged between Ms. Martin and MLA Boudreau between March 27, 2014 and April 5, 2014:

March 27, 2014:

Bonjour Victor,

Je crois qu'il est temps de se rencontrer pour discuter du camping... de mon camping.

How about Saturday afternoon chez moi. Tu peux amener Michel ou n'importe qui d'autre. Je n'ai pas de problème avec ça, j'espère que tu n'en vois pas non plus. Confirme svp

Marie-Paule

April 3, 2014 (Ms. Martin to MLA Boudreau):

Alors... est-ce qu'on se rencontre?

April 5, 2014:

Marie-Paule,

J'en ai discuté avec les autres partenaires et nous allons passer sur cette offre. Merci.

Victor

April 5, 2014:

Victor et cie,

Je vous remercie de toute l'attention que vous avez portée à mon offre et vous souhaitons bonne chance. Entretemps nous vous rencontrerons «on the market place» comme a si bien dit laccoca.

Marie-Paule

Mr. Don Carroll was instrumental in having MLA Boudreau and Ms. Martin explore the possibility of a sale of Ms. Martin's campground to MLA Boudreau as evidenced by the above e-mails.

There is a disagreement as to who initiated the idea of Ms. Martin selling her campground to MLA Boudreau, Ms. Martin stating that the suggestion was not initiated by her but by Mr. Don Carroll, owner of CC's Lounge in Shediac.

Paragraphs 37 to 42 of MLA Boudreau's affidavit deals as follows with the e-mail exchange:

37. In early March, 2014, I was approached by Don Carroll ("**Mr. Carroll**"), who I know as the owner of CC's Lounge, a business located at 568 Main Street in Shediac.

38. Mr. Carroll informed me, and I do verily believe, that he was asked by Ms. Martin to approach me on her behalf and inquire if I might be interested in purchasing Ms. Martin's campground (the "**Offer**").

39. In response to the Offer, I told Mr. Carroll that I would give it some thought but otherwise offered little other comment and made no further commitment regarding the Offer.

40. Ms. Martin contacted me via email to discuss whether I would be interested in purchasing her campground on March 27, 2014.

41. Attached to this Affidavit (see **Exhibit “D”** attached) is a copy of an exchange of four (4) emails between Ms. Martin and myself.

42. On April 5, 2014, in an email to Ms. Martin (included in Exhibit “D”), I declined Ms. Martin’s offer to purchase her campground; Ms. Martin replied by email, thanking me for giving her offer attention and wishing me luck.

In her second affidavit, Ms. Martin responds as follows:

6. In Paragraph 37, Mr. Don Carroll (**Mr. Carroll**) actually came to talk to me during a lunch at his CC’s Lounge in Shediac. He related a conversation he had with MLA Boudreau concerning his campground project. Mr. Carroll thought that MLA Boudreau’s project was not a very good idea. He said he told MLA Boudreau that he should buy Camping Beauséjour. To this MLA Boudreau answered that they had already come to see me, but that, personally he had not met with me, just Mr. Michel Boudreau. I told Mr. Carroll to ask MLA Boudreau if he was still interested in buying my campground.

7. In an exchange of emails, I ask MLA Boudreau if we could meet to talk about my campground. He eventually answered that he was not interested in my offer though I had not made any. What is particular and interesting about MLA Boudreau’s Exhibit D (see “**Exhibit D**” attached) is his doing business while signing as an elected official.

Opposition to the Project

A first public presentation of the Project was made by MLA Boudreau and Mr. Michel Boudreau as part of the rezoning process before the Shediac Town Council on January 20, 2014. Since then there has been significant opposition to the project from some of the existing campground owners and some residents and cottagers from the communities of Pointe-du-Chêne and Shediac, which opposition has generated numerous media reports and letters to editors.

Ms. Martin, in her affidavit, says that when there is a serious problem one usually goes to see his or her MLA to seek help and representation, but that in this case the MLA is the problem himself and there is therefore no one to turn to.

Findings

If MLA Boudreau received insider information it would have been on one or more of the three following occasions:

1. The May 6, 2013 meeting at MLA Boudreau's constituency office,
2. The May 15, 2013 representations made by MLA Boudreau before the Standing Committee on Estimates, and
3. The 2012 negotiations by Mr. Michel Boudreau for the purchase of Ms. Martin's campground.

I will now deal with those three instances.

In her affidavit dated April 7, 2014, Ms. Martin in paragraph 5 states that at the May 6, 2013 meeting the local campground owners present gave MLA Boudreau detailed information related to their campgrounds to justify their concerns. There is however no evidence that such "detailed information" was given to MLA Boudreau.

Ms. Martin and Ms. Belliveau-Doiron did as asked and on May 6, 2013 met with MLA Boudreau to voice the concern of the local campground owners over the fact that the provincial government was contemplating adding between 40 and 50 camp sites to the Parlee Beach Provincial Park campground, thus competing with the privately owned campsites, referencing the expansions made or planned by the local campgrounds. One of the three items on the agenda of that May 6, 2013 meeting was this concern over those respective expansions. There was a general discussion over expansions but there is no evidence that insider information was given to MLA Boudreau who undertook to bring the local campground owners' concern to the provincial authorities, which he did.

The eleven pages of the transcript of the Standing Committee on Estimates hearing held on May 15, 2013 (see Appendix "A" hereto) clearly shows that MLA Boudreau took his mandate very seriously and effectively plead the case of the local campground owners.

The hearings of the Standing Committee on Estimates are open to the public.

I find that there is no evidence that insider knowledge was obtained by MLA Boudreau as a result of his intervention at that May 15, 2013 hearing of the Standing Committee on Estimates.

Concerning the 2012 negotiation between Mr. Michel Boudreau and Ms. Martin referred to above, it is important to note that MLA Boudreau did not participate in those talks or negotiations. Whatever information MLA Boudreau received from Mr. Michel Boudreau would not have been obtained in his capacity as a Member and therefore would not fall under section 5 of the *Act*.

Conclusion

For these reasons, I find that MLA Victor Boudreau did not contravene section 5 of the *Act*.

Recommendations/Sanctions

As there were no breaches of the *Members' Conflict of Interest Act* found, no sanction is warranted or recommended.

Dated at the City of Fredericton this 30th day of January, 2015.

The Hon. Alfred R. Landry, Q.C.
Conflict of Interest Commissioner

Pursuant to s.40 of the *Members' Conflict of Interest Act*, I met with MLA Boudreau on January 30, 2015 to inform him of the particulars of my report and to give him the opportunity to make representations before completing my report. No representations were made.

The *ratio decidendi* of my report has not changed.

The Hon. Alfred R. Landry, Q.C.
Conflict of Interest Commissioner

Appendix “A”

EXCERPT / EXTRAIT

Standing Committee on Estimates 7 Comité permanent des prévisions budgétaires May 15, 2013 le 15 mai 2013

004

10:02

(The seventh meeting of the Standing Committee on Estimates was held in the Assembly Chamber on Wednesday, May 15, at 10:02 a.m.)

Members of the committee are:

Mr. Tait, chairman, Mr. Wetmore, Mr. Savoie, Mr. Davis, Ms. Wilson, Mr. Malloch, Mr. Bertrand LeBlanc, Mr. D. Landry, Mr. Doucet.

Substitutions: Mr. Boudreau for Mr. Doucet, Ms. Lynch for Mr. Wetmore, Mr. Jack Carr for Mr. Malloch.)

Mr. Chairman: I call the meeting to order.

Department of Tourism, Heritage and Culture

Mr. Chairman: Welcome to the minister and staff. Does the minister have any opening comments that he would like to make?

Hon. Mr. Holder: Considering that this is Round 3, I think we have been through all that before. On a point of clarification with regard to the estimates, I am hoping that the sheets in front of you read “Department of Tourism, Heritage and Culture”.

(Interjection.)

Hon. Mr. Holder: Thank you.

Mr. Boudreau: I have a few questions for the minister this morning. We have had an opportunity to talk about this on the side, but I want to get a bit of clarification from the minister. Parlee Beach Provincial Park is in my riding, and it is, obviously, a very important tourism destination, not only for my riding but also for all of southeastern New Brunswick, I would argue. Even the Greater Moncton area promotes Parlee Beach Provincial Park as part of its surroundings. It is obviously a very important icon in the area.

My understanding is that there are expansion plans in the works for Parlee Beach Provincial Park on the campground side of the operations. Could the minister provide a

little detail as to what exactly is in the works for this summer in terms of the Parlee Beach Provincial Park campground?

005

10:05

Hon. Mr. Holder: I will even go one step further. I would say that this is an iconic park for the entire province. The member opposite and I have had numerous conversations, and we both share the same interests in terms of what this park means to us as New Brunswickers. When I look at the four pillars, the four things that set us apart from the rest of the world, which I have talked about at great length in this House—the Bay of Fundy, our Acadian culture, our storied rivers, and our warm beaches . . . Well, when it comes to warm beaches, the iconic beach is clearly Parlee Beach, at the provincial park in the riding of the member opposite.

Having said that, I know that you, member, and I have talked about this before, but I just want to give a little background on how certain aspects of our park system work. Certain aspects of our parks are members of what we call the SOA, the special operating agency. When you are a member of that SOA, the profits from those members go into a special operating account. That money is invested back into that park system. That includes the Hopewell Rocks, the golf course at Mactaquac, the campground at Parlee Beach, and the restaurant at Sugarloaf, and we are always looking for other opportunities to bring aspects of our park system into the special operating agency.

We made a decision to invest in several of our parks across the province through that special operating account. We made an investment over two years of \$500 000 at Parlee Beach. That is going to include a new reception building, which is being constructed. New laundry facilities have been put in place. I believe that the extra lane for traffic was part of that as well. Also, the next step is that we are looking at the opportunity to expand the number of campground sites by about 40 or 50. Some of that work could start this year, and some of it could go on into next year as well.

Mr. Boudreau: I thank the minister for his answer. Could the minister provide me with the breakdown? You said it was \$500 000 over two years. I believe that some of the work was in the last fiscal year and that some is in this fiscal year. Could the minister please provide the breakdown as to how much was invested last year and how much will be invested this year?

Hon. Mr. Holder: That is a good question. It was \$300 000 last year, I believe, and \$200 000 will be invested this year.

Mr. Boudreau: The minister mentioned between 40 and 50 sites. Of course, the minister will know that rumours sometimes spread regarding some of these projects. I had heard a figure as high as 60. You are saying between 40 and 50. Could you give me a more precise number of lots that you are considering for the expansion? You said that the expansion might flow into next year as well, so that means there will probably be more

money over and above the \$500 000. I am just looking for some clarification on the exact number of sites, please.

006

10:10

Hon. Mr. Holder: I am getting some clarification myself. The \$200 000 for this year is really for finishing some of the work that has already been going on, such as the laundry facility, the new reception building, and so on. We are actually still in the planning stages for what the 40 to 50 sites will look like, and we will be going back to the government with a new plan next year for the 40 to 50 sites. That will not be coming out of the \$200 000. That is a bit more clarification for both of us on that one. In terms of what those sites would even cost, that work is still being developed as we speak, and that would be in next year's construction budget decisions.

Mr. Boudreau: I thank the minister for the answer, but it actually causes a little more confusion as opposed to being clarification. I went by the park and drove through it. There seem to be some roads that are already being constructed. Are you saying that there are not going to be any additional sites at all added to the park this season?

Hon. Mr. Holder: There is a bit of confusion on our part in terms of where the member is talking about. Our understanding is that there has been some clearing and some prep for some additional tenting sites on the property to which he may be referring. If it is okay with the member opposite, I would suggest that we arrange for staff to meet with him on the site so that we can do a walk-through, to get a better handle on it for both of us in terms of what we are talking about. However, there are no plans for . . . There is no construction for new trailer sites under way right now.

Mr. Boudreau: Thank you. I will take the minister up on the offer to go down to the site with staff at some point. I drove in and drove around the new building, and it looks great. There are no issues with the new building.

I think that there have been some new lanes constructed, because, obviously, the entrance to the park is changing from Belliveau Beach Road to Gould Beach Road. There have been some adjustments made to accommodate the dumping station that is there. However, there does seem to be another new road that is going into the woods. Maybe it is just for tenting. I want to make sure that I understand completely, and I have two questions.

When you talk about 40 to 50 new sites, how many of those would be for tenting and how many of those would be for trailers? Second, to confirm, are you saying that, during the 2013 season, there will be no additional sites for either? Will there be some for one category and not the other?

Hon. Mr. Holder: We will confirm it by walking down there with you at some point, but we are quite certain that the road to which you refer is for tent sites. That is separate and apart from the 40 or 50 sites to which we are referring. They are not going to happen this year. That is future development. That will all be for trailers and high-end RVs. That is future development down the road. As for what you are looking at, in terms of the clearing, we are fairly certain that what you are seeing there is for the tent sites. That would be this year, I would assume.

Mr. Boudreau: I thank the minister for the clarification. I will get to the reason that I am raising these questions. I am not trying to surprise the minister. He knows that we have had this discussion. I guess there has been so much focus on the 40 or 50 new sites for trailers and RVs that I had not realized there was an expansion for tenting sites as well. Could the minister confirm how many new sites there will be for tents?

Hon. Mr. Holder: We are talking about roughly 10 tent sites. It is really an overflow area. Before we did some of the other improvements and enhancements, we had some area that we could use for overflow. We no longer have that at our disposal. This will be able to replace that.

Mr. Boudreau: Okay, it is starting to be a little clearer in my mind. Really, then, the \$500 000 that was invested last year and that will continue to be invested this year is for other services—the reception area, the laundromat, and these tenting sites. None of the \$500 000 is actually going toward increasing the number of sites for trailers or RVs.

Hon. Mr. Holder: That is accurate. The only thing I would say is that, if there is any money left over from the \$200 000, we may look at some site preparation for the 40 to 50 sites going forward.

Mr. Chairman: Members, it is not necessary to stand. Minister, if you would be more comfortable sitting . . .

Hon. Mr. Holder: I can live with that.

Mr. Boudreau: It is a little easier on the knees.

Could the minister confirm something for me so that I can get a better understanding of the scope of the project? I do know, as the minister does, that this campground was operated by the private sector for, I think, close to 30 years. It has been only in the past couple of seasons—this would be the third season, I believe—that park staff have been managing the campground. Could the minister confirm for me how many employees there were, in total, in the 2012 season, compared to this season? Will there be additional jobs as a result of the work that is being undertaken in the park?

Hon. Mr. Holder: The actual numbers have remained the same from 2012 to this year. The only difference—as I indicated in the House before, through my first round of estimates—was that the one year-round position that was in place has now been turned into a seasonal position, because this is a seasonal park. That was the logic behind that. Other than that, we are not talking about just the campground now. We are talking about the entire park. The total number was 44 last year, and it will be 44 this year.

Mr. Boudreau: Based on the minister's answers to date, there will be nothing, with the exception of some site work, to prepare for the 40 to 50 additional sites. My understanding is that it will not be happening this year. It will possibly be next year. Could the minister confirm whether these sites are going to be seasonal or whether they will be overnight stays?

Hon. Mr. Holder: These are not seasonal sites. These will be sites for weekend use. There is no intention of making these sites seasonal. As the member opposite knows, because he and I have had this conversation, when we took the campground over from the private sector because it had been contracted out to a third-party operator, as we do throughout our park system, the decision was to end the seasonal usage in that particular park.

Mr. Boudreau: Now that we have the numbers and the years confirmed a little bit better than they were, this is what I want to touch on now. The minister knows that some resistance to this project is coming from the local private campground owners. The idea that the government is investing in some direct competition with these private campgrounds is raising some concerns. Could the minister confirm for us what consultations his department has had with the local stakeholders, whether they are the campground owners, the chamber of commerce, the town of Shediac, or the local service district of Pointe-du-Chêne? What consultations have taken place on this expansion?

Hon. Mr. Holder: Certainly, you and I have had this conversation, and I understand some of the resistance. I understand that a big part of the resistance, not all of it, is over the seasonal use. I can tell you that there is no intention of going down that road at this point. In terms of the consultation, I would say that we have not fully developed the plan around what this is going to look like. We know that we are thinking about 40 to 50 campsites, but, in terms of what this would look like, what it is going to cost us, and whether or not we can get financial approval to move forward . . . Once we have all that, I think that it would then be our intention to sit down with the industry in the area.

What I would say to that, however, is that we brought this campsite back into the provincial system with an opportunity to bring it into the special operating agency so that . . . We knew that this site, even without seasonal usage, was an opportunity for the people of New Brunswick to get some revenue that could be invested back into the park and into the system.

Some of the improvements that you have seen, quite frankly, were possible only because we made that decision. The new building, the laundry, the new entrance, and some improvements to the campground itself have been the result of that decision to bring the site into the special operating agency.

Going back to what the member opposite and I said at the very beginning of this session, just a few minutes ago, it is also very important to note that this is an iconic park. This is very much a major attraction that is a part of the warm-beach pillar of our tourism strategy. It is very important that we have a first-class product there. This is giving us an opportunity to bring a few more sites into the equation, which, I think, takes the park to the next level and gives us a little more of an opportunity for some revenue.

Having said that, I certainly understand where the member is coming from. We do not want to be competing or putting anyone out of business. What I would suggest is that, if we have a first-class product in that area, and if it is one that, as New Brunswickers, we can be proud of, then that is going to benefit all the private operators and campgrounds in the area. I think that they are all going to benefit from having proper investment in that pillar. This is a discussion that my staff and I have to have with the people of Shediac, the other municipalities, and the campground owners in that area, and it is a conversation that we are very much prepared to have.

Mr. Boudreau: I agree with the minister that Parlee Beach is—and needs to continue to be—a grade A facility, because it is the anchor for our tourism industry in the Shediac area. Unfortunately, on a rainy or cloudy day, there is not as much to do in Shediac as there is on a sunny day, when you can find anywhere from 25 000 to 30 000 people on the beach. This is in a town of 6 000.

Obviously, I think that everybody would agree that Parlee Beach plays a huge role in our tourism sector, and I think that everybody would agree that the facilities within the park needed some upgrading. I am a camper myself, and I camp at Parlee Beach with my family every year. I would agree that the facilities need to be upgraded, so I am happy about that. I guess it is just going beyond the upgrading of what exists there.

I am happy to hear that the minister is prepared to make sure that his department comes down and consults with the local stakeholders. I know that, on Wednesday of last week, there was a meeting of private campground owners. They did get together. There are seven privately owned campgrounds within the limits of the town of Shediac and the local service district of Pointe-du-Chêne. The owners asked for a meeting with the local chamber of commerce, and I believe that representatives from the town of Shediac were there as well. I am unsure of whether the LSD of Pointe-du-Chêne was represented. There are some concerns there. As I said, I think that everybody agrees with keeping up

what is there. It is the expansion part that is worrisome for those private campground owners.

As well, another thing that was done was changing the entrance from one road to the other. There was probably merit in doing it, but, again, my understanding is that there was no local consultation. Anybody who is familiar with the area knows that Belliveau Beach Road is a very, very busy road. It services three campgrounds as it is—the provincial one and two others. The idea to move the provincial entrance to Gould Beach Road probably makes sense from a traffic point of view, but Gould Beach Road is a dead end in the summertime. All of a sudden, you are going to increase the traffic on that road considerably. My understanding is that the local residents were not made aware of the change. There are issues.

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All of that is to say that I am pleased to hear the minister commit to coming down—it may not be him personally but his staff—to consult with the locals. There are some concerns there. At the end of the day, everybody wants what is best for Parlee Beach because it is an important anchor for our industry. We just need to make sure that everybody is on the same page, that everybody is on board, and that everybody is pushing in the same direction.

The preamble was a little long, but my understanding is that the last time a market study was done to determine the need for new campsites in the Shediac area was in 2003. I am wondering: Has the department conducted a new study since then? Is that what the department is basing the decision on? Is the decision to increase capacity based on the 2003 study?

Hon. Mr. Holder: To reply to the member's point, there has not been a study since 2002. We will certainly take that aspect under advisement. However, I will say that, right now, we are basing this on the fact that, many times throughout the season, there is considerable overflow at the park, especially during peak weekends. Right now, these folks are being placed in a field, basically, which is not an appropriate campsite.

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All our research tells us that a very significant segment of the traveling public, the people we are trying to attract—the people we are attracting—to a beach like Parlee . . . These are outdoor people by nature, and they like the idea of going to a provincial park. That is what attracts them, and there is a very significant segment of them out there. When they come, they expect to be in a properly serviced, first-class site, and they want it to be in a provincial park.

We are making this decision based on the fact that we have a considerable overflow right now. These people are not going down the street to the private sector. They want to be in

a provincial park and, right now, we are putting them in a field. That is what is driving this. This was not just pulled out of the air. We did not just say: Let's get a few more bucks in, and let's expand the park. There has been considerable pressure on our provincial park system at this particular park, which has led us to believe that this would make sense.

Mr. Boudreau: I thank the minister again for the answer. I partially understand the point that he is making. I live in Shediac and camp in the nearby campgrounds, and I do know that, on some weekends, there are people out in the field at Parlee Beach Provincial Park. I also know that there are seven private parks, all within a 2-km drive of, or a maximum of 3 km from, the provincial park. I have stayed at some of them. Some of them are quite nice. I know that there is a certain attraction to provincial parks when tourists are looking to book a spot. However, I do think that work can be done with the seven local parks in terms of trying to do a better job of referring to other parks in the area as opposed to having campers out in an open field. There certainly could be some more work done there.

To come back to the market study, or the occupancy study . . . I am not sure what it was called in 2003. The reason I ask whether a new study has been done since is that, based on the information I received from the private campground owners—two came to see me at my office, but they were representing all seven—just about every one of the seven has expanded since 2003. Their argument is that the need that may have existed in 2003 has probably been covered, so to speak, by the private campgrounds in the area. Many of them, if not all . . . I am trying to think. There might be one that upgraded but did not necessarily add new sites, but all the others have added new sites in the past 10 years for sure. Their argument is that the need is not as great as it may have been in 2003.

Fundamentally, the private campground owners have concerns about the fact that the government is using their taxpayer dollars, basically, to compete against them as opposed to trying to develop a better way to refer to them. I do not know whether or not there is really a question there, but I am sure that the minister would like to provide an answer of some sort.

Those owners would argue that the need that existed in 2003 has been addressed and that there is no longer a need for additional sites. I understand your point—and I do know that, sometimes, people are in the overflow field at the provincial park—but I am sure that they would be better served in one of our seven private parks than in an open field in the provincial park. I wonder why we would not look at trying to find an approach, a strategy, to refer people to the private parks as opposed to expanding the provincial one to compete against them.

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Hon. Mr. Holder: I will reiterate what I said earlier. We are certainly going to have a dialogue with the community down there. There is certainly a need for that as we move

forward. I will just go back to some of the points that I have already made. There is a whole host of really good reasons that everyone is expanding in the Parlee Beach-Shediac area. As a province, we have made significant investments over a period of time, focusing on the pillars that I talked about.

For some time, we have been aggressively marketing the fact that we have some of the warmest beaches north of Virginia or anywhere in Canada. This is one of the main beaches in that equation, and I think that we have done a really good job of marketing. We are going to continue to do a good job there because we have a lot of market share that we still have to take, and I think that we can. I feel really confident of that, based on the research. I will not go into this at length right now, because the member opposite has heard me say this many times before, but we have become a lot more sophisticated in terms of how we market to potential visitors—in this case, to people who want to have that warm-beach experience.

I will go back to what I said earlier in our conversation. I really think that having a first-class product next to these seven operators is going to help them in the long run too. Having that revenue in a special operating account to reinvest at Parlee Beach gives us that opportunity. However, the point is well taken. We must have a discussion however that unfolds, whether we do studies or just have a conversation. We have some work to do so that people understand why the Department of Tourism, Heritage and Culture is thinking of going down this road. Certainly, 40% of our target segments are going after the RV market in our marketing strategy. There are people who want to have the provincial park experience but who want to go down the street to one of those seven operators as well.

Mr. Boudreau: Thank you for the answer. In terms of my next question—again, it is all tied into this—I am wondering whether, as a result of this expansion, the department is considering revising its policy on campground expansions or upgrades. Again, I am just going on what I have been told by the private operators, but my understanding is that there is now a policy within the department that discourages the expansion of our existing campgrounds. Will the department be revisiting that policy as a result of the decision to expand at Parlee Beach?

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Hon. Mr. Holder: I think the member opposite is referring to the fact that there are tourism development guidelines in place and that one of the things they deal with is whether government help is available for the private sector expansion of campgrounds. The only way that this is ever considered is if there is not a campground within a certain distance of the one that is looking at getting help or expanding.

I am just speculating, but I would guess that the argument coming from the industry is probably this: If we cannot get that help, then how is it that the government campground can expand? What I would suggest is that this is not money that is coming out of the

government's General Revenue. It is coming out of the special operating account from that particular site. Having said that, it is probably still a concern of the industry. It is a point well taken, and I will reiterate the fact that we have not built these sites yet. This is obviously a point that, as the member opposite suggests, will have to be part of the discussion going forward.

This is the only thing: I would suggest that we all need to keep an open mind. There is no cookie-cutter approach. What might work at one provincial park might not work at another. I think that what we need to do is to have a discussion with the people of Shediac and say: Does it not make sense to have a world-class, first-class provincial park system next door to you? I think that, when we start the discussion from that point, we can have the proper dialogue and can make sure that we do not just say: That is not what they do at Provincial Park X. It could be a completely different situation there. I think that, in this case, we need to keep the discussion focused where it needs to be focused—on the community of Shediac and the outlying municipalities in the area. It is a point well taken, and it is one that we will use as part of that discussion.

Mr. Boudreau: Again, I agree with the minister—and I think the seven private campground owners would agree with the minister—that Parlee Beach needs to be maintained as a world-class, top-class facility. There would be no debate there. I think that where the debate comes in is when we talk about expansion. It is not upgrading the existing facilities. As a matter of fact, the campground owners were all in agreement that the existing facilities needed to be upgraded. There is a certain expectation, when you are staying at a provincial campground, that it will be first-class. That was lacking, and nobody would disagree with that.

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Where there are concerns, they are with regard to expansion. Even the government programs that exist . . . As I said, most, if not all, of the seven, have had some form of expansion or another in the past 10 years. When it comes to upgrading the existing facilities, they have been able to get some assistance. When it comes to adding to the number of sites, they have not been able to get government assistance. In fact, I am told that it even affects things with their financial institutions. Basically, they have to fund from their own pockets whatever expansions they want to put in place. The reason that the banks will not fund the expansions is because of the provincial government's position and the policies that are in place with respect to expanding existing sites. That is the general frustration.

I know that we have talked about this before today. However, the private campground owners are saying this: The province will not help us to expand our parks. Our financial institutions will not even help us expand our parks, yet we now have the provincial park looking at expanding.

In the eyes of those people, that is being done with their taxpayer dollars. That is the issue. I am not going to beat it to death. I have made the points that I wanted to make. The minister has provided a lot of answers to my questions. I would strongly urge the minister and his department to do that consultation before going ahead with this expansion. The upgrades to the existing park are not the issue. It is the expansion part that is an issue, and I would encourage the minister and his staff to consult, as he committed to doing today.

It is not usually the norm to invite opposition members to these consultations, but, if the minister is so inclined, I would be willing to participate because I do believe in the importance of Parlee Beach. However, I understand the point of view of these private campground owners and the concerns that they raise. If there is a way to find a happy medium to accommodate everybody, I am all for that. I am certainly willing to do whatever I can to assist the minister and the staff in finding that compromise.

I do not have any other questions, and I do not believe that my colleagues do either. Unless the minister has some closing comments, we are finished.

Hon. Mr. Holder: I have some closing comments. I want to thank the member opposite for his questions today. I want to thank him for the relationship that we have had with respect to Parlee Beach over the past two and a half to three years. We have had numerous conversations about the park. I remember when we decided that we were going to bring it into the SOA. I think that we had a conversation one afternoon back then.

Any conversation that the member and I have had on Parlee Beach Provincial Park, which is in his area, has only ever been from both of our standpoints. Whether or not we agree, it has always been for the betterment of that community. The only thing that I can say to the member opposite is this: If all his colleagues could create this kind of relationship with me, I would not be wasting time. I would be out marketing the province and trying to develop our tourism product.