

Public Infrastructure that Works
for New Brunswick:
Capital Estimates 2018-2019

Hon. Cathy Rogers
Minister of Finance

Province of New Brunswick

Mr. Speaker, in 2014 your government made a commitment to New Brunswickers to grow the economy and protect education and health care. Our strategic infrastructure investments since this time have played a central role in supporting these priorities and today's capital estimates continue to honour this commitment.

Economic growth in recent years has considerably surpassed the total growth the province saw between 2007 and 2014. These trends continue into 2017 and have led to increased economic growth forecasts for New Brunswick. All of the major private sector forecasters have revised their economic growth projections upwards this year.

Your government's investments in infrastructure have played an important role in supporting this recent economic momentum and have contributed to moving New Brunswick away from the period of economic weakness that we experienced over much of the last decade.

Our infrastructure investments, as today's multi-year capital plan will show, continue through 2020 and will make our roads safer, improve our schools and hospitals, and contribute to sustained economic growth.

Mr. Speaker, I am pleased to note that we have been able to do this while also being disciplined in our approach to achieving fiscal balance. We have made significant progress in achieving our fiscal goals while also investing strategically in the areas that are important to New Brunswickers.

Since 2014, your government has cut the province's deficit by 67 per cent while growing the economy and investing more in education and health care. Our infrastructure investments have played an important role in the efficient functioning of the important services New Brunswickers use daily.

When your government introduced its first capital budget in December 2014, it provided a foundation upon which to build. From this first capital budget, your government has updated its multi-year plans annually and made adjustments where required to recognize today's priorities and tomorrow's needs, and to leverage other funding sources, including our federal partners. We have also been consistent in our approach and strategic in our decision making.

Some would argue that we cannot afford these investments. Your government believes that we cannot afford the consequences of ignoring these critical investments. To delay further would only increase the cost to New Brunswickers later. In fact, your government has demonstrated that wise investments can be made while also achieving fiscal goals. To align our spending with the planned levels of the previous government would lead to the deterioration of some of our public infrastructure, increase the costs of repair and maintenance, and would be inconsistent with New Brunswickers' priorities to protect and enhance education and health care.

Your government will be investing \$815.3 million in our public infrastructure in 2018-2019. Of this, \$47.2 million is recovered by contributions mainly from the federal government, meaning the net cost to New Brunswickers is \$768.1 million. New investments total \$28.1 million, and \$787.2 million is earmarked for maintenance and the continuation of previously announced projects.

My cabinet colleagues will provide additional details when they present their departmental estimates for debate.

Without these investments, Mr. Speaker, we would not be building new schools. We would not be modernizing our hospitals. And we would not be able to invest in making our bridges and roads safer. If we were to invest, for instance, to the level outlined in the February 2014 capital plan, we would have to cut approximately \$300 million from what is outlined in today's capital budget. That would be the equivalent of delaying or cancelling investments in important projects around the province such as:

- Fundy Trail Parkway Connector
- Petitcodiac River bridge construction
- Mid-life school upgrades at Fredericton High School and Polyvalente W.-Arthur Losier
- New schools in west Saint John and Miramichi east
- Additions and renovations at the Dr. Everett Chalmers Regional Hospital and Chaleur Regional Hospital

Mr. Speaker, a well-maintained network of infrastructure plays a key role in addressing New Brunswickers' priorities of jobs, education and health care. The strategic investments we have made in upgrading our public assets complements the investments we have made, through our economic growth plan, our education plans, and our family plan.

Education

Mr. Speaker, your government is making record investments in education, including the hiring of hundreds of new teachers. However, the return on these investments will be limited if we do not also invest in maintaining our existing schools.

Since 2015, nearly \$300 million has been invested in our public school infrastructure to create safer schools and better learning environments across the province and to build new schools in regions where they are needed. This includes the first new school built in the Anglophone sector in Saint John in nearly 40 years.

Mid-life upgrades are underway at schools throughout the province. These investments are extending the life of our schools for future generations of students and they represent savings when compared to replacing schools.

We will invest \$105.8 million in our schools to give our students a better chance to learn and be at their best. This also includes undertaking feasibility studies to prepare and prioritize the next generation of schools that will require mid-life upgrades. This includes the following projects that are currently under construction or are undergoing mid-life upgrades:

- Oromocto High School
- Saint John High School
- Cité des Jeunes A.-M.-Sormany
- Bath Community School renovation
- École Marie-Gaétane
- Centre scolaire communautaire La fontaine
- École Arc-en-ciel
- New Campbellton K-8 school

Furthermore, we are being strategic and planning for tomorrow by undertaking mid-life reviews at 15 more schools around the province. By making this investment today, we can better prioritize future upgrades after the current generation of mid-life upgrades are complete.

Additional details will be outlined in the departmental estimates of my colleague, the Minister of Education and Early Childhood Development.

Health Care

Mr. Speaker, your government is committed to making the necessary investments in infrastructure to provide a level of health care to New Brunswickers that is effective, efficient, and supportive to positive health-care outcomes. We are also committed to making these investments where they are needed in both urban and rural New Brunswick.

New Brunswickers have clearly noted the importance of investing in health care. Our capital investments are further evidence of our commitment to protect health care, and this includes protecting our rural hospitals from closure.

As our government continues to plan strategically around our hospitals and health care infrastructure, we will invest \$99.9 million to ensure patients get the care they need. This includes continuing the work on important additions and renovations at the following hospitals:

- Dr. Georges-L.-Dumont University Hospital Centre
- Saint John Regional Hospital
- Chaleur Regional Hospital
- Dr. Everett Chalmers Regional Hospital

My colleague, the Minister of Health, will provide details when he presents his departmental estimates.

Senior Care

Fostering healthy aging and support for seniors is one of the priority areas in the *New Brunswick Family Plan Framework* and is another area where your government is getting things done. Our investments in non-profit nursing homes will help us address our aging infrastructure and meet current and future nursing

home needs throughout the province. For the upcoming fiscal year, your government will be investing \$12.0 million in the maintenance and improvement of nursing homes.

This does not tell the whole story of our investment in nursing home infrastructure. Many investments will be made through public-private partnerships which are not part of our capital budget plan. My colleague, the Minister of Seniors and Long-Term Care, will unveil detailed nursing home and special care home investment plans later this session.

Tourism

Mr. Speaker, New Brunswickers have clearly noted the economic benefit of investing in our tourism infrastructure. This is why we have substantially increased our investments in this important sector in recent years. However, we recognize that to maximize the return on these investments, we need to take a multi-year approach to upgrading our tourism infrastructure. In this regard, I am pleased to note that we will be investing \$12.6 million on our parks, trails, historic sites, and other tourism infrastructure. This represents a 19.1 per cent increase over the level of investment seen last year. This is the largest single-year investment in tourism infrastructure on record. Investments in assets include:

- New Brunswick Aquarium and Marine Centre
- Ministers Island
- Scenic Drive infrastructure
- Provincial Park revitalization
- NB Trail development

Green Buildings

Mr. Speaker, climate change is widely seen as the largest challenge of our generation. Climate change is real. It is affecting all of us and we all have a role to play in meeting our climate change objectives. Building on the \$46.1 million your government has invested in energy retrofits and renewable energy upgrades, a further \$20.3 million will be invested in 2018-2019.

These investments will reduce energy consumption in government-owned buildings, lead to financial savings, and contribute to reducing our carbon

footprint. Our Climate Change Action Plan outlines an ambitious agenda to achieve our climate change objectives, and our investment in energy efficient upgrades is a clear example of our commitment to taking action on this important issue. We have been able to afford these investments through revenue raised by increased gasoline and motive fuel taxes introduced on April 1, 2015.

Unlike some who want to avoid the climate change challenge, your government is investing in areas that will support the transition to a green economy.

Transportation

Ensuring the safety and security of New Brunswickers as they go about their daily lives is an important criterion when considering the infrastructure investments we should make. A well-maintained transportation network can go a long way to supporting safe and secure travel throughout the province.

A well-maintained system of roads and bridges also plays a critical role in the efficient functioning of our economy. Be it visitors to our province enjoying the New Brunswick experience or the transportation sector moving goods throughout the province, our roads and bridges play a significant role in supporting job creation and economic growth in New Brunswick.

Government will invest \$458.1 million in roads, bridges, buildings, and other infrastructure to create jobs and to make New Brunswick safe. This includes planning, design and construction of:

- Sections of Route 11
- Fundy Trail Parkway Connector
- Miramichi River Bridge No. 1

Further details on these investments will be provided by several of my colleagues when they present their departmental estimates.

Multi-Year Capital Plan

Mr. Speaker, today's budget was built on the foundation established by the multi-year capital plan we introduced in December 2014. As with each of the previous three capital budgets your government has prepared, we remain consistent in our approach. We have invested strategically in jobs, and protected and enhanced

education and health care. We did this while being fiscally responsible and transparent with New Brunswickers. The estimates for 2018-2019 and the projected investments through to 2020-2021 reaffirm these principles and demonstrate that we remain aligned with New Brunswickers' priorities. Moreover, between 2015-2016 and 2018-2019, your government will have invested \$2.7 billion in our public infrastructure throughout the province. These investments have returns.

Conclusion

Mr. Speaker, your government is proud of the progress we have made over the last three years. We have demonstrated that we can grow the economy, invest strategically in education and health care, and do so in a fiscally responsible manner. In fact, since 2014, your government has cut the province's deficit by 67 per cent.

Our multi-year capital plan is a responsible one. We are making investments today that support continued economic growth. This plan is also designed to generate long-term savings by undertaking upgrades today rather than replacing assets tomorrow.

We have been strategic in our approach. We are setting priorities while maintaining enough flexibility to leverage funding from other partners.

While today's capital estimates outline the investments in our schools, hospitals, and roads, they are truly about thoughtfully investing in the economic and social well-being of New Brunswickers. Our people will always be our greatest asset and today's capital plan is about investing in their futures.

Thank you, Mr. Speaker.

MULTI-YEAR INFRASTRUCTURE PLAN

Thousands

\$

	2018-2019 Budget	2019-2020 Plan	2020-2021 Plan
Regular Capital Investments			
Agriculture, Aquaculture and Fisheries.....	1,800	500	500
Education and Early Childhood Development.....	61,851	52,369	64,755
Energy and Resource Development.....	4,220	4,750	4,750
Environment and Local Government.....	1,000	1,000	1,000
Health.....	96,892	116,101	131,225
Justice and Public Safety.....	3,215	375	-
Legislative Assembly.....	50	50	50
Post-Secondary Education, Training and Labour.....	6,251	6,100	6,100
Regional Development Corporation.....	28,255	4,500	2,500
Tourism, Heritage and Culture.....	2,100	2,100	2,100
Transportation and Infrastructure.....	374,348	377,447	325,444
New Projects.....	-	5,500	28,200
Total - Regular Capital Investments.....	579,982	570,792	566,624
Strategic Infrastructure Initiative			
Agriculture, Aquaculture and Fisheries.....	500	500	300
Education and Early Childhood Development.....	37,702	24,336	24,630
Regional Development Corporation.....	49,200	34,000	25,500
Tourism, Heritage and Culture.....	7,995	24,840	15,125
Transportation and Infrastructure.....	32,022	47,492	61,671
Energy Retrofit and Renewable Energy.....	20,250	20,250	20,250
New Strategic Projects.....	-	-	4,000
Total - Strategic Infrastructure Initiative.....	147,669	151,418	151,476
Canada 150			
Ministers Island.....	2,495	3,130	-
Memramcook Institute.....	10,000	11,000	-
Centennial Building.....	10,000	24,000	26,000
NB Museum.....	6,000	16,000	20,400
Total - Canada 150 Investments.....	28,495	54,130	46,400
Nursing Homes (not-for-profit).....	12,000	27,100	31,205
Recoveries (federal revenue, other)			
Transportation and Infrastructure.....	41,690	59,767	54,770
Other Departments.....	5,464	2,400	-
Total - Recoveries.....	47,154	62,167	54,770
Total - Capital Expenditures.....	815,300	865,607	850,475