



Pre-budget consultation 2025-2026

2025–2026 Pre-Budget Consultation

Published by:

Department of Finance and Treasury Board
Government of New Brunswick
P.O. Box 6000
Fredericton, New Brunswick
E3B 5H1
Canada

Internet: www.gnb.ca/finance

February 2025

Translation:

Translation Bureau, Service New Brunswick

ISBN 978-1-4605-4212-5 (PDF : English Edition)

ISBN 978-1-4605-4212-5 (PDF : Édition française)



Think Recycling!

Pre-Budget Consultation 2025–2026



This past fall, New Brunswickers voted for a fresh start by electing a government that values collaboration and transparency.

We have been committed to open and honest dialogue since the beginning. New Brunswickers expect us to continue to listen and engage, in order to better understand the issues that are important to them, to hear their ideas, and break down barriers that get in the way of New Brunswick being the best place in the world to live and work.

Since our first day in office, we have maintained public consultation as a guiding principle for our government. As we head into our first budget for 2025-2026, we are committed to continuing to have the important conversations as we make decisions around how we are going to move forward this year, and planning for future budgets.

We know that New Brunswickers continue to face many challenges, and while we have hit the ground running to address some key priorities, there is still much work to be done.

Affordability and health care are top of mind, particularly as New Brunswickers continue to struggle to make ends meet and access critical public services when they need them.

We are also faced with changing economic and fiscal conditions. Population growth is slowing as federal immigration policy will limit the pace of growth we have seen in recent years.

We are seeing strain with our closest ally and neighbour as the threat of tariffs undermine the strongest and most stable economic relationship in the world. These factors and more will influence economic growth, our fiscal direction, and demand for services.

As our fiscal reality has evolved quite significantly, our government remains committed to addressing the priorities that we campaigned on.

Engaging with New Brunswickers on how they are being impacted, listening to possible solutions, and planning for the long-term financial sustainability of our province is something our government takes seriously.

We will continue to balance the priorities of New Brunswickers and the fiscal realities, and we will act quickly to address the challenges before us.

I look forward to hearing from you as we move through the Budget 2025-2026 process.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of horizontal strokes that suggest the name 'Legacy'.

Hon. René Legacy
Minister of Finance and Treasury Board

Economic developments

Over the past few years, the New Brunswick economy has been remarkably resilient in the face of increased volatility.

Since 2019, New Brunswick has seen its population increase by nearly 77,000, a number comparable to the population of the City of Saint John.

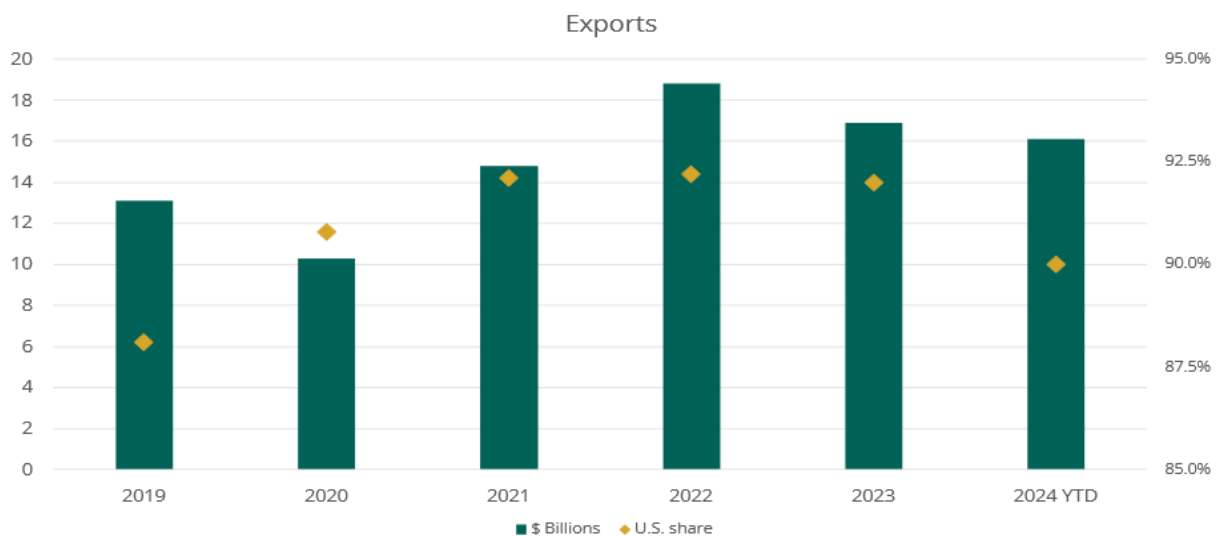
Moreover, in 2024, the Moncton region realised the second highest population growth rate of all forty-one census metropolitan areas in Canada, growing by 5.1%.

This record population growth helped keep consumer spending elevated and supported continued strength in new residential construction.

Employment in the province hit an all-time high in 2024, for the third consecutive year due to gains in construction, transportation and warehousing, as well as and health care and social assistance.

While these positive developments contributed to a healthy performance in 2024, continued weak productivity growth and low investment in research and development have limited New Brunswick's economic growth potential.

Trade environment to influence economic direction



Source: Statistics Canada Table 12-10-0175-01, Trade data online

Combined with an economic environment that is quickly evolving, it is increasingly likely that we will see slower economic growth in 2025. While the Bank of Canada has begun to lower interest rates, other factors are expected to slow the economy.

More significantly, the trade environment with the U.S. will also heavily influence growth prospects. The uncertainty that has been created is already influencing New Brunswick's economy.

Forecasters have yet to fully consider the impact trade and tariffs could have, however, the consensus is that economic growth will likely remain near 2024 levels.

“New Brunswick’s economy is deeply tied to trade with the U.S., which serves as its largest and most important international export market.

This relationship has long fueled the province’s economic engine but could expose it to potential turbulence.”

RBC Economics

Fiscal responsibility

Our government believes in balancing the needs of New Brunswickers and our fiscal realities.

We will not sacrifice fixing health and education or addressing the very real affordability challenges New Brunswickers are facing in favour of only satisfying the bottom line.

Our government was elected to tackle the challenges head on and we intend to keep that commitment to New Brunswickers. Failure to act decisively on the challenges of today will only add to the cost to future generations.

Fiscal responsibility means that we will work for New Brunswickers and provide needed services throughout the province. It also means that we rise to the challenge that comes with the threat that tariffs pose to our economy and our finances.

While our net debt-to-GDP ratio is estimated to be the lowest in the country east of Saskatchewan, it has come at the price of rising pressures on our health care system, poor results in our education system, and an affordability crisis.

Significant investments are needed in key areas such as health care, education, housing and social services, with additional supports required for more vulnerable members of our society.

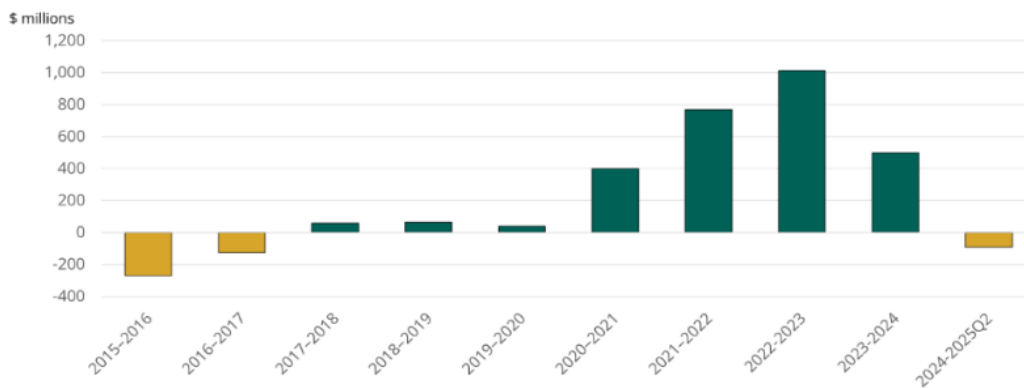
Since taking office, we have tabled a fiscal update that reflects a weaker-than-expected financial position, which we inherited as revenue growth has slowed and expenses have risen significantly.

We are not expecting to see large revenue variances come to the rescue this year, however, that doesn't mean that we are introducing strict restraint measures to balance the books. We will continue to implement the commitments we made to New Brunswickers, all while responding to the potential threats that could impact our bottom line.

We remain committed to the ongoing assessment of the province's financial health by paying attention to key financial metrics such as net debt-to-GDP, net debt per capita, and service of the public debt.

But it will not be our singular focus, especially as we face so many economic, demographic, and trade challenges. We will continue to take a balanced approach, both for in the short term, and for the future of New Brunswick.

Surplus / (Deficit)



Source: NB Department of Finance and Treasury Board

Where the money comes from

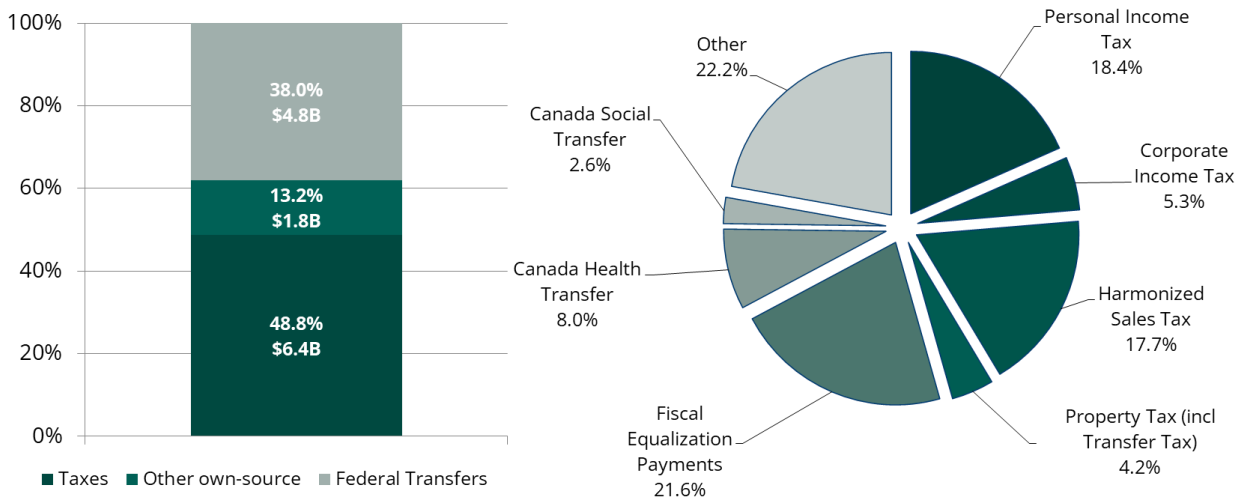
It is important to know the sources of the revenue that finance our public services.

As of the second quarter of 2024–2025, provincial revenues are projected to total an estimated \$13.4 billion.

Own-source revenue represents 62 per cent of government revenues. This includes revenues from taxation, natural resources, fees, fines and penalties, return on investment, and lotteries.

Federal transfers comprise the remaining 38 per cent, with the largest portion from the federal equalization program. Other major federal transfers include the Canada Health Transfer and the Canada Social Transfer.

Where the money comes from



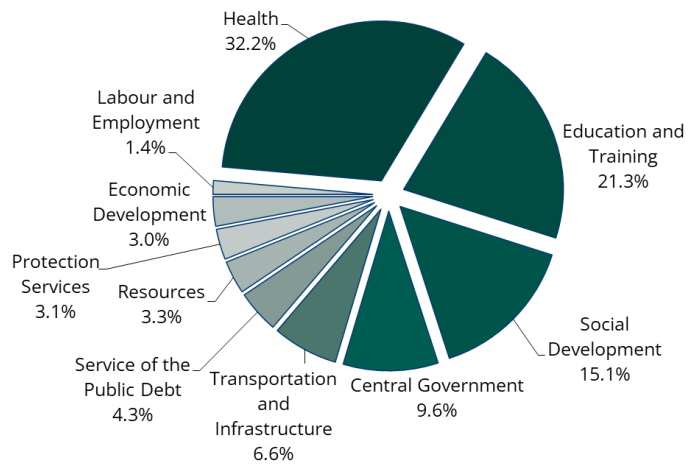
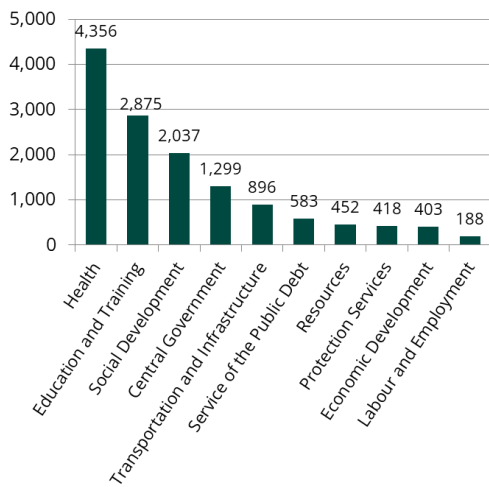
Where the money goes

Managing our spending closely and focusing our investments on priority areas are both critical to maintaining balance in our finances.

As of the second quarter for 2024–2025, provincial expenditures are projected to total an estimated \$13.5 billion.

Health, and education and training represent the two largest expenditure areas for the province, representing a combined 56 per cent of our spending.

Where the money goes



Considerations for 2025–2026 and beyond

We know that New Brunswickers want a government that listens to them and works with them to find creative solutions to the challenges we face.

Whether it is tackling long-standing issues in health and education, affordability challenges, or emerging concerns in trade relations, we recognize that you – the public – need to be involved.

Key government priorities are:

- Health care
- Affordability and Housing
- Education
- Economic Development
- Environment
- Open and Transparent Leadership

As we consider the 2025–2026 Budget, and in keeping with our commitment to listen and engage, we want to hear from New Brunswickers.

We are interested in your views and perspectives on the important issues and opportunities in our province.

Your feedback is important to us. We look forward to working with you as we prepare for this year, and for the future.

As you prepare your feedback, consider the following:

- Are there ways to 'do things differently' to address our challenges? What innovations or ideas have you seen in action?
- Are there revenue growth opportunities or cost saving measures that you believe would be beneficial for the government?
- Based on our priorities, how can New Brunswick address challenges for the long-term? Recognizing that we can't tackle everything at once, what commitments are more important to you in the short term?

We want to make sure that New Brunswickers can see themselves in the decisions government makes not only in the budget, but in future planning as well.

This is an opportunity for us to learn from New Brunswickers, and to listen for ways we can do things differently.

Your input will help frame discussions as we prepare for the long-term sustainability while continuing to balance the needs of New Brunswickers with our fiscal realities.

Submit your feedback and suggestions

By e-mail: wwwfin@gnb.ca

By mail:

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Deadline is February 28, 2025