

Capital Estimates 2021–2022

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Minister of Finance and Treasury Board

Province of New Brunswick

Mr. Speaker, while the COVID-19 pandemic has had deep impacts across the globe, there are better days on the horizon. Vaccines are now in production and being shipped. Optimism is building that we are nearing the end of the pandemic.

It is with great pride that I note the tremendous resilience New Brunswickers have shown during these difficult times, and that our province is seen as a global leader in managing the pandemic. We did this by coming together for the greater good.

Today's capital budget reflects the times we live in, as the decisions our government has taken consider the impacts of the pandemic, the economic recovery, and fiscal responsibility.

Mr. Speaker, while we remain in uncertain times, we are already seeing signs that our economy has begun to recover. Employment in New Brunswick is approaching the pre-pandemic level and we have consistently been among the leaders in Canada for jobs recovered.

Building permits, which is a leading indicator of construction activity, recently hit an 18-month high. Of note, despite the pandemic, on a year-to-date basis, residential permits are now 10.2 per cent above the 2019 level.

While these are two examples that show the economy has begun to recover, there remains a great deal of uncertainty in the economic outlook. There will be ups and downs in the months to come.

With this in mind, I am proud to table a capital budget for 2021–2022 of \$673.4 million. This capital plan acknowledges where we stand in our economic recovery and is appropriate and responsible.

We have made strides in recent years to improve our fiscal standing, and COVID-19 has upended this progress. This does not mean that we should no longer be fiscally disciplined. Rather, the pandemic has highlighted the need to always be diligent with the public finances of the province.

While some may note that interest rates are low and we should spend more, I wish to remind New Brunswickers that there is no guarantee that interest rates will always be this low, and the decisions we take today will be impacted by future interest rate increases.

As has been the case for some time, the demands on our capital budget outweigh the resources available. This includes the availability of labour. A significant increase in our capital spending today is also not likely to yield immediate economic returns. Experience has shown that the peak economic impact of a project is only likely to materialize 2-3 years after it has been announced.

We must also keep in mind that we are competing with the private sector for the same resources. A sustainable economic recovery also needs investment from the private sector.

We have prioritized projects that balance our needs against what we can afford, acknowledge where we are in our recovery, and the important role the private sector will also play in supporting this recovery.

While it would be easy to significantly increase our capital plan during these uncertain times, I appreciate that difficult decisions had to be made. As such, I thank my Cabinet colleagues for their discipline and support as we made these decisions.

Dependable public health care

Mr. Speaker, while we have always understood the importance of dependable public health care, the COVID-19 pandemic has highlighted the importance of maintaining a strong health care system.

We can be proud of how our health care providers have responded to these difficult times, however, we know the challenges that existed before the pandemic remain.

We have learned a lot about improving access to health care over the past nine months. Leveraging technology to improve access to doctor appointments and centralizing COVID-19 testing capacity at the Dr. Georges-L.-Dumont University Hospital Centre are two examples of doing better.

Returning to the status quo will not be enough.

With an aging population, the demands on our health care system will only continue to grow, and we must act decisively to prepare for tomorrow's needs.

In 2021–2022, our government will invest \$128.2 million in our health care infrastructure. Of this total, \$83.9 million will be for the continuation of renovations, additions and other improvements around the province, and \$44.3 million will be for capital improvements and equipment.

World-class education

Mr. Speaker, the pandemic has also tested our education system in ways that we could only imagine one year ago.

One of the most visible lessons during COVID-19 was that our schools need to be better prepared to transition to a world of blended learning. Having the proper tools and resources in place for schools is critical to make this happen. Our

government has already invested over \$800,000 to equip students with laptops and connectivity, and provided subsidies to support families with the cost of technology.

While efforts in recent months have been in using technology to support ongoing learning and development of our students, our government understands that learning is still largely supported by the physical condition of our schools. Ensuring that schools are healthy and well-maintained plays an important supporting role.

The investments being made in our education system continue to be prioritized based on a well-established evaluation framework that considers capacity needs, local demographics, condition, and the life-cycle of our existing schools.

Mr. Speaker, our government will invest a total of \$72.6 million in our K-12 infrastructure.

Vibrant and sustainable communities

Mr. Speaker, while our infrastructure investments cross all of our priority areas, they ultimately support building and maintaining the vibrant and sustainable communities we live in.

Improved economic outcomes are realized through investments in our roads and bridges. Proper maintenance of our buildings can improve our energy consumption and support improved environmental outcomes.

Today's budget includes \$307.7 million for the maintenance and improvement of our highways, roads and bridges around the province. An additional \$62.2 million will be invested in the maintenance and improvements of our buildings and other infrastructure.

Affordable and responsive government

Mr. Speaker, today's budget recognizes that we are in uncertain times and there is a need to support an economic recovery. However, it also acknowledges the need to maintain fiscal discipline and build for a brighter future.

The COVID-19 pandemic does not preclude us from being disciplined in our approach. There are likely to be challenges to come and we must maintain and build our fiscal flexibility.

We have been successful in managing our finances in the past and we will continue to be prudent with taxpayers' money. Today's capital budget strikes a balance between our meeting financial obligations and supporting our economy.

The five-year capital plan that I am outlining today maintains spending at an appropriate level and one we can afford. It also provides clarity to our contractors and suppliers on the path forward.

Conclusion

Mr. Speaker, as New Brunswickers, we all can be proud of how we have responded to the challenge of our generation. We have shown that we can be a global leader.

While the outbreak of COVID-19 significantly changed our plans, it demonstrated the importance of being responsible and building fiscal flexibility to better provide the resources needed during times of crisis.

While we remain in uncertain times, we know that there are better days on the horizon. Vaccines are being shipped as we speak, and we can begin to think about a post-COVID world.

Our challenges are many, but we have learned a lot about what we can accomplish when we work together.

Today's capital budget continues us on a path towards a brighter future.

Thank you, Mr. Speaker.

MULTI-YEAR INFRASTRUCTURE PLAN
(Thousands \$)

	2021-2022 Budget	2022-2023 Plan	2023-2024 Plan	2024-2025 Plan	2025-2026 Plan
Department					
Agriculture, Aquaculture and Fisheries.....	340	465	265	265	265
Education and Early Childhood Development.....	72,660	77,185	67,145	67,352	111,709
Environment and Local Government.....	1,000	1,000	1,000	1,000	1,000
Health.....	128,200	148,138	140,248	134,199	132,311
Justice and Public Safety.....	7,500	16,702	19,428	17,000	-
Legislative Assembly.....	50	50	50	50	50
Natural Resources and Energy Development.....	4,100	5,850	850	850	850
Post-Secondary Education, Training and Labour.....	6,100	6,100	6,100	6,100	6,100
Regional Development Corporation.....	41,250	35,000	30,000	30,000	40,000
Service New Brunswick.....	1,489	-	-	-	-
Social Development.....	12,000	12,000	12,000	12,000	12,000
Tourism, Heritage and Culture.....	10,700	7,855	8,370	7,550	7,210
Transportation and Infrastructure.....	388,025	358,340	403,825	407,560	376,650
Total - Capital Expenditures.....	673,414	668,685	689,281	683,926	688,145