

Capital Estimates 2009-2010

**HON. VICTOR BOUDREAU
MINISTER OF FINANCE**

Province of New Brunswick

Date : December 9, 2008

Mr. Speaker, I am very pleased to rise in the House today to table the government's 2009-2010 Capital Estimates that reflect the largest capital investment in the province's history totalling \$661.4 million.

Today's capital estimates provide details on the first year of an historic two-year capital investment plan that will exceed \$1.2 billion, Mr. Speaker. The two-year capital investment plan is a major component of the government's recently announced economic stimulus package that will generate jobs, income and personal spending, position the province for recovery from the current economic slowdown and move our self-sufficiency agenda forward.

On December 3, the government released an economic and fiscal update that set out the unprecedented financial and economic climate facing economies around the globe. These challenges are having a significant impact in New Brunswick. They are affecting our economy, our people, our businesses and the government.

The impacts of the financial market turmoil, the looming recession in the United States and the winding down of major investment projects in New Brunswick will all hamper economic growth in the province in 2009, with economic contraction a real possibility. Global financial and economic conditions are contributing to projected deficits here and in several other provinces across Canada. Last Friday's announcement of over 70,000 job losses in one month alone across Canada simply confirms that the economic situation is getting worse before it gets better.

That is why in last week's economic and fiscal update, we made it clear we were facing an important choice, Mr. Speaker. We could stand aside, take no action, and blame global developments. Or, we could step forward, provide the leadership, and set the course for economic recovery and greater self-sufficiency.

Mr. Speaker, the announcement last week of our economic stimulus plan clearly affirmed the course we have chosen. This plan of controlling government expenditures, stimulating economic activity through strategic infrastructure investments, making sure businesses have access to capital, along with reduced taxes for individuals and business, is exactly the kind of action plan we need at this time in New Brunswick.

The strategic infrastructure investments that we are announcing today will generate jobs and stimulate economic growth at a time when our economy requires a stimulus. It also allows government to move forward on its self-sufficiency agenda with strategic investments in a number of key sectors.

And Mr. Speaker, I want to address this issue of strategic infrastructure. We call it strategic because that is exactly what it is. Our criteria for capital projects in this budget are very simple. We want projects that will get underway and create jobs and economic activity across the province as quickly as possible. In addition, we have selected capital projects which have a high priority locally, regionally and across the province. Our goal is to ensure that each and every one of these capital budget dollars is spent as effectively and efficiently as possible.

Mr. Speaker, this \$661.4 million capital budget is anticipated to generate an estimated 6,000 person-years of employment across the New Brunswick economy. This will provide employment opportunities for New Brunswickers during the downturn in the economy.

Today's capital estimates includes new strategic investments in the community college network, universities, schools, health care facilities and transportation infrastructure, as well as funding for a number of key infrastructure investments already underway. It also includes a significant strategic public-private partnership initiative that will improve the province's highway network and trade corridors.

Post-Secondary Education

Mr. Speaker, education is one of the key planks of the government's *Charter for Change* and self-sufficiency agenda. To ensure a skilled and educated workforce for a self-sufficient future, we must invest in the infrastructure of our post-secondary institutions today.

That is why, Mr. Speaker, I am pleased that our government is making an unprecedented capital investment in our province's post-secondary infrastructure of more than \$160.0 million over the next two years.

This will include an investment of over \$100.0 million in capital construction and improvements across the New Brunswick Community College network over the next two years. In 2009-2010, we will commence work on a new \$35.0 million campus in Edmundston, a \$44.0 million expansion in Saint John and a \$20.0 million major renovation in Moncton. We will also commence work on a new multi-trades shop in Bathurst and provide funding for various repairs and upgrades at campuses across the province.

In addition, Mr. Speaker, we are investing \$60.0 million over the next two years for infrastructure renewal at Mount Allison University, St. Thomas University, l'Université de Moncton and the University of New Brunswick. The \$30.0 million that we will invest in 2009-2010 will help our universities address a number of deferred maintenance projects and facility upgrades.

These investments support the Action Plan to Transform Post-Secondary Education. Many of these projects, Mr. Speaker, will also contribute to our support of New Brunswick as an energy hub and the Benefits Blueprint plan.

These investments reflect our commitment to the students who are the future workforce of our province, to our educators and staff, and to moving our economy forward.

As a government, we must invest in producing highly skilled workers for the economy of tomorrow. Today's announcements, Mr. Speaker, demonstrate how serious we are about making those investments.

K-12 Education

Mr. Speaker, in addition to these record-breaking investments for post-secondary education, we are continuing to invest in our K-12 education system. Achieving the goal of the best education system in the country requires investments to ensure healthy and safe schools.

That is why we will make a capital investment in our K-12 schools of \$49.5 million in 2009-2010. This will include:

- \$27.6 million for strategic investments in schools around the province, including funding to complete the construction of the

Upper Miramichi School and to continue major renovations at École Clement Cormier and Bayside Middle School; and

- \$21.9 million on capital improvements to provide increased funding to address health and safety issues in our schools.

In addition to these investments, Mr. Speaker, our government will move forward with expressions of interest on December 12 for the construction of new schools in Rexton and Moncton North. Both projects will be pursued through public-private partnerships.

Transportation Infrastructure

Mr. Speaker, this year's capital budget continues significant investments in rehabilitating our highway and bridge infrastructure. In 2008-2009 the Province moved to an Asset Management approach for road infrastructure management. This approach allows us to make the right investments in the right places at the right time, thereby ensuring our roads are safer and can more efficiently transport our goods to market.

I am pleased to announce that the Asset Management approach will result in a \$187.0 million investment in rehabilitating our highways, bridges and roads in 2009-2010.

Total investments in transportation-related infrastructure for 2009-2010 will be \$378.8 million, \$51.7 million more than 2008-2009 revised estimates. These investments include:

- \$268.1 million to construct and upgrade provincial roads, highways, and bridges, including a major investment to begin rehabilitation of the Princess Margaret Bridge in Fredericton;
- \$92.4 million under the federal-provincial National Highway System cost-shared program. Investments will include:
 - \$34.9 million for the Route 8 Nashwaak/Marysville Bypass;
 - \$20.9 million for the Route 1 One Mile House interchange; and
 - \$13.0 million for the Route 7 Welsford Bypass;

- \$16.5 million to begin construction of a replacement vessel for the ferry service to Grand Manan; and
- \$1.9 million in funding under the Canada/New Brunswick Border Infrastructure Program.

Mr. Speaker, I am also very pleased that the Government of New Brunswick will today be delivering on another important commitment in the *Charter for Change* with the announcement of the twinning of the entire length of Route 1 from the United States border at St. Stephen to Route 2 at River Glade by 2014.

This major investment, along with the future operation, maintenance and rehabilitation will be undertaken through a public private partnership. Using a private sector partner is a cost-effective way to complete this vital trade corridor, Mr. Speaker. New Brunswick highway construction firms have proven they can take a leadership role in major infrastructure projects and I look forward to their participation. The Province has won three awards from the Canadian Council of Public Private Partnerships for its work with our industry members on the Longs Creek to Quebec and Fredericton to Moncton highways.

Mr. Speaker, this is exciting news for southern New Brunswick and Charlotte County. This new highway will save lives, support economic growth, increase efficiency, conserve energy and reduce vehicle emissions. This initiative supports the development of the Atlantic Gateway which is a key element of our self-sufficiency agenda.

Further details on the process will be released when the Minister of Transportation debates his estimates.

Health Care

Mr. Speaker, we all know that health care is a key priority for all New Brunswickers. Our government recognizes this, and is committed to investing in the infrastructure needed to provide quality health care services in all regions of the province.

The government will be making capital investments totaling \$67.1 million in our health care system in 2009-2010, \$24.0 million more than 2008-2009 revised estimates. These investments include:

- \$28.7 million for capital construction, including:
 - Continued work on a new Emergency Department with a Level 1 Trauma designation at the Saint John Regional Hospital;
 - Funding to commence a major expansion at the Dr. Georges L. Dumont Hospital in Moncton, as well as for the new French-language medical education program; and
 - Renovations at the hospitals in Fredericton, Miramichi, Saint John and Moncton for the new English-language four-year medical education program;
- \$24.0 million to complete construction work and to acquire new linear accelerators for both the Saint John Regional Hospital and the Dr. Georges L. Dumont Hospital in Moncton. The new linear accelerators will allow the province to increase its capacity in radiation therapy and address wait time concerns; and
- \$10.0 million to replace medical equipment and \$4.4 million in infrastructure improvements at various health-care facilities around the province.

In addition to these significant investments, Mr. Speaker, we are continuing to move forward with a public-private partnership for the construction of a new psychiatric hospital in Campbellton.

Municipal Infrastructure

Mr. Speaker, it is important that all levels of government provide the necessary infrastructure to support the services that they deliver. It is also important that municipalities and communities throughout the province continue to invest, develop and contribute as engines of growth.

That is why our government is continuing to support investments in municipal and rural infrastructure.

Our 2009-2010 Capital Estimates provide for:

- \$12.4 million under the Provincial Gas Tax Transfer Top-Up Fund, which will provide for infrastructure improvements in municipalities and unincorporated areas across the province;
- \$10.0 million under the Canada/New Brunswick Municipal Rural Infrastructure Fund and the Communities Component of the new Building Canada Fund, which will provide funding for investments in green infrastructure in municipalities, such as ensuring safe drinking water and more effective waste water treatment facilities; and
- \$500,000 to Local Service Districts to build and maintain fire halls and other community facilities.

Environment

Mr. Speaker, helping municipalities invest in green infrastructure is a clear demonstration of our government's commitment to improve the environment for all New Brunswickers.

As the Premier has previously stated on numerous occasions, our government is also committed to another important environmental project: the restoration of the Petitcodiac River.

While the government expects that the federal government will ultimately come to the table and be an active partner with the Province on the restoration, putting the project on hold is not an option.

Therefore, as committed, we will invest \$18.7 million in 2009-2010 to undertake the necessary planning, remediation work, and site preparation that is required to prevent erosion once the river fully flows.

This investment will bring the first phase of the Petitcodiac River restoration to an end, and allow us to reach a major milestone: the opening of the causeway gates in the spring of 2010.

I am also pleased to announce, Mr. Speaker, that our government is taking action on another important environmental project. Funding is being provided for the removal of the Eel River Dam outside of Dalhousie. Moving forward with this project will address a number of environmental concerns that have arisen since the dam was put in place, and follows through with the recommendation of the Environmental Impact Assessment.

Tourism

Mr. Speaker, our government realizes the importance of the tourism sector to our provincial economy and to our goal of self-sufficiency.

We will invest a further \$4.0 million in our province's tourism infrastructure in 2009-2010. This investment will be used to maintain important tourism assets, including the Village Historique Acadien, Kings Landing, Mount Carleton and our network of provincial parks.

Safety and Security

Mr. Speaker, this capital budget also provides funding to ensure that our provincially owned buildings, vehicles, and other public infrastructure are safe and secure for all who use them. Investments will be made in the following areas:

- \$21.3 million to modernize and add capacity to our provincial corrections facilities. This investment will commence work on new corrections facilities in south-eastern New Brunswick and Dalhousie to replace the current facilities;
- \$7.0 million to upgrade the provincial fleet of vehicles, including 85 school buses;
- \$5.2 million for repairs and upgrades to existing provincially-owned buildings;
- \$2.8 million for the ongoing upgrades to the Legislative Assembly building;

- \$2.4 million to continue the rehabilitation of dams in the Musquash watershed;
- \$2.1 million to continue repairs to the Sentier NB Trail bridges; and
- \$400,000 for the ongoing maintenance, upgrading and replacement of water control structures in south-eastern New Brunswick.

In addition to the projects that I have just mentioned, the provincial government is continuing with the process that will see new courthouse facilities in Moncton and Saint John built through public-private partnerships.

Conclusion

Mr. Speaker, the 2009-2010 Capital Estimates continues this government's practice of making strategic investments in our province's public infrastructure. The \$661.4 million record capital investment we have announced today is part of a two-year capital investment plan that will exceed \$1.2 billion, stimulating the province's economy and creating jobs during the current economic slowdown and moving our self-sufficiency agenda forward.

This government is providing leadership. This historic capital investment creates an environment for New Brunswick businesses to grow and create jobs. These jobs encourage consumer confidence and generate income and spending in our economy. Along with the other bold measures of our four-point economic stimulus plan, this unique capital budget is the most positive action we can take in this time of global crisis.

Today's budget will allow tenders to move forward and design and construction work to begin as soon as possible in the New Year.

Further details will be unveiled by my colleagues during the Capital Estimates process over the coming weeks.

At this time last year, Mr. Speaker, I spoke of embarking on a period of transformational change to achieve self-sufficiency. I think that it is clear the province's economic and fiscal situation today calls for bold action.

Mr. Speaker, today, we are making more necessary decisions to help the New Brunswick economy and its people move through this difficult period and also to forge ahead on our path to greater self-sufficiency. I am proud to table this record-breaking capital investment plan which will stimulate our economy and create jobs for New Brunswickers in the days and months to come.

Thank you, Mr. Speaker.