

Capital Estimates 2011-2012

**Hon. Blaine Higgs
Minister of Finance**

Province of New Brunswick

December 14, 2010

Mr. Speaker, I am pleased to rise in the House today to table the 2011-2012 Capital Estimates. A capital budget totaling \$592.9 million will provide for the continuation of projects already underway as well as required maintenance of our assets. At the same time, it reflects the fiscal challenge that our province faces.

On November 26, the government released an economic and fiscal update for 2010-2011 that set out the state of the province's finances. At that time I stated that our projected deficit has risen to \$820 million. The province's net debt is anticipated to reach \$9.6 billion.

Capital spending has been a contributor to the fiscal challenges we face. Over the last two years, governments everywhere increased their spending to minimize the depths of the recession and stimulate economic activity. In New Brunswick, this resulted in capital spending well above historic levels as the province embarked on a two-year, \$1.6 billion capital plan. This is not sustainable.

Our government's platform indicates that "*Responsible management of the province's finances is the most important role of any government*". We are already taking steps to ensure that government lives within its means.

Our government is committed to returning to fiscal balance, while making strategic investments in priority areas. The Capital Estimates presented here today reflect these realities.

The majority of capital spending, \$300.2 million, is related to ongoing projects. Another large portion of the 2011-2012 Capital Estimates — \$251.2 million — is dedicated to maintenance of our existing infrastructure. This leaves only \$41.5 million, or seven per cent of total capital investments, to commence new projects in 2011-2012.

The 2011-2012 Capital Estimates that we are tabling here today are an important step in returning our capital spending to more sustainable levels.

It is my pleasure to share with you some of the highlights of the 2011-2012 Capital Estimates. My cabinet colleagues look forward to providing further details as these estimates are debated over the weeks to come.

Education

Mr. Speaker, nothing is more fundamental to our education system than facilities that are safe and healthy for our students, teachers, and staff. That is why our government is investing \$30.0 million to maintain and improve our schools in 2011-2012.

In addition, we will continue with a number of projects already underway in our K-12 system. This budget includes \$55.9 million for these projects, including necessary capital equipment for new schools.

Today's budget also includes \$12.4 million in funding to commence a select number of new projects. The Minister of Education and Early Childhood Development will provide details on these and other projects when the 2011-2012 Capital Estimates are debated.

In addition to these important investments in the K-12 system, we are also providing funding for the completion of a number of major investments in our post-secondary institutions. In 2011-2012, we will invest \$19.4 million in the NBCC-CCNB network to complete major capital projects underway and continue with routine maintenance. We will also provide \$7.5 million to universities for deferred maintenance projects.

Health Care

Mr. Speaker, quality and accessible health care is something that all New Brunswickers value. It is also one of this government's top priorities. In 2011-2012, our government will invest \$56.9 million in our province's health care infrastructure.

Of this total, \$37.5 million is related to ongoing projects, leaving \$14.4 million for maintenance and equipment, and \$5.0 million for new projects.

Our government is continuing with the construction of a new Restigouche Psychiatric Hospital in Campbellton. This facility is scheduled to be completed in the summer of 2014.

Transportation

For our economy to grow and prosper, we must maintain and upgrade our transportation infrastructure. That is why I am pleased to announce today that our government will invest \$313.2 million in our roads, bridges, and ferries in 2011-2012. This includes \$104.1 million for ongoing projects, \$191.6 million for maintenance of existing infrastructure and equipment, and \$17.5 million for the rehabilitation of the Saint John Harbour Bridge.

The Minister of Transportation and Infrastructure will provide the details of these projects when the 2011-2012 Capital Estimates are debated.

Law and Order

Mr. Speaker, our government is committed to seeing through a number of significant infrastructure projects that are vital to strengthening our justice and corrections system.

In 2011-2012, we will invest \$32.0 million for the ongoing construction of the Saint John Law Courts.

Our government will also invest \$21.6 million to complete the new Dalhousie Regional Correctional Centre and the Southeast Regional Correctional Centre. These state-of-the-art correctional facilities will increase the capacity of our corrections system.

Other Public Infrastructure

In addition to the above-mentioned investments, Mr. Speaker, the 2011-2012 Capital Estimates includes \$44.0 million for various other public infrastructure projects.

Conclusion

Mr. Speaker, the \$592.9 million capital investment for 2011-2012 that we have announced today is about managing responsibly while building and maintaining much needed infrastructure in New Brunswick.

Government is taking the initial steps required to return our finances to a sustainable position. Since we have formed the government, we have asked departments to find one per cent savings in their budgets this year and today have brought down a fiscally responsible capital budget. But our work is far from over.

We have also launched our pre-budget consultations and look forward to hearing from New Brunswickers on their priorities and suggestions on how to address the financial challenge.

By prioritizing our investments and tabling a fiscally responsible capital budget, we are headed in the right direction. We are sending a clear message to New Brunswickers that this government is committed to *'putting New Brunswick first by managing responsibly.'*

Thank you, Mr. Speaker.