

# *Listening* and Getting Things **Done**

**2017–2018 BUDGET**

## **Jobs. Education. Health.**

“Deficit cut in half. A growing economy.  
Record investments in education and health care.”

**Cathy Rogers**  
*Minister of Finance*



## **Budget 2017–2018**

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## **Introduction**

Mr. Speaker, we know that New Brunswickers share a strong sense of generosity and community. These qualities have been especially evident in the days since the ice storm that caused so much damage to our province. We have seen people open up their homes to their neighbours with no power, firefighters going door-to-door, volunteers helping those who are looking for a place to warm up, and hardworking power crews working tirelessly to restore power. These recovery efforts are further supported by officials from the Emergency Measures Organization and the Canadian Armed Forces. Thank you to all New Brunswickers for helping with the recovery effort, and in keeping people safe during these difficult times.

This co-operative spirit, which has been clearly on display in the days since the ice storm, has played an important role in guiding the decisions we have taken as a government. Over the first half of our mandate, our government has worked closely with New Brunswickers. Together, we developed a plan for restoring balance to our finances, while investing in the priority areas that reflect our collective values. From day one, jobs, education, and health care were identified as priorities, and they remain so today.

Last year's budget set the foundation for our future. This year, we are building on this foundation. We are listening to New Brunswickers, honouring our commitments, and investing responsibly in areas that will lead to a stronger New Brunswick.

Mr. Speaker, our government is pleased to table in the House our 2017–2018 Budget. Today's budget is a reflection of the voices and priorities of the people. On a personal note, it is with pride that I undertake this task as the first woman to serve as Minister of Finance in our beautiful province.

Our government understands what matters most to New Brunswickers. We know the importance of creating jobs, growing the economy, and securing and enhancing health care and education. We are working hard on these priorities and with the support of New Brunswickers we are getting things done and seeing positive change.

New Brunswickers want their government to get our finances in order, but not at the expense of our social programs. We are reducing the deficit in a steady, responsible way. We are proud that we have cut the deficit in half since taking office and we are on track to eliminating it entirely by the 2020–2021 Budget. What is even more significant is that we have been able to do this without making deep cuts to the programs that New Brunswickers hold dear.

We are proud of the collaboration with New Brunswickers that took place to develop the multi-year plan presented last year. From identifying the challenges,

sharing what we heard, and presenting options, New Brunswickers were engaged and offered their suggestions. We listened to New Brunswickers, and we continue to act on what we heard.

As I toured the province for pre-budget consultations, I had the opportunity to speak directly with New Brunswickers about our multi-year fiscal plan. While there are always a variety of opinions on any issue that is discussed, it was clear to me that New Brunswickers support our plan as presented, and they want us to return to balance by 2020–2021.

We are achieving results by engaging New Brunswickers, being strategic with our decisions, finding savings and efficiencies where they make sense, focusing on priority areas, and forging strong relationships with the Trudeau government and First Nations.

Mr. Speaker, we are delivering on the commitments we have made to the people of New Brunswick. We remain focused on jobs, education, and health care, and our initiatives in these priority areas are aligned. Consider the prominent role that education plays, for example, in developing the skills and knowledge needed to find a job and integrate successfully in our modern economy. Developing relevant skills and obtaining a strong education better positions people to be able to make healthier choices and minimize the likelihood of chronic illness and hospital care.

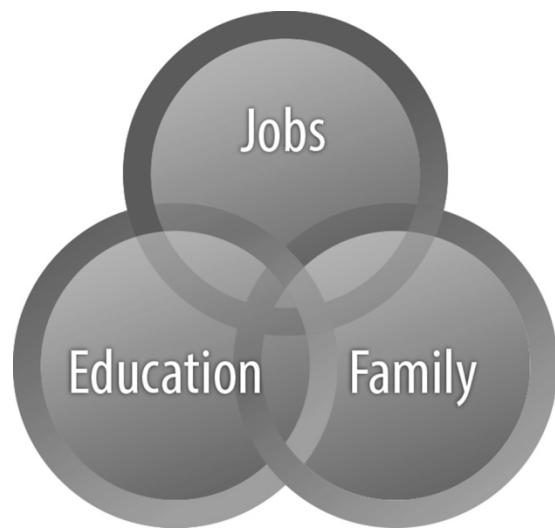
By building on the foundation our government established over the first half of our mandate, we are honouring our commitments, getting our financial house in order, building strong relationships with other levels of government, and investing strategically to generate positive returns to our province for years to come.

## **Clear Plans for Our Future**

Having created the fiscal foundation to allow our province to grow in the years ahead, we have laid out a clear vision for each of the three critical sectors in which government can positively influence the lives of New Brunswickers.

New Brunswickers have told us time and again that their priorities are jobs, education, and health care. We have listened; we have prepared; and we are delivering results.

Like the strong ties that bind families together, our government has linked three major plans that, together, will improve the



lives of all New Brunswickers for decades to come. While each plan is important in and of itself, in order to be successful, they rely on one another.

For instance, our economic growth plan must be supported by our 10-year education plans so that we have a strong and ready workforce that is relevant, innovative, and thriving. Likewise, our economy depends on the social foundation of our family plan in order to flourish.

Our education system depends on a strong economy so that our graduates can find meaningful work here in New Brunswick. It also needs the supports outlined in our family plan so that factors affecting a student's ability to be successful in their educational endeavours can be addressed early on.

Our family plan needs a strong economy where equal opportunities are available for women, for persons with a disability, and to move people out of poverty. The *New Brunswick Family Plan Framework Document* needs the education system to be a strong social equalizer.

The well-aligned and integrated approach we have taken, thoughtfully and holistically, underlies these priority areas. Priorities identified by New Brunswickers and for New Brunswickers, mean that a number of government initiatives cut across all of these plans.

Our government has laid the foundation with these plans and we will work together with New Brunswickers to achieve our collective goals. We will achieve the best results when we work together and when we consider the interconnectedness of economic growth, education, and healthy and strong families.

Finally, our government recently released *Transitioning to a Low-Carbon Economy* as a made-in New Brunswick response to climate change. One of the action items in this plan is to implement a carbon pricing mechanism that addresses the requirements of the federal government while recognizing New Brunswick's unique economic and social circumstances. Our government is working with stakeholders to develop its carbon pricing policy which will be introduced at a later date.

Our collective efforts will indeed make New Brunswick the best place to live, work, and raise a family.

## Fiscal Update

Mr. Speaker, we recently provided a third quarter economic and fiscal update, outlining our progress for 2016–2017. This update further demonstrates our commitment to remaining transparent with New Brunswickers and meets our commitment to release these results by February 15<sup>th</sup>.

Today's budget reflects two important changes in our fiscal reporting. First, the contingency reserve has been eliminated. Our economy is gaining momentum, we have been meeting our fiscal targets, we remain on track with our fiscal plan, we continue to be prudent in our forecasting, and we are exercising discipline in managing our spending. This makes it the right time to eliminate the contingency reserve. In addition, our revenues and expenses now reflect the consolidation of nursing homes. For purposes of comparability, both the 2016–2017 revised estimates and 2017–2018 estimates reflect these changes.

Our government is pleased to report that we remain on track with our fiscal objectives.

We are now projecting a deficit of \$231.1 million for 2016–2017. This is an improvement of \$16 million from the budgeted deficit.

For the upcoming fiscal year, we are projecting a deficit of \$191.9 million, which I am pleased to report, aligns with the multi-year fiscal plan our government released last year. Through prudent fiscal management, as well as strategic and focused investments, our government exceeded its fiscal target in our first budget; we are on track with our second budget; and we are planning for success again in our third budget. These are results of which we are proud.

As a result of the damages from the severe winter storm that occurred recently, there may be unforeseen expenses in the fourth quarter of 2016–2017 and in the first quarter of 2017–2018 that could negatively impact these deficit projections. We will seek to minimize these impacts through federal recoveries and internal efficiencies.

In 2017–2018, revenues will reach \$9.189 billion, a 4.1 per cent increase over our 2016–2017 revised estimate. Expenses will increase by 3.6 per cent, representing an increase of \$323.2 million. Growth rates reflect our partnership with the federal government, including funding related to new federal programs.

With this fiscal context in mind, we will now share some of the details from Budget 2017–2018.

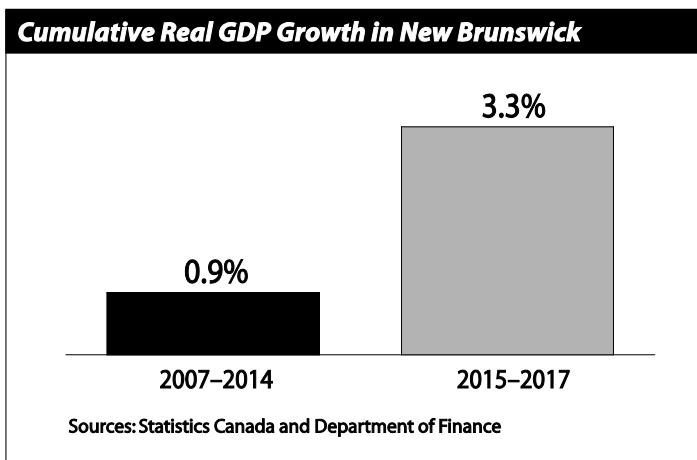
## **Jobs, Education, and Health Care**

Today's budget is evidence that we have used a balanced approach. Our focus remains on the priorities that New Brunswickers have identified.

### **Jobs**

Mr. Speaker, between 2007 and 2014, our economy struggled to gain the traction needed to return to a path of sustainable growth. For too many years, many of our major economic indicators trended in the wrong direction.

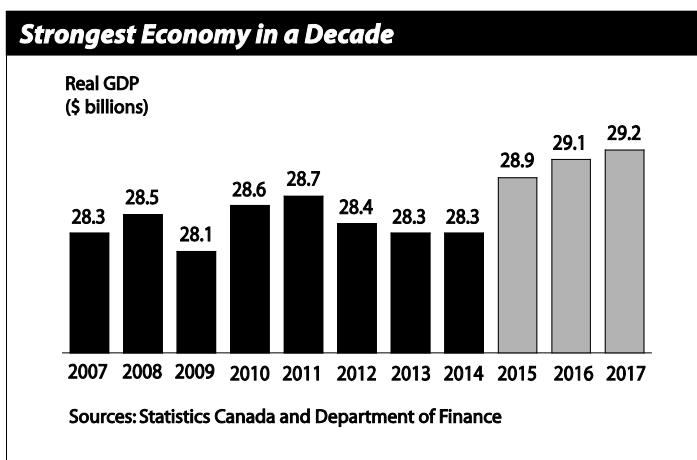
By working together, we have delivered on job creation and our province is beginning to witness positive economic trends and recent successes that will position us for further economic growth. For example, in 2015, New Brunswick experienced the third-best economic growth among the provinces, and the highest level of growth since 2004. Since 2014, the provincial government supported the creation of almost 10,000 jobs; employment has increased by 5,300 since June 2016. Average weekly earnings growth is on track to lead the country for the first time. Economic growth is expected to continue.



In 2017, the Department of Finance projects real Gross Domestic Product (GDP) growth of 0.6 per cent, comparable to expectations among private sector forecasters who have pegged New Brunswick's growth at 0.8 per cent. This outlook represents an improvement over 2016, marking the third consecutive year of growth in the New Brunswick economy. Total growth over the first three years of our mandate is projected to be 3.3 per cent, more than triple the growth we experienced between 2007 and 2014.

Employment is expected to grow in 2017 as increased public sector investment, a rebound in exports, and continued gains in income and consumer spending will contribute to growth.

Public sector stimulus spending will support economic growth, while potential major projects such as the Mactaquac generating station refurbishment and Energy East go through their respective planning and approval processes. These projects, in addition to the Sisson Mine, represent upside growth potential for our province.



Mr. Speaker, our government understands the importance of growing the economy and the important linkages it shares with education and health care.

Last fall, our government introduced our economic growth plan. Similar to how we developed our plan to restore balance to our finances, our economic growth plan is the culmination of an ongoing dialogue with New Brunswickers. Between September 2015 and April 2016, and over the course of 22 Opportunities Summits, more than 1,500 participants from across the province worked together to identify challenges, solutions, and new prospects for job creation and economic growth in New Brunswick.

*The New Brunswick Economic Growth Plan* outlines how our government will ensure co-ordinated, complementary efforts to improve the New Brunswick economy and to surpass current growth expectations. Built on the five pillars of people, capital, innovation, agility, and infrastructure, our plan will support our people, our businesses, and economic growth.

### **People**

If we are to be successful in achieving our growth objectives, people will be central to growing the economy. We must ensure that New Brunswickers have the skills needed to work and develop a career in New Brunswick and that businesses have a ready pool of talent from which to draw upon as they grow their companies.

One way in which we can support the transition from the classroom to the workplace is by providing our youth with opportunities to gain some real-world experience while they study. Through the Student Employment Experience Development Program, our government pairs post-secondary students with employers during the summer and continues to support positions by putting emphasis on youth who choose the best opportunity for their education and career plans. I am pleased to announce today that we will be providing additional funding to hire up to 275 students to work in our provincial parks, visitor information centres, museums, and libraries.

Investing in people means also ensuring a fair wage and our government has remained committed to addressing this important issue. On April 1, 2017, the New Brunswick minimum wage will reach \$11 per hour. This represents the third increase since our government took office.

Mr. Speaker, our government recognizes that providing educational opportunities for New Brunswickers is not enough to achieve all of our economic growth objectives. We have been successful in recent years in attracting immigrants but we need to do more in this area.

Our aging population means that we need to focus more than ever on growing our population. We will continue to pursue opportunities to retain, repatriate and recruit New Brunswickers and Canadians to live and work in our province. But we must also look further afield to find skilled workers to come to New Brunswick, pursue job opportunities here, and enjoy the quality of life that we all know

New Brunswick offers. Working closely with the Trudeau government, we will invest in population growth and immigration with an emphasis on helping businesses address labour shortages. This will lead to greater success in employee retention and population growth.

Our government has committed nearly \$2.5 million to enhance our population growth efforts and will build on the success of 2016, which saw our population grow for the first time in four years, largely on the strength of net international migration.

### ***Capital***

To provide further support to business, our government has taken steps to improve access to capital, an important component to the health and sustainability of the business community.

The Small Business Investor Tax Credit was increased from 30 per cent to 50 per cent, and eligibility was expanded to include community economic development funds.

In addition, and honouring our commitment to small businesses, effective April 1, 2017, we will lower the Small Business Income Tax rate from 3.5 per cent to 3.0 per cent – the third consecutive reduction in the small business rate. We remain committed to lowering the rate to 2.5 per cent over the course of our mandate. This will help small businesses grow and prosper.

### ***Innovation***

Mr. Speaker, if our economy is to grow and generate new opportunities, we must also continue to turn new ideas into new products. This is where our innovative spirit comes in. We have seen the University of New Brunswick (UNB) named as Canada's most entrepreneurial university and Fredericton named as the start-up capital of Canada. We have had success in creating a culture of innovation and we plan to build on this success.

In supporting our innovation agenda, our government will continue to advance our Smart Province initiative and will make new investments in technology infrastructure through our Enterprise Resource Planning system.

### ***Agility***

We will also be opportunistic in supporting the economic efficiency of our businesses through red tape reduction within the province and by working closer with our regional colleagues to harmonize regulations where it is feasible.

To provide service that promotes the establishment and growth of businesses in New Brunswick, our government is launching the Agile Business Services Initiative. This project includes a number of elements that will help identify which services to businesses are working and which require improvement.

In support of this initiative, a Business Satisfaction Survey has been developed to allow entrepreneurs and employers to identify and provide feedback on the government services they access.

### ***Infrastructure***

As noted in our 2017–2018 Capital Estimates, our investments in infrastructure support our people and our businesses, and they contribute to sustainable economic growth long after our capital projects are completed.

We are leveraging to maximum effect funding from the Trudeau government to invest in our public universities and community colleges, and we are making the necessary upgrades to our clean water and wastewater infrastructure.

It is through partnerships such as these that we are able to renew our aging infrastructure, strengthen our economy, and develop our trade corridors.

Some examples of our strong working relationship with the Government of Canada include:

- Improving the safety and efficiency of Route 11;
- Restoring the Petitcodiac River by building a new bridge;
- Building the Centre for Healthy Living at UNB; and
- Upgrading the hospital in Perth-Andover.

In addition, our government recognizes there is more we can do, particularly as we celebrate Canada's 150<sup>th</sup> birthday. For this reason, I am tabling a Supplement to Capital Estimates. In this, we will see more investments over the next three years to undertake important upgrades to long-neglected assets of cultural and historic significance. This includes upgrades to the Centennial Building and the Memramcook Institute. Funding has also been allocated for the restoration of Ministers Island but will be contingent upon successful negotiation of a funding agreement with the federal government.

### ***Opportunities Model***

While building the foundation for economic growth through the above-noted five pillars, our plan also seeks to identify those opportunities with the greatest potential of economic return for our province. We are currently working on the 12 major opportunities for growth which will drive activity in urban and rural New Brunswick. These opportunities include: Smart Grid, boosting new farmers, cybersecurity, blueberry development, home-based work, business support services, marijuana, local food and beverages, tourism, maple syrup and maple syrup tourism, Energy East, and Sisson Mine.

Our government is pleased to support a number of these opportunities with today's budget.

Building on the foundation established through the partnership between Siemens and NB Power in the development of a Smart Grid, we will continue to play a leadership role in this domain by committing \$200,000 to support the establishment of New Brunswick as the hub for Smart Grid development. This funding will support our economic growth and innovation agenda, and will leverage opportunities to attract start-ups as well as national and international firms to do their testing and development work in New Brunswick.

Cybersecurity is emerging as an important issue in an increasingly connected world and New Brunswick is well positioned to play a leading role in this area. Working in close collaboration with the private sector, academia, and across governments, we will continue to build a world-class cybersecurity hub that has the potential to create hundreds of new, high-value jobs in New Brunswick.

Mr. Speaker, New Brunswick households spend approximately \$2.6 billion on food each year. Much of that food is produced elsewhere. Promoting consumption of locally produced food and beverage can contribute to GDP growth by reducing the amount of food we import. To support our local producers, we will implement the local food and beverages strategy. In addition, \$50,000 will be committed to boosting the bio-economy in New Brunswick.

A successful tourism industry requires attractions, service providers, and promotion. Investments in tourism infrastructure will help boost the number of tourists enjoying what our province has to offer. The Bay of Fundy and its surrounding parks, trails, and attractions offer some of New Brunswick's most sought-after tourism attractions.

Fundy National Park already attracts 230,000 visitors per year, while the Hopewell Rocks and the Fundy Trail Parkway saw record attendance in 2016. With the connection to the Fundy Trail scheduled to open in 2019, attendance at these attractions will increase further. It is through strategic infrastructure investments, combined with industry collaboration, and a comprehensive development strategy that a unified Fundy Coast experience will support increased visitor traffic and tourism revenues.

Having heard from New Brunswickers that tourism is one of their highest priority areas for untapped economic growth, we will increase the budget of the Department of Tourism, Heritage and Culture by 17.6 per cent. This investment flows entirely to the tourism sector, and later this year, we will release a comprehensive tourism strategy.

### ***Maintaining our Traditional Industries***

Our natural resources have always played an important role in our economic success, and are especially important to rural New Brunswick. Our primary industries such as agriculture, forestry, fishing, and mining contribute significantly

to our GDP, employing thousands of people around the province, and generating significant spin-off activity.

We will also continue to look through our identified opportunities and other prospects to maintain and grow jobs and economic activity in our agriculture, mining, forestry and energy sectors.

To protect our forest sector, we will invest nearly \$2 million to combat the threat of spruce budworm. This will help to ensure that this important economic sector continues to grow and thrive.

Mr. Speaker, the common theme that works its way through our economic growth agenda is that of collaboration.

All the pillars of our plan are strongly supported by working closely with public and private partners to achieve the goal of a strong economy and a more prosperous New Brunswick. We are listening, and we continue to build on the strong relationships we have developed with other levels of government, the business community, and everyday New Brunswickers.

## **Education**

Mr. Speaker, it is no coincidence that jobs, education, and health care are the priorities that New Brunswickers value most. If we want to improve the quality of life for New Brunswick families, one of the best investments we can make is in education and training. That is why education is one of our government's top priorities. In fact, our government has invested more in education than ever before.

An investment in education is an investment in our economic future and social fabric. A better educated population is better positioned to find success in today's job market, grow the economy, and compete globally. A better educated population is also more likely to be healthy and live longer.

That is why the budget for the Department of Education and Early Childhood Development will increase by 4.9 per cent. This represents the largest increase since 2008–2009. Moreover, the budget for Post-Secondary Education will increase by 5.4 per cent.

Recognizing the importance of laying a strong foundation for our education system, and similar to our approach with our economic growth and fiscal balance plans, we listened to New Brunswickers. From the summer of 2015 to the spring of 2016, experts, teachers, early childhood partners, students, parents, community and business leaders, school district personnel, district education councils, First Nations communities and others were engaged through a series of open houses, workshops, meetings and online submissions. More than 3,400 New Brunswickers participated in setting the direction for our education system.

It was through this ongoing engagement process that the 10-year education plans for both the Anglophone and Francophone sectors were developed. These plans establish clear objectives for public education in New Brunswick and guide the direction of initiatives and actions of those who work in the education system. With the release of the education plans, we are getting things done to ensure future generations have a high-quality, and accountable, education system.

To support these plans, we are investing an extra \$56 million into the education budget this year alone, an increase of \$103 million since 2014–2015.

As the Minister responsible for Literacy, I am pleased to report that we have earmarked a \$7 million per year investment in literacy programming for both children and adults. A comprehensive literacy strategy will be released shortly.

Understanding the importance of early childhood education in the years before kindergarten and the struggle many families face over the cost of daycare, our government will increase the amount it provides to New Brunswickers to help pay for the cost of daycare. By January 1, 2018, in keeping with our platform commitment, we will have doubled the budget of the daycare assistance program.

To achieve the best education outcomes possible, our government recognizes the need to intervene at the earliest stage possible. In this regard, we are investing in improved and consistent assessment tools for early childhood interventions. This ensures that children who need extra help are identified and supported as early as possible. We are also investing an additional \$2.4 million in preschool autism interventions, over and above the \$1.4 million we provided to this program in last year's budget.

We continue to partner with the non-profit sector to enhance learning experiences for our children outside the classroom. A good example of this support is Sistema, which is a proven music program designed to inspire children and youth to achieve their full potential and to acquire the values they need to grow and to have a positive impact on society. This program is now operating in Edmundston, Elsipogtog, Hillsborough, Miramichi, Moncton, Richibucto, Saint John, and the Tobique First Nation.

Mr. Speaker, education and skills development do not stop once our youth complete high school. A post-secondary education remains an important step to success in today's labour market.

Working in partnership with the Trudeau government, we are investing in infrastructure projects at colleges and universities around the province. These projects will improve the quality of our programs, enhance our research capabilities, generate ongoing economic impact, and support our economic growth and innovation agenda.

Government will be securing an additional \$45 million over four years to invest in our public universities. In the coming weeks, we hope to announce memoranda of understanding with each of our four institutions which will lay out the following:

- Government funding commitments for the next four years;
- Tuition predictability for New Brunswick students for the next four years;
- Funding for pilot projects at universities in our efforts to increase enrollment, increase population, and pursue research and development opportunities among other priorities; and
- An agreement for universities to appear annually before the Legislative Assembly.

Our government has already eliminated parental and spousal contributions from determining student loans for all students making their education more accessible. We have also launched our historic free tuition program that makes education both more accessible and more affordable while helping our public universities and colleges overcome their enrollment challenges.

## **Health Care and Services for Families**

Mr. Speaker, we cannot emphasize enough the importance we all place on our families. We go to work to provide for our family. We care for our family in sickness and in health. Many of our collective values are centered on doing what is best for our families.

The *New Brunswick Family Plan Framework Document* is aligned with, and supports, the goals of our economic growth plan, and our 10-year education plans. It ensures that we are tackling the important issues facing our economy, education and health care systems. In a complementary fashion, these plans will ensure the best returns on our investments towards making New Brunswick the best place to raise a family.

As articulated in our family plan framework, investing in families means investing in access to primary and acute health care; promoting wellness; supporting mental health; fostering healthy aging; advancing women's equality; reducing poverty; and providing support for people living with a disability. By taking these steps, we can expect better outcomes for our families, support better results in our education system, and contribute to growing the economy.

Just as we worked collaboratively to develop our economic and education plans, we will engage New Brunswickers in the weeks to come as we finalize our family plan initiatives. In the meantime, there are a number of areas where we will support families and build a stronger, healthier province.

New Brunswickers have made it very clear that they do not want deficit reduction targets to be met at the expense of health care. That is why our government protected health care and education during the Strategic Program Review.

Our government has taken a collaborative approach to dealing with the important issues facing our province today. We are proud of the leadership our province has taken and the strong relationship we have forged with our federal colleagues. The recent bilateral health funding agreement will increase federal funding for home care and mental health initiatives, two priorities identified by New Brunswickers.

This year's budget for health care is increasing by 3.3 per cent. This increase has been made possible thanks, in part, to our partnership with the Trudeau government and is the largest increase since 2010–2011.

New Brunswick is now a national leader in health care. I was personally struck by the number of New Brunswickers who expressed their support and pride as New Brunswick reached this agreement before any other province. It has been too long since New Brunswick has played a leadership role in our confederation.

Indeed, subsequent to our historic agreement, Nova Scotia, Newfoundland and Labrador, Saskatchewan, Prince Edward Island and the three territories all reached similar agreements. Through this agreement, our government has secured an estimated \$230 million over 10 years in support of home care and mental health, and guarantees that New Brunswick will benefit should any other province receive a more favourable deal.

We also want to emphasize that this is over-and-above the funding we currently receive under the Canada Health Transfer. We will continue to collaborate with our partners in the Trudeau government to ensure that New Brunswickers get the best quality of care.

### ***Primary and Acute Care***

Access to quality health care is important to New Brunswickers. Health care funding is the largest expenditure in our provincial budget. It is a priority for our government. We know the availability and delivery of health services has a significant impact on our quality of life.

To enhance access to quality health care, we will be increasing the annual operating budget for the Fredericton Downtown Community Health Centre by \$1.3 million. We will also add six physician positions as per the Dalhousie Medicine New Brunswick Agreement.

As well, we will invest an additional \$4.4 million in the New Brunswick Heart Centre at the Saint John Regional Hospital.

### ***Wellness***

Prevention plays an important role in reducing the cost pressures that are placed on the health care system. Our government is expanding the provincial vaccination program to include rotavirus for all infants, and to extend our HPV program to include boys.

### ***Mental Health***

We are in a position to make significant new investments in mental health, thanks to our partnership with the Government of Canada and the new, targeted funding that they have provided in this area.

Mr. Speaker, New Brunswick is also a leader when it comes to the delivery of mental health, intervention, and social services to our children and youth. Our Integrated Service Delivery (ISD) model has received a national 2016 Institute of Public Administration of Canada/Deloitte Public Sector Leadership Award.

While we are proud of this recognition, our underlying focus remains on providing the appropriate services to our at-risk children and youth. Building on the inter-departmental efforts of the Departments of Education and Early Childhood Development, Health, and Social Development, we will expand our ISD service offerings. This honours our commitment to help children gain access to the support they need.

Our government will also introduce legislation this session and establish community support orders as promised in our platform. This will support the de-institutionalization of mental health care, and ensure that New Brunswickers with mental health challenges are engaged in their treatment and recovery in the more familiar surroundings of their own community.

### ***Healthy Aging***

Mr. Speaker, our 2017–2018 Capital Estimates in December noted that we continue to work on a nursing home investment plan that reflects the consolidation of nursing homes onto our financial statements. At that time, I committed to bringing forward a Supplement to Capital Estimates to recognize this required accounting change.

This Supplement to Capital Estimates invests \$58.2 million for the construction, maintenance and improvements to our network of nursing homes across the province over the next three years. These are preliminary estimates of total capital expense, which do not necessarily represent the true cost to the province, and which may be offset through funding agreements with the Government of Canada under the Social Infrastructure Fund and other programs.

In order to ensure the most advanced quality of care and that government is not left with an unsustainable nursing home sector for the next generation when they

become seniors, our government will pursue opportunities, where possible, through public-private partnerships to add to the supply of nursing home beds in New Brunswick. Mr. Speaker, we will meet our obligations to our seniors, and be fiscally responsible in doing so.

We will also invest in areas that will enable our network of nursing homes to be staffed in such a way that care is delivered in a personalized manner reflecting person-centred needs rather than a one-size-fits-all approach.

Understanding that our seniors would prefer to maintain their independence and remain in their homes as long as possible, we will be making significant investments in home care, thanks in part to the new, targeted funds we are receiving from the federal government. We are providing the right interventions at the community level at the right time, supporting our seniors, and delaying or avoiding other more costly forms of care.

### ***Women's Equality***

Mr. Speaker, we have restored an independent voice for women and have funded it. We have eliminated barriers to reproductive health that were in place for three decades and we will do more.

Our government will introduce legislation this session to better protect against domestic and intimate partner violence. New funding to support this legislation will further ensure that our most vulnerable are protected.

### ***Poverty***

Mr. Speaker, if we are to achieve our economic and social objectives, we need to provide additional supports to those most in need. The challenge of meeting these objectives is even greater for those families who live in poverty and have inadequate housing.

We will invest an extra \$6.5 million in this budget for affordable housing thanks to our partnership with the Government of Canada. This funding will improve efficiency and reduce energy and water use, while improving affordable housing for seniors and transition houses for victims of family violence.

### ***Protecting the Vulnerable***

As a society, we all understand the importance of protecting our most vulnerable, especially our children and young people. The best opportunities to thrive throughout life are improved with a good start early in life. We know that government is an important partner in ensuring the appropriate protections are in place for those in need. In this regard, our government will invest to meet the demands of protecting our children and young people, helping with children currently in care, and providing supports for children with disabilities.

To support greater social and economic inclusion, and quality of life for all, our government will lead by example, and nearly double funding for the Equal

Employment Opportunity Program. The program provides equal access to employment, training, and advancement opportunities for Aboriginals, persons with disabilities, and members of visible minority groups within the New Brunswick Public Service. These program improvements will help create a more balanced workforce that reflects the diversity of our province.

We will also provide a grant to the Canadian National Institute for the Blind in support of their vision rehabilitation programs.

## **Multi-Year Plan**

Mr. Speaker, last year's budget set the foundation for our future. This year, we are honouring our commitments, and investing responsibly in areas that will lead to a stronger New Brunswick.

Since becoming the Minister of Finance, I have had many opportunities to hear directly from New Brunswickers. It is clear that they are engaged, well-informed and deeply passionate, as I am, about the public services they use daily. They have told us to bring balance to our finances but also to protect, and invest in education and health care.

I am encouraged by the level of support for our multi-year fiscal plan. New Brunswickers expect us to stick with the fiscal plan we laid out in last year's budget.

The plan is working and we are on-track.

Starting with our first budget, we have met our fiscal targets. The release of the 2015–2016 Public Accounts last fall showed a deficit of \$260.5 million. This shows significant progress as compared to the budgeted deficit of \$326.8 million. Our most recent 2016–2017 quarterly fiscal update showed that we continue to improve on our budgeted deficit and make progress towards balancing our finances, all while investing in the priorities of New Brunswickers.

<b><u>Multi-Year Plan (\$ millions)</u></b>				
	<b>2017–2018</b>	<b>2018–2019</b>	<b>2019–2020</b>	<b>2020–2021</b>
	<b><u>Plan</u></b>	<b><u>Plan</u></b>	<b><u>Plan</u></b>	<b><u>Plan</u></b>
<b>Revenue</b>	9,189	9,365	9,519	9,729
<b>Expense</b>	9,381	9,482	9,543	9,708
<hr/>				
<b>Surplus (Deficit)</b>	(192)	(117)	(24)	21

We remain committed to achieving the fiscal targets set out in last year's plan. This plan struck a balance between revenue and expenditure measures while

preserving services. It was founded on prudent economic and revenue projections, and this remains the case today.

The difficult decisions we took through Strategic Program Review (SPR), and announced in last year's budget, remain on track. The initiatives identified through SPR continue to be implemented and deliver savings. As a result, we are not introducing new revenue measures or expenditure restraint in the 2017–2018 Budget.

To further support our multi-year fiscal plan, we will increase the number of process improvement facilitators in government. This effort will continue to drive a culture of smart government as we seek to make services more efficient, and user-friendly at a lower cost for New Brunswickers. The size of the cabinet and the senior ranks of the civil service have been reduced. Government will also continue to freeze MLA salaries for the ninth consecutive year.

We are managing our finances responsibly, investing strategically, and honouring our commitments.

We will continue to freeze the overall operating funding envelope for legislative officers. However, the savings realized by the merging of the Office of the Conflict of Interest Commissioner and the Office of the Information and Privacy Commission will be redistributed amongst the legislative offices who are expanding their mandates. Further savings that are realized by implementing recommendations from the Levert Report will be retained by legislative officers.

## **Conclusion**

Mr. Speaker, we have worked closely with New Brunswickers to develop a plan to restore balance to our finances.

Today's budget reflects our collective values and recognizes that jobs, education, and health care are closely linked. By aligning our efforts across these areas, we can achieve multiple outcomes, maximize the impact of our investments, and support a better quality of life for New Brunswickers.

Last year's budget set the foundation for our future. This year, we are building on that foundation by honouring our commitments.

We are proud of the collaboration with New Brunswickers that took place to develop our fiscal, economic, education, and family plans. We have engaged our population every step of the way. From identifying the challenges, sharing what we heard, and presenting options, New Brunswickers continue to be heard, and we are listening.

New Brunswickers continue to support our fiscal plan and they want us to return to balance by 2020–2021.

We are achieving results by engaging New Brunswickers, being strategic with our decisions, finding savings and efficiencies where they make sense, investing in priority areas, and forging strong relationships with the Trudeau government and First Nations.

Today's budget builds on the foundation that our government established over the first half of our mandate, it honours our commitments to getting our financial house in order, and invests in areas that will generate positive returns to our beautiful province for years to come.

In this, our country's 150<sup>th</sup> birthday, we have many reasons to be NB proud.

Thank you, Mr. Speaker.

**APPENDIX: SUMMARY BUDGET INFORMATION**

**COMPARATIVE STATEMENT OF SURPLUS OR DEFICIT**

Thousands

\$

	Year Ending March 31		
	2017 Estimate	2017 Revised	2018 Estimate
<b>Revenue</b>			
Ordinary Account.....	8,354,502	8,429,526	8,749,709
Capital Account.....	32,680	36,193	34,663
Special Purpose Account.....	76,101	83,587	79,505
Special Operating Agencies (net).....	65,282	84,819	135,916
Sinking Fund Earnings.....	<u>190,200</u>	<u>192,300</u>	<u>188,900</u>
<b>Total Revenue</b>	<b>8,718,765</b>	<b>8,826,425</b>	<b>9,188,693</b>
<b>Expense</b>			
Ordinary Account.....	8,261,450	8,336,574	8,523,323
Capital Account.....	122,649	112,864	163,698
Special Purpose Account.....	87,265	95,993	94,666
Special Operating Agencies (net).....	59,239	73,698	138,149
Amortization of Tangible Capital Assets.....	<u>435,186</u>	<u>438,356</u>	<u>460,802</u>
<b>Total Expense</b>	<b>8,965,789</b>	<b>9,057,485</b>	<b>9,380,638</b>
<b>Surplus (Deficit)</b> .....	<b>(247,024)</b>	<b>(231,060)</b>	<b>(191,945)</b>

The 2016–2017 Estimates for both revenue and expense have been restated throughout Main Estimates to reflect government reorganization.

The 2016–2017 Revised and the 2017–2018 Estimate for both revenue and expense reflect the inclusion of nursing homes within the provincial reporting entity. The contingency reserve has been eliminated.

**COMPARATIVE STATEMENT OF CHANGE IN NET DEBT**

Thousands  
\$

	<b>Year Ending March 31</b>		
	<b>2017 Estimate</b>	<b>2017 Revised</b>	<b>2018 Estimate</b>
<b>Net Debt - Beginning of Year.....</b>	<b>(12,989,898)</b>	<b>(13,659,580)</b>	<b>(13,997,406)</b>
<b>Changes in Year</b>			
Surplus (Deficit).....	(247,024)	(231,060)	(191,945)
Investments in Tangible Capital Assets.....	(556,661)	(545,122)	(630,925)
Amortization of Tangible Capital Assets.....	<u>435,186</u>	<u>438,356</u>	<u>460,802</u>
<b>(Increase) Decrease in Net Debt.....</b>	<b>(368,499)</b>	<b>(337,826)</b>	<b>(362,068)</b>
<b>Net Debt - End of Year.....</b>	<b><u>(13,358,397)</u></b>	<b><u>(13,997,406)</u></b>	<b><u>(14,359,474)</u></b>

At second quarter, Net Debt - Beginning of Year was updated to reflect the ending net debt that was published in the 2015–2016 Consolidated Financial Statements (Public Accounts Volume I).

**TOTAL REVENUE**  
**2017–2018**  
**Thousands**  
**\$**

<b><u>DEPARTMENT</u></b>	<b><u>ORDINARY ACCOUNT</u></b>	<b><u>CAPITAL ACCOUNT</u></b>	<b><u>SPECIAL PURPOSE ACCOUNT</u></b>	<b><u>SPECIAL OPERATING AGENCIES</u></b>	<b><u>TOTAL</u></b>
Agriculture, Aquaculture and Fisheries.....	10,515	-	-	-	10,515
Education and Early Childhood Development.....	21,707	-	44,907	-	66,614
Energy and Resource Development....	80,428	40	3,347	-	83,815
Environment and Local Government....	3,799	-	8,371	-	12,170
Executive Council Office.....	600	-	-	-	600
Finance.....	7,525,248	-	56	-	7,525,304
Health.....	34,186	-	1,505	-	35,691
Justice and Public Safety.....	195,055	-	9,957	-	205,012
Legislative Assembly.....	495	-	-	-	495
Office of the Attorney General.....	384	-	200	-	584
Opportunities New Brunswick.....	11,256	-	-	-	11,256
Other Agencies.....	638,634	-	-	-	638,634
Post-Secondary Education, Training and Labour.....	161,900	-	2,382	4,983	169,265
Regional Development Corporation....	-	-	-	178,088	178,088
Social Development.....	66,141	50	6,526	-	72,717
Tourism, Heritage and Culture.....	3,325	-	1,579	3,896	8,800
Transportation and Infrastructure.....	7,264	34,573	665	81,960	124,462
Treasury Board.....	-	-	10	-	10
<b>Sub-Total</b>	<b>8,760,937</b>	<b>34,663</b>	<b>79,505</b>	<b>268,927</b>	<b>9,144,032</b>
Sinking Fund Earnings.....	-	-	-	-	188,900
Inter-account Transactions.....	(11,228)	-	-	(133,011)	(144,239)
<b>TOTAL REVENUE</b>	<b><u>8,749,709</u></b>	<b><u>34,663</u></b>	<b><u>79,505</u></b>	<b><u>135,916</u></b>	<b><u>9,188,693</u></b>

**COMPARATIVE STATEMENT OF ESTIMATED ORDINARY ACCOUNT REVENUE BY SOURCE**

Thousands  
\$

	<b>Year Ending March 31</b>		
	<b>2017 Estimate</b>	<b>2017 Revised</b>	<b>2018 Estimate</b>
<b>Taxes</b>			
Personal Income Tax.....	1,632,000	1,636,000	1,681,000
Corporate Income Tax.....	276,200	330,200	334,400
Metallic Minerals Tax.....	-	700	1,000
Provincial Real Property Tax.....	514,688	503,500	515,000
Harmonized Sales Tax.....	1,335,600	1,249,400	1,418,600
Gasoline and Motive Fuels Tax.....	288,000	288,000	286,000
Tobacco Tax.....	153,500	158,000	164,000
Pari-Mutuel Tax.....	420	420	420
Insurance Premium Tax.....	54,000	54,100	55,600
Real Property Transfer Tax.....	23,000	23,000	23,000
Financial Corporation Capital Tax.....	27,000	27,000	27,000
Penalties and Interest.....	13,000	13,000	13,000
<b>Sub-Total: Taxes.....</b>	<b>4,317,408</b>	<b>4,283,320</b>	<b>4,519,020</b>
<b>Return on Investment.....</b>			
Licences and Permits.....	303,686	266,470	282,686
Sale of Goods and Services.....	150,604	151,139	151,838
Royalties.....	334,610	409,785	432,158
Lotteries and Gaming Revenues.....	70,430	80,352	70,280
Fines and Penalties.....	144,800	151,800	152,457
Miscellaneous.....	10,724	8,256	8,215
<b>TOTAL: OWN SOURCE REVENUE.....</b>	<b>5,404,624</b>	<b>5,437,389</b>	<b>5,699,033</b>
<b>Unconditional Grants – Canada</b>			
Fiscal Equalization Payments.....	1,708,400	1,708,400	1,760,300
Canada Health Transfer.....	753,900	753,500	768,400
Canada Social Transfer.....	279,000	278,700	284,400
Other.....	1,866	1,866	1,866
<b>Sub-Total: Unconditional Grants – Canada.....</b>	<b>2,743,166</b>	<b>2,742,466</b>	<b>2,814,966</b>
<b>Conditional Grants – Canada.....</b>			
<b>TOTAL: GRANTS FROM CANADA.....</b>	<b>2,960,102</b>	<b>3,003,289</b>	<b>3,061,904</b>
<b>Sub-Total:.....</b>	<b>8,364,726</b>	<b>8,440,678</b>	<b>8,760,937</b>
Inter-account Transactions.....	(10,224)	(11,152)	(11,228)
<b>TOTAL: ORDINARY ACCOUNT REVENUE.....</b>	<b>8,354,502</b>	<b>8,429,526</b>	<b>8,749,709</b>

**TOTAL EXPENSE**  
**2017–2018**  
**Thousands**  
**\$**

<b><u>DEPARTMENT</u></b>	<b><u>ORDINARY ACCOUNT</u></b>	<b><u>CAPITAL ACCOUNT</u></b>	<b><u>SPECIAL PURPOSE ACCOUNT</u></b>	<b><u>SPECIAL OPERATING AGENCIES</u></b>	<b><u>TOTAL</u></b>
Agriculture, Aquaculture and Fisheries.....	33,532	600	-	-	34,132
Education and Early Childhood Development.....	1,188,434	2,135	44,907	-	1,235,476
Energy and Resource Development.....	102,422	2,900	3,300	-	108,622
Environment and Local Government.....	140,298	1,225	8,371	-	149,894
Executive Council Office.....	11,938	-	-	-	11,938
Finance.....	10,514	-	56	-	10,570
General Government.....	792,395	-	-	-	792,395
Health.....	2,657,185	20,000	2,000	-	2,679,185
Justice and Public Safety.....	228,581	-	14,588	-	243,169
Legislative Assembly.....	21,696	-	-	-	21,696
Office of the Attorney General.....	18,293	-	200	-	18,493
Office of the Premier.....	1,598	-	-	-	1,598
Opportunities New Brunswick.....	45,421	-	-	-	45,421
Other Agencies.....	369,188	-	-	-	369,188
Post-Secondary Education, Training and Labour.....	619,639	2,000	3,165	4,983	629,787
Regional Development Corporation.....	64,355	92,470	-	185,134	341,959
Service of the Public Debt.....	701,000	-	-	-	701,000
Social Development.....	1,168,418	5,200	14,654	-	1,188,272
Tourism, Heritage and Culture.....	60,184	10,570	1,560	4,383	76,697
Transportation and Infrastructure.....	302,109	638,457	1,850	76,660	1,019,076
Treasury Board.....	16,417	-	15	-	16,432
<b>Total Expenditure</b>	<b>8,553,617</b>	<b>775,557</b>	<b>94,666</b>	<b>271,160</b>	<b>9,695,000</b>
Investment in Tangible Capital Assets.....	(19,066)	(611,859)	-	-	(630,925)
Inter-account Transactions.....	(11,228)	-	-	(133,011)	(144,239)
Amortization of Tangible Capital Assets.....	-	-	-	-	460,802
<b>TOTAL EXPENSE</b>	<b><u>8,523,323</u></b>	<b><u>163,698</u></b>	<b><u>94,666</u></b>	<b><u>138,149</u></b>	<b><u>9,380,638</u></b>