

Capital Estimates 2025–2026

Hon. René Legacy

Minister of Finance and Treasury Board

Province of New Brunswick

Madame Speaker, it is with great pride that I rise today to present the 2025–2026 Capital Estimates.

Before I begin to outline our government’s capital plan, I respectfully acknowledge the territory on which we gather as the ancestral, unceded homelands of the Wolastoqey, Mi’gmaq and Peskotomuhkati people.

Just six weeks ago we formed government, and we are acting quickly to do the job that New Brunswickers have elected us to do. We have been operating at a fast pace, and I wish to thank my colleagues for their engagement and support in developing our first multi-year capital plan.

Several common themes emerged as departments presented their infrastructure needs. The age and condition of our hospitals, schools, roads, bridges, and other assets were regularly noted. We heard about the increased demands brought on by rapid population growth. It was also noted that costs have risen rapidly in recent years, and labour and supply issues continue to present challenges.

While it now appears that many of the pressures have begun to moderate, demand continues to outpace the resources available. Money alone will not be enough to close the infrastructure gap we currently have. We will need to find solutions by being innovative and thinking outside the box.

Today’s plan considers these evolving conditions, reflects our public infrastructure needs, and continues projects that have already begun. Moreover, it also considers our ability to successfully deliver on a plan that we can afford, and one that New Brunswickers can believe in.

The capital budget I am tabling today will see \$1.26 billion in planned capital expenditures for 2025–2026, an increase of \$70 million over the multi-year plan the previous government tabled last year and reflects continued upward pressure on project costs that is a return to more normal levels of inflation.

Health care

Madame Speaker, we have 62 health care facilities across the province with an average age of more than 40 years. Demand is high and the pressures that come from population growth and an aging population have only added to the pressures they face daily.

Investments in our health care infrastructure are essential in helping to ease the strain on our health care system.

In 2025–2026, our government will invest \$185.9 million to continue renovations, additions, and other improvements at our hospitals around the province.

Madame Speaker, upgrades to our larger hospitals have been underway for several years. They are complex projects that must be built to a high standard and be coordinated around the activities of facilities that never close. In the case of Chaleur Regional Hospital and the Dr. Everett Chalmers Regional Hospital, work has progressed over much of the last decade and can be expected to continue into the 2030s.

As work is nearing completion on the addition to the Chaleur Regional Hospital, it is expected that it will soon be filled, and renovations will begin on the existing front tower. For 2025–2026, this will include work on the construction of the labour and birth unit.

Work will also continue on the 160,000 square foot addition and the renovation of 100,000 square feet of existing space at the Dr. Everett Chalmers Regional Hospital. Investments in this year's capital budget are expected to lead to the completion of the surgical program, medical device reprocessing, post-partum care and the neonatal care units in 2025–2026, and the labour and birth unit in 2026–2027.

Redevelopment work will continue at the Saint John Regional Hospital, with an addition and renovations leading to important upgrades. The addition will include an oncology clinic and treatment spaces, a new ambulatory procedures (GI) unit, and a 32-bed intensive care unit. Renovations will focus on the surgical program new prep and recovery areas as well as a hybrid operating room.

Work also continues on modernizing and increasing capacity at the Moncton Hospital coronary care unit, and renovations will continue at the Dr. Georges-L.-Dumont University Hospital Centre to create the New Brunswick Public Health Laboratory.

Health care was a key element of our Speech from the Throne, and it was noted that we will invest in modern technology. In support of this objective, I am pleased to note that our capital plan invests an additional \$40.3 million to replace aging capital equipment in our health care system.

Education

Madame Speaker, like our health care facilities, we are seeing added pressure on our education infrastructure. Our schools are getting older as the average age of our nearly 300 schools approaches 50 years. Enrolment has increased by more than 9,600 students since 2021, and is expected to continue in the years ahead.

While the Department of Education and Early Childhood Development and our school districts have done a commendable job in increasing capacity within our existing network of schools, our government recognizes that the steps taken so far are only short-term solutions. We also recognize that we have capacity constraints and must be strategic in our approach to easing the pressures seen in our schools.

Madame Speaker, building off the existing multi-year plan, I am pleased to note that our government will invest \$193.7 million in our schools next year. The increase over the previous multi-year projection reflects changes to individual project plans and scopes as well as rising costs due to inflation.

This includes \$122.4 million to continue the work that has already begun on schools around the province. An additional \$14.8 million is being invested to begin planning for additions, mid-life upgrades, and new schools around the province.

This includes mid-life upgrades at Polyvalente W.-Arthur-Losier and Polyvalente Louis-J.-Robichaud. Work will also begin on site selection and construction of a new K-8 school in the Fredericton area, as well as a building condition assessment and school suitability study for the old WorkSafe building in Grand Bay-Westfield.

Additions will also be started at St. Mary's Academy in Edmundston and École Abbey-Landry in Memramcook.

We will also be undertaking studies that will help inform size requirements for two new francophone schools in the St. Stephen-St. George and the Sussex-Hampton areas.

A further \$46.1 million will be available for improvements, equipment and ventilation upgrades in our schools. In addition, we are creating the conditions to move quickly with a further \$3 million to pre-purchasing land for future projects. By taking this step, we will be able to accelerate projects as student enrolment continues to increase.

Our government recognizes that we need to do more to close the infrastructure gap within our schools, but we also understand that resources are not unlimited. We will work closely with industry to explore alternative procurement methods with a view to accelerate and complete projects in the most efficient and cost-effective manner possible.

Affordability and Housing

Madame Speaker, affordability and housing is one of our priority areas, with the onset of a housing crisis as one by-product of the population growth we have seen in recent years. With demand outpacing supply, home prices and rents have increased dramatically.

While the pace of new rental construction continues to be healthy, there is little, if any, new supply that would be deemed affordable. Statistics Canada estimates that residential building construction prices have increased by 21.5% since the beginning of 2021, and these costs get passed on to renters.

We have taken steps to improve housing conditions by introducing a rent cap and by working with the federal government to remove the provincial portion of the HST on new purpose-built rentals.

Our government will continue to invest in new publicly owned affordable housing in New Brunswick. Currently 233 of the 380 previously-committed public housing units

are in progress or have been completed. Despite higher than anticipated costs, we intend to honour this commitment to build all 380 units. In addition, we will continue to develop new affordable housing units at a pace that we can afford.

Today's capital estimates will see an investment of \$34.7 million for 2025–2026 to continue the development of new public housing around the province, and a further \$9.4 million will be used to maintain our existing public housing units.

Our government will also invest \$23.4 million in the upcoming year to undertake maintenance and improvements in our nursing homes. This investment reflects the current pace of activity in the province and includes \$8.3 million to continue with important ventilation upgrades in our nursing homes to ensure that residents have access to clean air.

Notwithstanding the level of spending on nursing homes in this year's capital budget, additional investments in future years will be required as we gain a better understanding of our needs through an updated nursing home plan and facility assessments.

Economic development

Madame Speaker, we take for granted the role our network of highways, bridges and other transportation assets play in our daily lives until we are faced with an unexpected road or bridge closure.

Effective maintenance and operation of our transportation assets help keep New Brunswickers safe and supports the efficient movement of goods around the province.

The \$620.2 million budget for the Department of Transportation and Infrastructure represents approximately half of our capital budget for 2025–2026. More than \$500 million is for the maintenance of our roads and bridges, and reflects that many of our transportation projects span multiple years, have experienced delays, and rising costs.

These investments recognize that resources are limited. However, by applying sound asset management practices, we can make progress in dealing with the pressures within our transportation network throughout the province.

Madame Speaker, our forests play an important environmental, economic, and social role in New Brunswick. We take our responsibilities seriously when it comes to protecting sensitive environmental areas, supporting industry, or using our forests for leisure activities.

Our government will invest an additional \$5 million to continue the modernization and expansion of the Kingsclear Tree Nursery. The 50% increase in the production of seedlings will help sustain our forests and support the long-term viability of our forest sector.

We will continue to support economic development in New Brunswick through additional investments in our tourism infrastructure. Budget 2025–2026 includes \$19 million in maintenance and improvements in our tourism infrastructure around the province. These investments are double what was seen as recently as two years ago.

A further \$3 million will be spent on maintaining our Sentier NB Trail infrastructure.

Madame Speaker, our government recognizes that economic growth can also come with social challenges that end up in our justice system. Public safety is an important contributor in supporting healthy economic development.

It has recently been noted that we would review the location of a new regional correctional centre in Grand Lake. Having considered all aspects of the location of this facility, we relied on facts and data to guide our decision to keep the regional correctional facility in its current location in Grand Lake.

This project is a clear example of how data and connecting with communities affects our government's approach to decision-making.

We also recognize the important role our Emergency Measures Organization (EMO) plays. Its current location at the Victoria Health Centre is dated and runs the risk of flooding. Consistent with our commitment to improve emergency preparedness,

today's budget includes funding to move EMO and related operations to a more secure location that will better ensure that operations can proceed uninterrupted during times of an emergency.

Trusted leadership

Madame Speaker, our government has committed to building trust with New Brunswickers. We are leading in a way that is focused, transparent and collaborative, and today's capital budget is an important step in this direction.

It would have been easy to cancel some projects or dramatically depart from the existing multi-year plan. Instead, we reviewed existing commitments with a critical eye and updated the capital plan as needed.

We have developed a capital plan that recognizes the multi-year aspect of the projects that are currently underway, our capacity to address our infrastructure needs, and is fiscally responsible.

The increase in today's budget largely reflects a continuation of projects already underway and the inflationary pressures that are impacting costs.

We are managing costs by considering project timelines, the scope of work being done, and the track record in spending approved budgets.

By taking these steps, we are making the most out of the resources we have available at our disposal. The needs are many, and we will continue to invest in our infrastructure and effectively manage the public assets on behalf of all New Brunswickers.

Conclusion

Madame Speaker, since taking office we have hit the ground running and have moved quickly to do the job New Brunswickers have elected us to do.

Today's capital estimates begin to address the many needs of our public assets. However, we know that this will be an ongoing journey.

Through the results we have already achieved in the six weeks since we have taken office, and through the plan I have outlined today, New Brunswickers can be sure that we are focused on delivering results for a brighter future.

Thank you, Madame Speaker.

MULTI-YEAR INFRASTRUCTURE PLAN
(\$ Thousands)

	2025-2026	2026-2027	2027-2028
	Budget	Plan	Plan
Department			
Agriculture, Aquaculture and Fisheries.....	3,015	5,850	800
Education and Early Childhood Development.....	193,724	293,030	339,425
Environment and Local Government.....	1,400	1,000	1,000
Health.....	226,141	239,195	188,076
Justice and Public Safety.....	68,430	65,240	23,010
Legislative Assembly.....	60	60	60
Natural Resources and Energy Development.....	17,350	33,489	10,540
New Brunswick Housing Corporation.....	46,116	52,304	53,410
Post-Secondary Education, Training and Labour.....	6,100	6,100	6,100
Regional Development Corporation.....	33,075	54,504	43,900
Social Development.....	23,354	19,781	19,824
Tourism, Heritage and Culture.....	19,017	15,515	13,244
Transportation and Infrastructure.....	620,164	611,028	631,032
Future-Year Capital Requests.....	-	12,000	12,000
Total - Capital Expenditures.....	1,257,946	1,409,095	1,342,422

