

## **PORTER O'BRIEN ANALYSIS**

### **NEW BRUNSWICK BUDGET 2024-25**

#### **Overview:**

The Government of New Brunswick introduced their final Budget before the upcoming Fall election.

Budget 2024-25 focused on themes of fiscal responsibility. It listed a “status quo” increase in health and other social spending, which will likely be viewed as insufficient to meet the challenges these sectors are facing.

It noted the Higgs’ government’s repeated surpluses, and the sixth straight balanced Budget. The Budget reiterated many previously announced programs and funding commitments; any additional spending commitments could be seen as commensurate with increases in the province’s population (i.e. - a status quo per capita spend).

Multiple critics are already coming forward noting how the Budget falls short on implementing any meaningful structural changes around affordability and social investments. For example, New Brunswick has the lowest social assistance rates in the country. Given the number of surpluses the government has recorded in the last few years, many critics have said that they need to focus more on helping people deal with the rising cost of living instead of paying down debt.

Notably, the provincial government also took some swipes at the federal Liberals, which might have been the only indication that this is an “election budget.” Otherwise, it was unremarkable in its promises, inspiration, and creativity.

#### **Key topics:**

##### **Health:**

The revised estimates for Budget 2023-24 show annual health spending in New Brunswick at \$3,796,484,000. The Budget for 2024-25 is projecting spending of \$3,798,167,000 - an increase of approximately 0.044%. For reference, the Department of Finance and Treasury Board projects real GDP growth of 0.7%

#### Education:

The revised estimates for 2023-24 show annual education spending in New Brunswick at \$1,711,145,000. Budget 2024-25 is projecting spending of \$1,910,758,000 - an increase of approximately 11.6%

#### Affordability:

Affordability in housing and the general cost of living is top of mind for Canadians. This budget does little to change the status quo on affordability for New Brunswickers. Notably, the federal government also indicated a slower rate of increase in the Consumer Price Index across Canada, which is a measure of affordability.

#### Housing:

The New Brunswick Housing Corporation is posting a modest increase in spending, but this appears to be largely due to a significant underspend of the Public Housing - Capital Construction program in 2023-24. That funding will be pushed forward to deliver on building previously announced housing units.

#### First Nations:

There is very little mention or acknowledgement of working with New Brunswick First Nations. In fact, the Wolastoqey were not referenced in the Budget speech or document at all. The Budget line item for Indigenous Affairs notes a decrease of approximately \$500,000. This is the result of the end of an energy program for the Negotkuk community. Otherwise, funding for that department remains unchanged from last year.

#### Municipalities:

There were some Budget commitments for local governments and Regional Service Commissions around population growth, safe communities, and other areas. Details are yet to be shared including whether this is new funding or a repackaging of previous commitments.

#### Natural Resources:

The Budget included a significant increase from the 2023-24 estimates to the 2023-24 revised budget for the Enhanced Energy Savings Program of approximately \$45 million and an additional expected increase for the 2024-25 Budget of approximately \$28 million. This is a rebate for households with an income of under \$70,000/year to upgrade heating systems to more efficient systems and complementary to a similar federal program.

#### Opportunities New Brunswick:

ONB offers a payroll rebate program that was underspent in the 2023-24 Budget. There is an opportunity for New Brunswick businesses, particularly those with export interests, to seek payroll rebates for new hires. Officials at ONB enthusiastically indicated that they are open for business when it comes to NB companies seeking support.