

Response to Capital Budget Address

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Introduction

I want to take a moment first to thank the many civil servants in the Department of Finance and across government who have worked hard over the past weeks and months to develop this budget. It's an unenviable task to have to make a fiscal plan for a faint-hearted governing party with no vision, little compassion, and a complete inability to make the changes that Islanders need.

Provincial budgets are aspirational documents. They **tell a story** about what the government of the day sees as its vision for the province. Unfortunately, those stories often amount to little more than words. The real test of leadership is whether these aspirations are followed up with action. **And that's a test that this Premier has utterly failed.**

Hopefully all the initiatives in this latest budget don't have to be announced, and re-announced, and re-announced again, and re-announced again *again*, like the new Sherwood school was before work finally started on it; or like the dental program; or midwifery; or the new mental health hospital.

Sadly, unless it's something this government can throw money at using the "surprise" surplus that they magically find every year, the need is left unmet and Islanders are abandoned. It seems if you have to actually plan for it, or do some hard work, forget it, it's beyond their ability. Not to mention, there's probably no political points for them to score there. And let's be clear - most of the promises made in this budget won't even break ground before the next election.

So which of the promises in today's budget will be ignored or forgotten? Given the spotty record over the term of this government, it's a fair question that Islanders deserve to know the answer to.

Record of broken promises from past budgets

Let's talk about budget promises.

One would think that if you're actually putting money in the budget for some program or project, that it would be a sure thing. Over and over, this government has proven that it's not.

When government asked for our input into this budget, our feedback was quite simple: **do what you've already promised you would**. Our list was full of all sorts of initiatives that this government promised and failed to deliver.

- Making substantial progress on the construction of the mental health campus, especially the Hillsborough Hospital replacement;
- Adding air conditioning units for all patient areas and rooms of the Hillsborough Hospital;
- Replacing the Summerside Harbourside Medical Centre building;
- Repairing/replacing Kings County Memorial Hospital;
- Beginning construction of the new school in Stratford;
- Improving ventilation in Island schools, especially those without mechanical ventilation;

So, what are our thoughts on the latest story from the King government that is the 2023-2024 capital budget? Let's dig in on what government is promising.

Priorities in this budget

Paving is still the #1 spending priority for this government. This budget plans to spend \$240 million in the next five years on highways and bridges.

On top of that, this government has consistently underestimated and overspent in this area.

Compare this to the next big ticket item - mental health which is an area this government consistently *under* spends. Here they are saying they will spend \$174 million - that's more than \$65 million LESS than the pavement commitment!

Or how about the third big ticket item - housing. This is another area where this government cannot seem to manage to spend the full amount budgeted. For housing - an area this government has just finally admitted is a crisis of its own making - government is only willing to commit \$161M over five years which is a whopping \$80M less than it will spend on highways and pavement. It's also worth pointing out that while highway spending stays more or less constant over the next five years - housing spending is expected to fall off a cliff in a few years. We need stable and consistent long-term investments into housing if we want to have a meaningful impact on our Island housing market.

Housing spending (in this budget)

The only reason we need to have such a big spend on housing in this budget is because governments have failed *for years* to invest in housing. Don't pat yourselves on the back - this is only starting to make up for years of outright negligence. This negligence has cost Islanders dearly, and looking at the timidness of this budget, it will continue to cost them dearly for some time.

After all, this is the government that left Clifford Lee, Housing Hub Czar, in charge of development for almost a year after they were elected - and we don't know to this day what, if anything, he actually did. This is the government that didn't even bother to apply for the federal Rapid Housing Initiative that offered 90% funding for essential local housing projects.

This is the government that has invested in new student housing but is totally ok with leaving it empty until next fall so they can provide accommodations for two weeks during the Canada Games.

This is the government that has actively contributed to the housing crisis by failing to act on short term rental regulation; failing to act on a rental registry; failing to act on essential repairs and maintenance on the properties they own and run; failing to act on the critical need for emergency shelters and transitional housing; failing to act on homelessness; **simply failing to act.**

There have been years of inaction on housing, predating this administration. But yesterday we heard FOR THE FIRST TIME the government admitting what we have known and said out loud for years - that an aggressive population growth strategy without an associated plan for housing, healthcare and education is a recipe for disaster. The time to act was 5, 10, 15 years ago - but the second best option is now. To quote CS Lewis - "If you are on the wrong road, progress means doing an about-turn and walking back to the right road; and in that case the one who turns back soonest is the most progressive." I guess we may have finally found that person in this government's caucus - shame about his predecessors and their failure to act.

This government has consistently underspent the budgeted amount for housing in most of the last fiscal years. In fact, today's capital budget forecasts an underspend on housing construction in 2022-23.

With an aging workforce, we risk not having enough skilled tradespeople to meet the need for more housing, and we're worried that government has not treated this labour shortage challenge with the attention it deserves. And that means government has a story ready to go when they fail to meet the targeted new housing builds. But this is just not an acceptable excuse - there are plenty of creative ways to address housing shortages without the limited scope of traditional box building.

What could that look like? It's not rocket science. It would include investment in the capital budget for existing housing acquisition - which would open up access to federal funding programs that we have not yet tapped. This government can and should be leverage federal funding programs, Housing Corp assets, and regulatory changes to

- buy existing multi-unit commercial properties like the Causeway Bay Motel
- Convert commercial space to residential
- Support modular homes, prefabs, and tiny homes
- Purchase existing rental properties as they come on the market
- Provide cooperative housing and rent-to-own options

The minister of social development and housing said, just yesterday, that we need 1400 units a year just to begin to address the housing shortfall in the province. It is critical that the government expand its inventory of public housing from the current 1600 units. As it stands, this failure to think creatively means that your commitment of 465 new public housing builds, while historic, is less than 100 units a year.

Healthcare

How could we forget the infamous “shovels in the ground on day one” that the Premier promised for our mental health hospital. Unfortunately, the trend of announcing key health initiatives with zero follow through has become a trend with this government. For the fifth straight year in a row we have millions invested in mental health capital. It's remarkable that this government will head into the next election having failed to deliver on its central campaign promise from 2019. (Two if you count carbon pricing!)

Year over year this government has failed Islanders by failing to deliver on these critical health projects. Government says that healthcare is a top priority, but let's be clear: when your actions fall short for Islanders struggling every day to get care, and for healthcare workers feeling burnt out and disrespected while keeping together the system, **it's little more than another story**. We do not underspend on pavement, or fail to complete road projects.

If healthcare was a priority for this government, the promised health clinics and hospital upgrades would be up and running by now.

If health and wellness was a priority for this government then they would have learned from COVID and invested into our long term care infrastructure already.

There's money in this budget for construction and renovations to clinics and hospitals across the Island. These are largely the same promises that were made in last year's budget, and the year before. I'll believe it when I see it and so will the thousands of Islanders who have no family doctor and nowhere to turn for their day to day healthcare needs.

Climate Adaptation / Mitigation

We are way past the point of needing major investment in climate change, both to reduce emissions and to prepare for the changes that are now inevitable. Yet this government continues to rely only on words and tinkering around the edges. We have yet to see a commitment to the transformative change that we know must come.

Emergency preparedness is more than generators at fire halls. We should be providing money to retrofit community centres to be fully accessible emergency warming shelters, with generators or solar panels with battery storage, with washrooms, shower facilities, kitchens.

What would our priorities be?

Paving is great to have. I mean, we need roads for sure," but a responsible government would provide for peoples' **basic needs first. That's what it means to be "about people"**.

Everybody needs shelter to survive, it's a human right that far too many people struggle with, so housing must be a top priority. You should be spending more on housing than paving.

Healthcare is critical to the well-being of Islanders. You should be spending more on healthcare than paving.

Building and preparing for the new and evolving climate reality also needs to be a high priority. We're starting to see some baby steps in this direction, but given that we're decades behind where we need to be, this isn't enough. We should be spending more on adapting to climate change than paving.

Our economy succeeds when people are safe, healthy and housed. We need more than a story - we need action. Instead, all we're getting is another tall tale from this tired, Tory government.