

Stronger Together

Nova Scotia Alternative Provincial Budget 2016



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CANADIAN CENTRE
for POLICY ALTERNATIVES
NOVA SCOTIA OFFICE



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5	Preamble
5	Alternative Provincial Budget Goals
7	Introduction
12	Fiscal Overview and Alternative Provincial Budget Summary
19	Build Economic Security and Protect the Most Vulnerable
19	Community Economic Development:
	Time for Some Democracy in the Economy
25	Building an Inclusive Labour Market
30	Poverty Reduction
35	Supporting People with Disabilities
38	Address Intersectional Inequities
43	Support and Realize Our Full Potential
43	Early Learning and Child Care
47	Public Education: Laying a Strong Foundation
51	Post-Secondary Education: Building Capacity to Work Together
57	Literacy and Lifelong Learning
61	Connect and Care For Our Neighbours
61	Justice
65	Housing and Homelessness
71	Active, Accessible and Sustainable Transportation
77	Public Health Care
82	Immigration and Immigrant Retention
87	Arts, Culture and Heritage
91	Sustain and Renew Our Natural Resources
91	Environmental Protection
93	Energy
98	Food Security and Agriculture
103	Fisheries and Forests
106	Water
111	Pay the Fair Price of a Just, Healthy Society
111	Progressive Tax Reform
116	Federal Transfers and Equalization
121	Acknowledgements

Preamble

Alternative Provincial Budget Goals

Since 2001, the Nova Scotia office of the Canadian Centre for Policy Alternatives has produced alternative budgets annually. We also produced an Alternative Municipal Budget for Halifax in 2012. Alternative budgets make a persuasive case for how we can raise and allocate additional public funds to create a community that is socially and economically just, as well as environmentally sustainable.

Our alternative budgets are designed to show people how government budgeting works, that alternatives do exist, and they can help shape those alternatives.

Alternative Budgets are a collaborative endeavour that involves stakeholders from many sectors of our province including front line service organizations, other non-profit organizations, as well as academics with a variety of expertise (see the list of this year's working group members in the Acknowledgements section). As such, Alternative Budgets provide an opportunity for a collective, broad-based approach to budget-making, and a process for building and strengthening links between and within communities. Those who participate collectively develop a set of fiscal policy measures as part of a workable budgetary framework that takes into consideration the political and economic realities of the province.

When agreeing on spending priorities and revenue proposals, the working group considers the multiple roles of the alternative budget: to spark debate, to provide progressive organizations and individuals with tools to advocate for social, economic, and political alternatives, and to underline the implications of budget decisions for individuals, families and communities.

Nova Scotians know the government has very serious decisions to make, and they want to be able to provide meaningful input into how tax dollars

are collected and how they are spent. To do so they need access to better information about the choices and consequences of decisions that are made about revenue and spending.

The alternative budget provides Nova Scotians with additional information to use to hold the government accountable for the choices it makes on our behalf. Our key questions are always: in whose interest is the government making these choices? Who benefits? Who pays the cost? The alternative budget makes responsible fiscal choices in the public interest to benefit the many in our province, rather than the few. It is proof that if we share the costs fairly, we can do things differently and build a society for current generations and those to come.

In honour of our 15th anniversary, we want to hear from you: what do you like about the alternative budget? What would you change? Do you want to get involved? Send us an email: ccpans@policyalternatives.ca

Introduction

OUR COLLECTIVE STRENGTH is our greatest asset.

Lately though, we've been told we have no choice but to go it alone. While unemployment rates have been steady over the course of the past few years, many new jobs pay low wages and only offer part time hours in non-unionized workplaces, sinking plenty of us into in-work poverty.¹ As people leave the province to find well paying work elsewhere, Nova Scotia's rate of out-migration has been steadily increasing.² We're one of the only provinces in the country with negative population growth.³

Risk is a fact of economic life: there is little we can do without exposing ourselves to the possibility that things won't turn out as planned. As it stands, rather than sharing the risk, we're putting more and more responsibility on individuals to make ends meet with less and less. Despite rising rates of productivity, incomes have been stagnating for the past 30 years, and 2015 was no exception to this trend. Between 1981 and 2006 the province's economy expanded by 62.44% with most of that growth — 36% — occurring since 1997. During the same 25 year period, while the general provincial economy expanded, "labour productivity" (GDP per hour worked) also rose (by 37%), but the average "real" (inflation-adjusted) weekly earnings of Nova Scotia workers *actually declined* by 5%.⁴ People are not earning enough to make ends meet, and are taking on household debt to finance their lives when their paycheque can't cover their expenses: in 2015, household debt hit record high levels at almost 165% (meaning for every dollar of income, Canadians owed \$1.65).⁵

The current state of affairs is the result of policy and government budgetary choices made over the course of the past 30 years. In cutting funding for social services, failing to enforce labour standards, and putting downward pressure on public sector wages, provincial governments have rejected plans for a unified Nova Scotia. Instead, these governments have pit-

ted people in rural communities against city residents, recipients of income assistance against students, and allowed employers to pit workers against each other (union versus non-union, public versus private sector). Our representatives have governed as if economic prosperity, social justice, and environmental protection cannot co-exist. The NSAPB is a practical plan that refutes the dominant view that we cannot work together for a better today and a better tomorrow.

The NSAPB builds economic security and protects the most vulnerable. It shows that we can prioritize poverty reduction, build an inclusive labour market and address inequities, which will lay the foundation we need for a province where everyone can not only survive, but also thrive. Everyone in our province deserves equal access to education, health care, decent work, and representation in political and economic decision-making processes. Addressing health, family, employment and income inequities that are felt most acutely by women, by people with disabilities, Aboriginal people, and racialized minorities (African Nova Scotians, visible minority, immigrants) will fuel our economy and benefit our entire society.

The foundation that is required for us to be stronger includes investments in education. As the NSAPB makes clear, we can work together to ensure that the children in our province receive the care they deserve in their early years, have access to quality, publicly funded education as they grow, and can take advantage of opportunities to continue learning and developing as adults. In order to promote intergenerational equity, our spending priorities are responsive to the needs of citizens across the life cycle.

In order to foster strong ties in our communities, NSAPB invests to create a robust social safety net to ensure that we all have access to quality health care and adequate housing. Pooling our resources to ensure that no one slips through the cracks is the first part of the equation; rethinking our approaches to justice, immigration, and culture is the second. The NSAPB values the work and experiences of people on the ground: it is the only way to help improve access to justice and address the barriers that ensure that too many of us are unable to contribute fully to the health of our communities. The NSAPB strengthens the ties between us to share and preserve our diverse stories through investments in artistic expression and heritage work.

Rather than continuing to exploit our land and water for short-term, private gain, the NSAPB lays out a plan for our natural resources that is both economically and environmentally sustainable. As inequality continues to grow in Nova Scotia, our citizens are confronted with the impacts of climate change, including rising sea levels, the increased frequency and severity of

storms, more extreme episodes of rainfall and flooding, warmer average temperatures, erratic seasonal weather, and a much heavier burden on public sector services.⁶ Our heavy reliance on polluting coal (largely imported) to provide 60 percent of our energy needs, and oil and gas for an additional 15 percent,⁷ leaves Nova Scotians increasingly vulnerable to volatile commodity prices and the health risks associated with fossil fuel combustion, while placing our citizens above the national average in terms of per capita greenhouse gas emissions.⁸ Combined, the ‘social costs of carbon’ related to the adverse impacts of fossil fuel use on human health, agricultural productivity, infrastructure, and property, amongst others, is immense and far-reaching in our province.

While insufficient on its own, carbon pricing represents an important policy tool through which environmentally destructive and carbon-intensive activities become increasingly expensive, helping to foster a transition in productive and consumptive behaviour. This year’s NSAPB puts a price on carbon. The NSAPB ensures that the revenue from a carbon tax is harnessed to alleviate poverty and reduce inequality, while simultaneously lowering our emissions. The NSAPB thus ensures that we transition as rapidly as possible to renewable energy sources, while at the same time cutting our energy consumption through conservation and efficiency measures, and ensure that those approaches and technologies are both available and affordable to Nova Scotians of all income levels. Indeed, in 2013 job growth in all of Canada’s economic sectors was surpassed by the rate of growth in the green energy sector,⁹ with more jobs available in green energy than the tar sands by the end of 2014.¹⁰ By connecting the dots – emission reductions, improved health, job creation, and poverty reduction – a carbon price becomes a powerful tool that makes us stronger together.

A just, healthy, and sustainable society has a price, but it is worth the investment, and the time to invest is now. Bringing in the revenue to fund our future is a matter of sharpening the tools we already have. Nova Scotia’s progressive taxation system needs reform: a few simple changes can help to improve life in this province for everyone. The NSAPB tax reforms would go a long way towards addressing inequality in the province, while providing the revenue we need to improve on the physical and social infrastructure that will build our economic security, support our development, and care for us and keep us connected.

The federal government also has a role to play: Nova Scotia is currently expecting the smallest increase in federal transfer support of any province, and Nova Scotians suffer when the federal government cuts funding

to aspects of the social safety net that citizens of this province depend on.¹¹ However, beginning in March 2016 things could look very different because the new federal government made promises to increase funding to the provinces including for infrastructure, transportation, and to improve the child benefit to families.

With the new federal government, our provincial government has an opportunity to turn the tide in a significant way should it also invest aggressively at the same time. It will be a missed opportunity should the provincial government instead continue on its current path marked by austerity, income assistance and public sector wage freezes, and otherwise undermining strong public services by privatizing or under-funding them.

While some with wealth and influence would have us believe that the only way to deal with our current problems is to tighten our belts and sacrifice the systems that help us to care for each other and our environment, it just isn't true. We don't have to go it alone.

The Alternative Provincial Budget 2016 is a concrete demonstration of what we can do if we pool our resources and work together. Nova Scotians are stronger together. When we collaborate and co-operate, we can achieve great things. This is more than a cliché or a truism: it is a matter of economic and social necessity. This year's edition of the Nova Scotia Alternative Provincial Budget shows how we can use budgetary spending and taxation to strengthen our communities, protect the most vulnerable among us, and ensure that Nova Scotia has a just and sustainable future.

Notes

- 1 Statistics Canada, *Labour Force Survey* (October 2015).
- 2 Nova Scotia Finance and Treasury Board, "Nova Scotia Population Estimates As of January 1, 2015" (Halifax: Government of Nova Scotia, 2015) http://www.novascotia.ca/finance/statistics/archive_news.asp?id=11194&dg=&df=&dto=0&dti=3
- 3 *ibid.*
- 4 Mathieu Dufour and Larry Haiven, *Hard Working Province: Is it Enough? Rising Profits and Falling Labour Shares in Nova Scotia* (CCPA-NS, November 2008), p. 1.
- 5 Tamsin McMahon, *Canadian household debt hits record high as consumer spending rises*, *The Globe and Mail*, Tuesday, Sep. 15, 2015 <http://www.theglobeandmail.com/globe-investor/personal-finance/household-finances/canadian-households-still-adding-debt-but-pace-slowing-equifax/article26366796/>. For details about household debt in Nova Scotia, see http://www.novascotia.ca/finance/statistics/archive_news.asp?id=9359&ym=6
- 6 Government of Nova Scotia. 2014. *Climate Change Nova Scotia*. Available at: <https://climatechange.novascotia.ca/adapting-to-climate-change/impacts>

- 7** Nova Scotia Power. 2015. "Tomorrow's Power". March 27, 2015. Available at: <http://tomorrowpower.ca/answer/1000>
- 8** Holmes, Miranda., et al. 2012. *All Over the Map 2012: A Comparison of Provincial Climate Change Plans*. Vancouver: David Suzuki Foundation. Available at: <http://www.davidsuzuki.org/publications/downloads/2012/All%20Over%20the%20Map%202012.pdf>
- 9** Clean Energy Canada. 2015. *Tracking the Energy Revolution*. Available at: <http://cleanenergycanada.org/trackingtherevolution-canada/2015/>
- 10** Blackwell, Richard. 2014. "Green Energy Sector Jobs Surpass Total Oil Sands Employment." *The Global and Mail*, December 2, 2014. <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/green-energy-sector-jobs-surpass-oil-sand-employment-total/article21859169/>
- 11** CCPA-NS, *Nova Scotia Budget Watch 2015: Nova Scotia's Fiscal Choices* (Halifax: CCPA-NS, 2015) p. 6.

Fiscal Overview and Alternative Provincial Budget Summary

THE NOVA SCOTIA economy is supposed to be doing better. Nova Scotians were told that large-scale projects such as the Maritime Link and the Halifax Shipbuilding contracts would lead to substantial improvements in our economy. Although these projects are up and running, our economy is sluggish with real economic growth forecast at only 1.4% for 2015.¹ The unemployment rate, 8.9%, remains significantly higher than before the 2008 recession, and youth unemployment, at 16.5%, remains particularly high.² Despite an increase of over 18,000 in the working-age population, fewer Nova Scotians are employed now than in September of 2008.³ Our economy is failing to create stable employment and economic prosperity for many Nova Scotians.

Given this lethargy, the Nova Scotia economy desperately needs a lift. Fortunately, our government's fiscal position is strong. Nova Scotia's debt-to-GDP ratio, the best measure of a government's ability to pay off its debt, is forecast to fall from 48.7% in 2000 to 36.3% in 2015–16.⁴ Our fiscal situation compares very favourably to other provinces' (such as Ontario and Quebec, which have debt-to-GDP forecasts of 39.9% and 49.5% respectively).⁵ Other measures of Nova Scotia's fiscal health are similarly positive. Debt servicing charges as a percentage of GDP have fallen from 5.5% in 1995 to just over 2.2% today.⁶ Forecast to be under \$123 million for 2015–16,⁷ the Nova Scotia government's deficit is only 0.3% of GDP, substantially lower than required for the debt-to-GDP ratio to improve through economic growth, without tax increases or spending cuts. Thus, government finances are more than strong enough to make essential investments in Nova Scotians and their communities to stimulate economic growth and expand employment opportunities.

TABLE 1 Nova Scotia Department of Finance Base Case (September, 2015)

	Budgetary Transactions (\$000's) 2015–16
Revenue	\$9,909,998
Expenditure (including debt service)	\$10,035,817
Budget Balance	-\$122,533
Debt-to-GDP Ratio	36.3%

TABLE 2 Nova Scotia Alternative Provincial Budget (\$000's)

	2016–17	2017–18	2018–19	2019–20
Revenue	\$10,474,592	\$10,946,696	\$11,673,672	\$12,664,691
Expenditure	\$10,750,776	\$11,053,969	\$11,565,726	\$12,288,434
Surplus (Deficit)	-\$276,184	-\$107,273	\$107,946	\$376,257
Debt-to-GDP Ratio	36.4%	35.5%	34.1%	32.3%

The Alternative Provincial Budget begins with the Nova Scotia Department of Finance's latest projections for revenue and expenditure,⁸ (*Table 1*).

While the NSAPB, summarized in *Table 2*, eliminates some unnecessary programs and redistributes the funds, it assumes that all other existing expenditures will grow at the rate of consumer inflation. This approach allows public servants to maintain the real value of their wages and salaries. The spending priorities outlined in *Table 3* are added to the inflation-adjusted current spending to produce the expenditure figures in *Table 2*. The NSAPB assumes that provincial-source revenue will grow in line with nominal GDP and that federal and other source revenue will grow at a conservative rate of 2%.⁹ The taxation priorities outlined in *Table 3* are added to current (growth-adjusted) revenues to produce the revenue figures presented in *Table 2*.

The recommendations of the Alternative Provincial Budget are fiscally responsible. Forecasting minor deficits over the next two years, the NSAPB projects surpluses thereafter.¹⁰ Furthermore, the debt-to-GDP forecast continues its downward trend. These projections are cautious and do not include the stimulative impact of increased program spending.

In addition to much-needed stimulus for job-creation and growth, the NSAPB pursues other important objectives. First, the NSAPB aims to promote tax fairness and to redistribute income through a more progressive in-

come tax system and an enhanced income assistance program. Further, the NSAPB redirects funds towards critical investments in areas such as education, poverty-reduction, housing, health, early childhood education, and public transportation. Not only do these measures have a direct and positive impact on Nova Scotians' well-being, they are critical to our long-term economic growth and prosperity. Finally, the NSAPB addresses climate change by introducing a price on carbon emissions and investing a portion of the resulting funds towards improving environmental protection, renewable energy and energy efficiency. All of this is accomplished in a fiscally-responsible manner. The NSAPB proves that we can make different budgetary choices that collectively strengthen our ability to take care of each other and especially the most vulnerable. All Nova Scotians benefit if our safety nets are repaired, our environment is protected, and more of us can fully engage to make our province stronger, both socially and economically.

Notes

1 Based on the average of the five largest Canadian banks' forecasts for real GDP growth (from October, 2015). This matches Finance Nova Scotia's forecast of 1.4% real GDP growth from its September, 2015 Forecast Update, p.14.

2 Unemployment rates, September, 2015; Statistics Canada, Cansim # 282-0087.

3 Statistics Canada, Cansim # 282-0087.

4 Nova Scotia Department of Finance, Budget 2015–16: Assumptions and Schedules, p.5.

5 RBC, Canadian Provincial and Provincial Fiscal Tables, October 27, 2015, p.12.

6 Calculated from data for 2015–16 from Nova Scotia Department of Finance, Budget 2015–16: Assumptions and Schedules, p.5.

7 Nova Scotia Department of Finance, Forecast Update, September, 2015, p.2.

8 Ibid.

9 Between 2011–12 and 2014–14, federal-source revenue increased by 3.7%; Nova Scotia Department of Finance, Budget 2015–16: Assumptions and Schedules, p. 11.

10 The NSAPB forecasts surpluses after 2018–19; however, as Nova Scotia's finances are solid, there is no need to run surpluses. These projected surpluses could be invested to enhance social programs.

TABLE 3 NS Alternative Budget 2016–17: Stronger Together

(\$Millions)	Expenditure	Revenue
Build Economic Security and Protect the Most Vulnerable		
Community Economic Development		
Close NSBI	-27	
Create Cooperative Investment Corporation	14	
Invest in Social Enterprise Strategy	2	
Set up a Start-Up Nova Scotia Equity Fund for Youth	4.5	
Dismantle the Department of Business	-114	
Establish New Department of Rural & Economic Development	100	
Establish New Department of Consumer Protection	20	
Inclusive Labour Market		
Strengthen Labour Standards, Health and Safety	0.24	
Hire more regulators to extend and enforce pay equity	0.16	
Labour Market Support for African NS and Aboriginal Peoples	3	
Support for Employment Equity (including in apprenticeship)	3.2	
Address workplace sexual harassment	0.5	
Poverty Reduction		
Increase income assistance rates/combine into one payment	50	
Decrease earnings claw-back for ESIA (\$500 and then 30%)	16	
Increase the Poverty Reduction Credit	2	
Enhance Nova Scotia Child Benefit	6	
Invest in Pharmacare for ESIA (increase budget by 20%)	10	
Carbon Tax Revenue used to Enhance Affordable Living Tax Credit	34.2	
Breakdown the Disability Wall		
Support transformation of residential and vocational programs	10	
Reduce wait lists for Services for Persons with a Disability program	10	
Address Inequities		
Develop a Women's Equality Action Plan	0.2	
Core-Funding for Non-profits Working to Address Race, Gender, LGBTQI Inequities	6.5	
Justice for Sex Workers	1.2	
Increase capacity of Advisory Council on Status of Women	0.084	
Support and Realize Our Full Potential		
Early Learning and Child Care		
Begin incremental investment to build an ELCC system	42	

P-12 Education	
Invest in inclusive education for Mi'kmaq, ANS and students with special needs	10
Establish a treaty education program	1.4
Re-instate funding for Afrocentric Learning Institute	0.4
Increase funding to cap class sizes	3.5
Reinstate funding cut in 2010	45
Invest in professional development to implement Minister's Action Plan for Education	2
Post-Secondary Education	
Reduce university tuition fees to 2011 levels	34.5
Reduce NSCC fees by 50%	15
Convert Nova Scotia Student Loans to grants	10
Restore university funding to 2011 levels	30
Provide health coverage to international students upon their arrival in NS	0.5
Adult Learning	
Fund Adult Learner's Week, implement regulations	3
Expand existing programs	7
Invest in diverse programs to meet learning needs	4
Reduce financial barriers to attendees	6
Connect and Care for our Neighbours	
Justice and Crime Prevention	
Create a Drug Treatment Court in Halifax	1.5
Invest in alternative and restorative justice programs	2.5
Invest in community and prison-based offender reintegration initiatives	2
Housing and Homelessness	
Secure and Extend Housing Support Worker Investment	1.25
Second Stage Housing in Rural NS	0.3
Non-profit Housing Providers Additional Funding	1.8
Build Affordable, non-profit housing	30
Other Housing Support Programs	3
Co-Op Housing for artists and students	1.2
Rent supplements targeted to non-profit providers	2
Hire Enforcement Officers for rent control and standards	0.86
Active, Accessible and Sustainable Transportation	
Establish Nova Scotia Transportation Corporation	4
Improve active transportation	10
Create Transit Nova Scotia	18
Improve accessible transit and transportation for smaller population centres	10

Enhance transit in larger centres	10
Extend and sustain door-to-door accessible transportation	6
Public Health Care	
Improve primary care	20.9
Invest in continuing care	36.5
Address gaps in mental health and addictions services	8.2
Expand and sustain community health centres	40.5
Immigration	
Increase staff and resources of Nova Scotia Office of Immigration	3.7
Enhance Settlement services	7.9
Additional Support for Immigration Services	0.2
Dedicate Funding for Education and Outreach	0.16
Protect Temporary Foreign Workers	0.36
Meet the needs of Refugees and Refugee Claimants	1.14
Make Income Assistance available to claimants	0.6
Invest in housing for claimants, offer access to shelter allowance	0.86
Invest in refugee health care	0.15
Core Funding for the Halifax Refugee Clinic	0.25
Arts, Culture and Heritage	
Fund artist-run centres, new programs, and facilities	3
Increase grants provided by Arts Nova Scotia	1.5
Funding for festivals	2
Commit to multi-year upstart funding	3
Reinstate Film and Creative Nova Scotia, develop sectoral strategy	0.5
Invest in libraries, heritage and cultural, facilities and programming	6
Sustain and Renew our Resources	
Environmental Protection	
	5
Energy	
Implement Carbon Price of \$10/tonne	74.7
Tackle energy poverty through Universal Service Program	33
Cancel Your Energy Rebate Program	-116
Heating Assistance Rebate Program Savings	-5.5
Development of training programs in clean energy technology	5.35
Additional Investment in Efficiency NS	3
Long Term Energy Security Plan Development	1.35
Greenhouse Gas Reduction Fund	37

Food Security and Agriculture		
Preserve existing and develop new agricultural land	5	
Invest in urban agriculture pilot projects	0.2	
Invest in local infrastructure for small and medium-size enterprises	2	
Invest in community-based food infrastructure to support access to healthy foods	1	
Support nutrition and food skills education	3.4	
Fisheries and Forestry		
Support for post-harvest production	0.82	
Support for marketing and distribution within Nova Scotia	1.16	
Fund training opportunities under the Fish Harvester Organizations Support Act	2	
Fully implement Dolle-Lahey including increase regulatory capacity	2	
Invest in Sustainable Forestry	2.8	
Water		
Invest in independent scientific research on chemicals used in fracking	0.285	
Fund water and wastewater infrastructure in municipalities (\$60 m in capital)		
Fund to increase and maintain more public fountains	1.75	
Paying the Fair Price of a Just, Healthy Society		
Progressive Tax Reform		
Raise taxes on the top two income brackets (by 2% on income from \$93,000 to \$150,000 and by 2% on income above \$150), bringing rates to 19.5% and 23%		41
Fully tax capital gains		36.7
Shift federal tax deductions to refundable tax credits at the provincial level		198.5
Begin to Phase-Out of the Municipal Flow-Through (Municipalities gain revenue)		-20
Totals (NET)	594.529	330.9

Build Economic Security and Protect the Most Vulnerable

Community Economic Development: Time for Some Democracy in the Economy

Background

The majority of Nova Scotians have very little input in the functioning of the economy. The NSAPB will change this. Through democratic economic planning, cooperatives, increased unionization, and social enterprise, we can give economic power to the people and allow all Nova Scotians to have a say in what our economy looks like.

Nova Scotians are troubled by the large sums of public funds being distributed to corporate interests. These subsidies present challenges related to oversight and control. Corporate handouts usually have few strings attached, with few being held to account even for the number of jobs that public investments will create. There is also limited oversight about whether firms are meeting the preconditions for the support. Very few of these handouts actually produce the number and quality of jobs promised. Indeed, there is often a dearth of details related to these subsidies released to the general public.

Corporate secrecy and competitiveness should be lower priority to government than Nova Scotians' need to understand the provisions of such agreements. Preconditions should be made available to the public through a transparent process, not by arms-length organizations dominated by busi-

ness interests. Politicians are accountable to voters while private actors have both general and specific conflicts of interest.

Current Issues

Constraints on the Public Interest

The wealth and economic output of this province are created by Nova Scotians. Public investments should benefit all Nova Scotians, not contribute to greater inequality. Corporations that receive public dollars must create good jobs across all of their operations. They must be responsible environmental stewards and address issues such as employment equity and pay equity. In short, corporations seeking public dollars need to give back to the community with more than just low-wage jobs. They also need to fit in with community interests and long term goals.

Canada is currently negotiating “second generation” trade deals that will further constrain the provincial government’s ability to regulate in the public interest and to set sustainable economic development policies. These deals include the Canada-EU Comprehensive Economic Trade Agreement (CETA) and the Trans-Pacific Partnership (TPP). These agreements have far-reaching effects. For example, the CETA could:

- Hike provincial drug costs,
- Undermine provincial and local governments’ ability to use procurement to boost local economic development,
- Increase the provinces’ vulnerability to corporate lawsuits against environmental protection and other public interest regulations.¹

Nova Scotia’s government needs to ensure that all free trade agreements have clear benefits, while mitigating costs.

We should also be considering fair trade options and looking to our neighbours in Latin America where the creation of a trade deal called the Bolivarian Alternative for the Americas has united a number of countries in a solidarity-based trade agreement. This agreement is based on mutual support, not competition.

Nova Scotia Business Inc and the Department of Business

As we have written in previous Alternative Budgets, Nova Scotia Business Inc should be closed and its funding redirected toward cooperatives and

public enterprise. NSBI does not direct funding in a way that benefits all Nova Scotians. Rather, its decision-making is skewed by private interests.

Similarly, the provincial government created the Department of Business and eliminated the Department of Rural and Economic Development. This demonstrates a very narrow understanding of what economic development entails. Developing an economy is not just about business; it requires a coordinated strategy that brings together all stakeholders including government, labour, business, co-ops, social movements, non-profits, the unemployed, municipalities, and more. By focusing only on the business side of the equation, the provincial government has failed to create a multi-faceted approach. The NSAPB would eliminate the Department of Business and reestablish the Department of Rural and Economic Development.

Another problem with the provincial government's Department of Business is that there is little separation between those who decide on development goals and those who perform regulatory functions. This can create conflict. The NSAPB separates these functions into different departments by creating the Department of Consumer Protection, which would take on the regulatory functions of the current Department of Businesses.

Local Procurement and Sustainable Development Policies

The government needs to strengthen its procurement policy with specific targets for local sourcing. It should estimate how much additional funding would be required to enable our public sector institutions (e.g. schools, hospitals) to meet prescribed targets. Some municipalities, like the Municipality of Annapolis County and Town of Annapolis Royal, are far ahead in this kind of approach. They have set targets for local production over a long period of time. The Cape Breton Regional Municipality awards up to five percent of its procurement score for local businesses.² Truro's sustainable procurement plan includes provisions to award up to fifteen percent for things like local sourcing, fair trade, and environmental sustainability.³ Other cities around Canada and the world have targeted procurement policies. The Province of Nova Scotia has a sustainable procurement policy, but no specific recommendations for targeting.⁴

These targets are especially important in the agricultural sector, which is suffering from decades of losses in processing ability and declining cultivation areas. Nova Scotia is one of the few provinces to have seen an increase in the number of farms over the past decade. This comes as more and more young people are looking at agriculture as a way of building their futures. These new small farms and community supported agriculture (CSA)

have the potential to help revitalize rural Nova Scotia, but this will be impossible if locally grown produce cannot reach markets in urban areas. The Farmers Markets across the province go a long way in helping create markets for local produce, but large chain grocery stores present a major impediment. Grocery store policies require farms to be able to supply the entire supply chain in order to get access to space in a grocery store. Most grocery stores also charge farmers for the privilege of selling their produce in the store. These obstacles make supplying larger chains very difficult for small farms while encouraging ever-larger farms. Legislation that requires the major grocery chains to carry a percentage of local produce from small farms could be a game changer for small-scale agriculture in Nova Scotia.

Taking local procurement a step further, we should consider possibilities for import substitution in Nova Scotia. This would mean looking at what kind of goods and services Nova Scotia imports each year, and determining if we could produce those goods and services locally. The cost may be slightly higher to do so, but the benefits in terms of economic growth, job creation, and new tax revenues often outweigh the slightly higher up-front costs.

Support Co-operatives

Nova Scotia needs more home-grown enterprises owned by the people who use the goods and services they produce, or who work there, or both. Co-operatives are an excellent way of spurring community economic development. They are inexorably tied to the community in which they are situated and serving their stakeholders' interests is their prime responsibility. Many businesses in Nova Scotia come from outside the province (and the country) and most are interested primarily in obtaining the greatest return on capital invested and leave once government subsidies run out.

As enterprises, co-operatives are more robust than other businesses — their long-term survival rate is almost twice that of investor-owned companies. This pattern is evident across the country.⁵

Our province has a long history of cooperative enterprise dating back to Father Moses Coady and the Antigonish Movement. Nova Scotia has about 400 co-ops and credit unions, and they account for more than 11,000 jobs across the province. These co-ops have assets of more than \$2.5 billion.⁶ Co-ops exist in almost every sector of the economy: agriculture, finance, banking, manufacturing, technology, communications, services, and even funerals.

The NSAPB creates the Cooperative Investment Corporation. This public enterprise will focus on making investments to expand the cooperative

sector and increase local ownership of the economy across Nova Scotia. It will be funded by reallocating resources from the Nova Scotia Business Inc., which will no longer exist.

The Cooperative Investment Corporation will focus on helping communities start new cooperatives and will provide capital for upgrades at existing co-ops. Part of its mission will be to support cooperatives that can also be considered social enterprises. A major goal should be to increase the number of worker-cooperatives as a way of increasing local ownership and democratic control of the economy.

Social Enterprise

Social enterprises exist in almost all major industries in Nova Scotia. Some have existed for decades, but may not call themselves social enterprises. There is significant social and economic benefit to be found in identifying, understanding, supporting, and expanding social enterprise in Nova Scotia. These enterprises operate to address social, cultural, economic or environmental challenges. All profits are reinvested. The government of Nova Scotia has developed a strategy and made steps to improve access to capital and small-business support programs for social enterprises.⁷

Social Infrastructure

Some of the best returns-on-investment for the public come from programs that improve Nova Scotians' prospects for the future. The investment returns from post-secondary education,⁸ early learning and child care, health, and social services are both economic and social.⁹

NSAPB Actions

- Shifts funding away from corporate-driven economic development by eliminating NSBI inc. (**-\$27 million**)
- Reallocates **\$14 million** annually to the new Cooperative Investment Corporation to expand the cooperative economy across Nova Scotia.
- Strengthens the provincial procurement policy with specific targets for local sourcing, and develop an implementation plan that will include the additional funding required to enable our public sector institutions to meet the targets.
- Considers the possibilities for import substitution.

- Invests **\$2 million** to advance the implementation of the Social Enterprise Strategy
- Sets up a Start-Up Nova Scotia Equity Fund for Youth (SUNSEFY) targeting **(\$4.5 million)** funding to start-ups that contribute to advancing rural economic development, especially those which target underemployed/unemployed groups and contribute to keeping youth in Nova Scotia.
- Eliminates the Department of Business (**-\$114 million**) and transfers the core regulatory functions into the core mandate of the Department of Consumer Protection (**\$20 million**) and uses the remainder of allocated spending to re-establish a refocused Department of Rural and Economic Development (**\$100 million**).
- Invests in our social and physical infrastructure, including ELCC and affordable housing, creates jobs, invests in our people to improve productivity, and grows the economy (see all other sections of the NSAPB)

Total Investment: \$26.5 million (net -0.5)

Notes

1 Angela Giles, Leanne Macmillan and Christine Saulnier, *Who pays for free trade?* (Halifax: CCPA-NS, 2012) <https://www.policyalternatives.ca/publications/reports/ceta-and-nova-scotia>

2 Regional suppliers qualify for the 5 percent price preference if they are a commercial taxpayer in the Cape Breton Regional Municipality. However, the 5 percent preference may not exceed \$12,500 regardless of the tender amount. This limit is in effect as a result of the Atlantic Internal Trade Agreement which imposes these restrictions. See: Cape Breton Regional Municipality, *Procurement Policy, Section 14*. (Revised October 2010) <http://laserfiche.cbrm.ns.ca/weblink7/DocView.aspx?id=25004&dbid=5>

3 Planning and Development Services, *Town of Truro Community Sustainability Plan* (Truro: Town of Truro, NS, 2010) <http://www.truro.ca/community-sustainability-plan.html>

4 This is a fairly narrow policy without specific weights required for sustainable procurement. The buy local provision only applies to small purchases. For example, government departments are “authorized to apply a preference for goods up to and including \$10,000 excluding taxes, which are manufactured or produced in Nova Scotia, when it is determined to be in the best interest for the Province of Nova Scotia. Nova Scotia Procurement Services, *Province of Nova Scotia Sustainable Procurement Policy* http://www.gov.ns.ca/tenders/policy/pdf_files/procurementpolicy.pdf

5 Co-operatives Secretariat, *Creating a Co-operative—An Informative Guide* (Government of Canada, p. 14). <http://www4.agr.gc.ca/resources/prod/coop/doc/creatcoopguide.pdf>

6 Canadian Co-operative Association, *Co-ops in Nova Scotia* (Truro: Nova Scotia Co-operative Council, June 2007). http://www.coopscanada.coop/assets/firefly/files/files/pdfs/ProvAndSectoralProfiles/Nova_Scotia_co-ops.pdf

7 Service Nova Scotia and Municipal Relations, *Press Release: New Opportunities for Social Entrepreneurs*, November 28, 2012 <http://novascotia.ca/news/release/?id=20121128010>

8 Kaley Kennedy, Christine Saulnier, James Sawler, and Leanne MacMillan, *Fairness, Funding and our Collective Future: A Way Forward for Post-Secondary Education in Nova Scotia* (Halifax: CCPA-NS, 2011).

9 Toby Sanger, CUPE, excerpt from Informetrica Ltd, Centre for Spatial Economics, rates of return based on information in federal budget 2009.

Building an Inclusive Labour Market

Background

Nova Scotia has long been characterized as a low wage economy. This leads to a lack of investment in productivity and innovation as employers attempt to squeeze profits out of a declining labour share of new economic growth. The declining labour share of the province's wealth is documented in our 2008 report.¹ Wages today in Nova Scotia are either lower or the same as they were 30 years ago. According to Statistics Canada, Nova Scotia has the second lowest average weekly wages among Canadian provinces.²

The unemployment situation continues to be a serious concern. In September 2015, there were 44,000 unemployed workers, representing an 8.9% unemployment rate.³ This official unemployment rate from Statistics Canada does not capture the full picture of unemployment in the province. It does not include those working part-time who want full-time hours, those who have given up and stopped looking for work, or those Nova Scotians who have moved out West for better opportunities. The regional breakdown of the unemployment figures paints a very scary picture. While the unemployment rate in the Halifax Regional Municipality (5.7%⁴) is below the national average, the rates in most other areas of the province, especially in Cape Breton (13.6%), are significantly higher than the national average.

Unemployment and employment rates also vary depending on your social location: those occupying less advantageous social positions face higher unemployment, lower incomes, and lower participation rates. It is not for lack of wanting to participate that labour market participation for certain groups is low. Rather, these rates are the lowest because those groups are systematically or structurally excluded or marginalized; they are often excluded from opportunities to fully contribute to prosperity in Nova Scotia. In 2011, the labour force participation rate for Nova Scotia was 74.9 per

cent. However, the rate for visible minorities was 66.6 per cent (lower than in 2006, the last time the data was collected). Those of Aboriginal identity and the Black population are 67.5% and 70.3% respectively. The lowest rate is for Aboriginals on reserves at 53%.⁵ Actions and investments to address these barriers are outlined in other sections of the NSAPB on women's equality, on inclusive actions for people with disabilities, and the need for an intersectional lens.

Current Issues

Labour Standards and Enforcement

Nova Scotia's minimum labour standards lag behind almost every other province. The province should overhaul Nova Scotia's Labour Standards Code as recommended by the CCPA in "Reversing the War on Workers — Labour Standards Reform in Nova Scotia".⁶ This is an essential part of ensuring that the jobs created are 'good' jobs — well-paid, safe, secure, unionized jobs with benefits. Strengthening labour standards must include ensuring implementation of these standards, including health and safety. Nova Scotia's Workers Compensation rates are among the highest in the country as a result of the injury rate.

Unionization

Nova Scotia's unionization rate (the percentage of the workforce that is in a union) is 30.8%.⁷ However, the difference in unionization rates between the public and private sectors is dramatic. The public sector unionization rate is 75.0%, while the private sector is at 13.8%. The low level of private sector unionization is one of the reasons Nova Scotia has some of the lowest wages in the country.⁸ Increasing private sector unionization is good for the economy and allows workers' voices and opinions to strengthen businesses. Evidence shows that increased unionization rates lead to increases in productivity. The government should immediately adopt new legislation to make it easier for workers to join unions and bargain collectively.

Pay Equity

In Nova Scotia, the Pay Equity Commission has been, all but disbanded since 1999. According to the Department of Labour's own website, "Wage adjustments required to achieve pay equity were completed in 1996 for all eligible public sector employees. As the Pay Equity Commission's work was completed, no further appointments were made after 1999."⁹ The Commis-

sion’s website suggests that pay equity has been achieved in all jobs in the MUSH — municipal, university, school and hospital — sector. This claim is rather difficult to believe. For example, if pay equity had been achieved in the hospital sector with classifications that existed back in 1996, new jobs and new classifications must have been added in the last twenty years. And doubtless some of these new job classifications are male (or female) dominant. Who is pushing for pay equity in these new job classes?

Because there have been no appointments to the Pay Equity Commission since 1999, it is doubtful that there is any mechanism to resolve pay equity disputes in the Nova Scotia public sector, let alone in the private sector where even larger gaps exist today.

Employment Equity

Employment equity is also focused on eliminating the barriers for designated groups who have faced historical discrimination and ensuring that the workforce is inclusive and representative of the population. In Nova Scotia, there is an Affirmative Action policy that applies to the public service to “achieve equitable representation of four designated, under-represented groups: Aboriginal People; Persons with Disabilities; African Nova Scotians and other racially visible people; and women in occupations or positions where they are under-represented.”¹⁰ There is work to do in the public service to achieve employment equity, with only 0.9% of the government workforce is comprised of Aboriginal People (who make up 2.4% of working age population), and only 2.7% Persons with Disabilities (who make up 11.5% of working age population). African Nova Scotians are the only group coming close to attaining proportionate representation at 3.1% of the government workforce and 3.7% of the working age population. Women are still under-represented in senior management positions with only 17% occupying these roles.¹¹ More attention needs to be paid to attaining employment equity in all sectors. The NSAPB commits to revisiting the establishment of Affirmative Action Agreements with private sector partners, which must also include more transparency about the private sector workforce in Nova Scotia. More data needs to be collected in order to find out what gains or losses have been made in relation to these four equity groups. Labour market participation rates highlight lost potential.

In 2011, the Nova Scotia participation rate was 74.9%, the rate of Aboriginals was 67.5%, and even lower for Aboriginals on reserve (53%), 66.6% for visible minorities and 70.3% for visible minorities who identify as Black.¹² Women still face occupational segregation as well as sectoral concentra-

tion. While apprenticeship numbers have improved they remain shockingly low at 5.2%, which includes food service taking up a couple of those percentage points. The other most common apprenticeship trades for women were electricians and carpenters, while for male apprentices the most common trades were electricians, plumbers, and auto service.¹³ The Nova Scotia Human Rights Commission Employment Equity Partnerships (EEP) is not sufficient to advance employment equity; much more needs to be done.¹⁴ Support for additional apprenticeships for all equity groups is important; organizations like Women Unlimited can help to achieve these goals. More attention needs to be paid to making workforces (especially those that have been dominated by men) more inclusive. Resources must be dedicated to sexual harassment training and enforcement to decrease incidents and deal with problems when they arise. More funding is also allocated to African Nova Scotian Affairs and Aboriginal Affairs to prioritize work in this area to achieve an inclusive and culturally-competent workforce.

Federal Supports

With the change in government at the federal level, there is much hope among the provinces for some additional labour market supports from the federal government. The province should immediately encourage the federal government to provide funding for training, literacy and skills development as part of a national labour market program. This should also include making progressive changes to the Employment Insurance program as the Liberal party promised during the election campaign.

NSAPB Actions

- Develop a strategy to move toward full employment
- Review and improve the Trade Union Act to make it easier to unionize
- Overhaul and strengthen the Labour Standards Code, including the Labour Board, while investing **(\$240,000)** to hire additional Health and Safety inspectors
- Re-establish the Pay Equity Commission and extend pay equity to the private sector and hire more regulators to enforce it **(\$160,000)**
- Invest **\$3 million** in targeted labour market support, including additional funding to African NS organizations such as the Black Business Initiative

- Support for Employment Equity (including in apprenticeship) (**\$3.2 million**)
- Address workplace sexual harassment (**\$500,000**)
- Invest to decrease barriers and create an inclusive labour market, including in adult learning, to make post-secondary education more affordable, to address women's inequality, racism and ableism, and to support organizations to deliver services to those groups who have high unemployment, are underemployed or otherwise (see other sections of the NSAPB).

Total Investment: \$7.1 million

Notes

1 Mathieu Dufour and Larry Haiven, *Hard-working province: Is it enough?* (Halifax: CCPA-NS, 2009) <https://www.policyalternatives.ca/publications/reports/hard-working-province-it-enough>

2 Statistics Canada, CANSIM, Table 281-0027. Earnings, average weekly, by province and territory. (Ottawa: Statistics Canada, 2015) <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labr79-eng.htm>

3 Statistics Canada, CANSIM, Table 282-0087. Labour force characteristics, seasonally adjusted, by province (monthly). (Ottawa: Statistics Canada, 2015) <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss01a-eng.htm>

4 Statistics Canada, CANSIM, Table 282-0122. Labour force characteristics, unadjusted, by economic region. (Ottawa: Statistics Canada, 2015) <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss05b-eng.htm>

5 Government of Nova Scotia, *Diversity Groups: Diversity Overview* <http://careers.novascotia.ca/diversity-groups>

6 Kyle Buott, Larry Haiven and Judy Haiven, *Labour Standards Reform in Nova Scotia: Reversing the War Against Workers* (Halifax: CCPA-NS, March 2012). <http://www.policyalternatives.ca/publications/reports/labour-standards-reform-nova-scotia>

7 Statistics Canada, CANSIM, Table 282-0078. Labour force survey estimates (LFS), employees by union coverage. (Ottawa: Statistics Canada, 2015)

8 Statistics Canada, CANSIM, Table 281-0027.

9 See Government of Nova Scotia, Department of Labour and Advanced Education, <http://novascotia.ca/lae/payequity/>

10 http://novascotia.ca/psc/pdf/employeeCentre/diverseWorkforce/annualReports/Moving_Toward_Equity_English.PDF

11 IBID.

12 Statistics Canada, 2011, National Household Survey.

13 Statistics Canada, 2015, Registered Apprenticeship Training Programs <http://www.statcan.gc.ca/daily-quotidien/151026/dq151026a-eng.htm>

14 Nova Scotia Labour Market Statistics 2014 http://careers.novascotia.ca/sites/all/files/LMI%20Stats%202014_FINAL.pdf

Poverty Reduction

Background

To ensure Nova Scotians living in poverty have the opportunity to realize their potential, the NSAPB makes a significant investment to reduce and ultimately eliminate poverty. The approach echoes that of the Community Society to End Poverty in Nova Scotia, with “a holistic, comprehensive approach that takes into account the social and economic factors that influence health and well-being...”¹

Current Issues

Income Assistance

The support system of last resort in Nova Scotia is the Employment Support and Income Assistance (ESIA) program. It does not provide enough income support and the system itself is broken. It stigmatizes; it robs recipients of their dignity.² It is mired in bureaucracy and based on exclusion, on ensuring that those in need receive the minimal amount of support after producing mounds of evidence.³ It ensures that people have to rely on charities to meet their basic needs.

For the second year in a row, the Nova Scotia government froze welfare rates. The government says it is transforming the ESIA program but will not increase welfare rates until this process is completed in 2017. People depending on ESIA will struggle even more as the cost of food, shelter and energy continue to increase significantly. In 2013, after years of limited or no increases, the NDP government increased the personal allowance (but not the shelter allowance) by \$17 a month per adult, from \$238 to \$255.

Reforms to income assistance must be based on the principle that restoring human dignity is the primary goal. We must root out the erroneous belief that providing an income sufficient to live in dignity creates dependency and a disincentive to work. Any reforms must acknowledge that the

income assistance is not sufficient to pay for the basics, let alone enable people to look beyond daily survival to participate in the community. The system does not provide adequate support or time to enable those who can to make viable plans to (re)enter the workforce.

Everyone in the ESIA program lives as much as 40% below the poverty line. Even when all federal tax credits, income support for special dietary, medical, and transition to employment supports that *might* be available in specific cases are included, total welfare incomes⁴ are still at, or in most cases, well below any recognized poverty line.

According to the Caledon Institute, the welfare income that a single employable person was entitled to in Nova Scotia in 2013 was \$7,076, \$16,000 below the poverty line. A person with a disability was entitled to \$9,908, \$14,000 below the poverty line. A single parent with one child was entitled to receive \$17,738 on the old Family Benefits program in 1991 but in 2013 her welfare income entitlement of \$16,219 represented a serious poverty gap.⁵ When comparing welfare income to the Market Basket Measure of poverty, the poverty gaps range from 38% to 62% (see *Figure 1*).

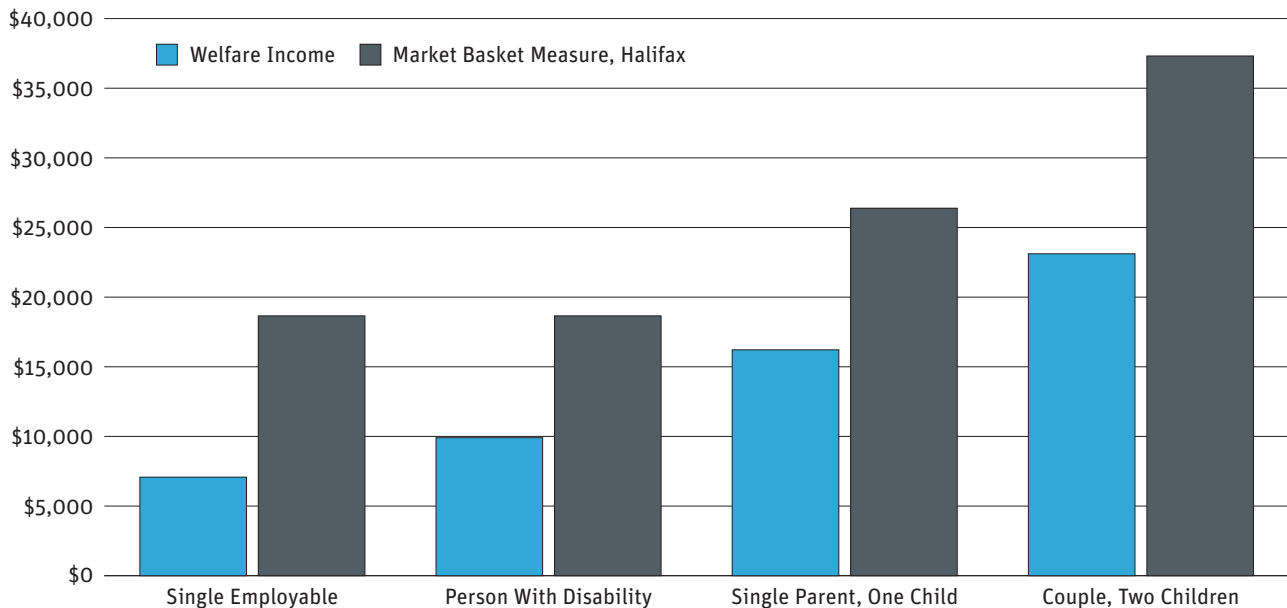
Two of the primary reasons the Nova Scotia government cites for reforming ESIA is to make the system more affordable and, even though a large proportion of the income assistance caseload consists of people with disabilities and multiple barriers to employment, have more people transition off the system and attached to the labour market^{6,7,8} People with health and long term disability issues, and those with other barriers to paid employment including the lack of accessible, affordable, quality care, are the most vulnerable to living in poverty.

Moreover, many living in poverty are not eligible for ESIA assistance because of restrictive eligibility rules such a how ‘need’ is defined and determined, low assistance rates, the limited liquid assets applicants are allowed to keep, and the amount of money recipients are allowed to earn while in receipt of income assistance.

The NSAPB seeks to ensure that income assistance is a *real* safety net that ensures people can sustain themselves in dignity, eat healthily, live in safe, accessible and adequate housing, clothe themselves, and meet other basic needs such as access to transportation and basic communication tools. The underlying assumptions within the ESIA system and the way the system is administered, ensures this cannot happen—the special needs provisions are a case in point.

A telephone, transportation costs, child care and extra costs related to special dietary needs are all classified as “special” needs under ESIA. The

FIGURE 1 Poverty Gap, 2013



Source Based on Caledon Institute, *Welfare in Canada 2013* by Anne Tweddle, Ken Battle and Sherri Torjman, November 2014

2012 policy changes limited eligibility for several of these items. The changes exacerbate social exclusion and have serious health impacts on clients. These changes should be fully reversed.⁹

NSAPB Actions

The NSAPB seeks to ensure that, over several years of incremental increases, the basic welfare income will be at least equivalent to the Market Basket Measure threshold for Halifax, but ideally the province would develop its own poverty measurement as Newfoundland and Labrador has done.¹⁰ We seek to move away from a needs based approach to a single assistance envelope based on income, fewer bureaucratic hoops, and more supports for persons with disabilities and chronic health issues and for those trying to make a transition to viable employment. Thus, the NSAPB invests a total of **\$121 million** in direct transfers to individuals living in poverty. This investment comes from the reallocation of funds from the cancellation of the approximately \$116 million Your Energy Rebate program. Thus, we would:

- **Invest \$50 million to increase income assistance. The increase will be across the board and will** no longer distinguish between “personal” and “shelter” allowances. Basic needs will include a telephone and transportation. Money must be made available for people experiencing emergencies and for special health-related needs. The NSAPB foresees increasing expenditures for health-related needs through the Department of Health so that low income people are fully covered for these items.
- **Invest \$16 million to decrease the earnings claw-back:** monthly ESIA benefits should be based on an earnings exemption/retention of up to \$500/month plus 50%, an increase from \$150 and 30% respectively. The higher exemption/retention rate helps workers to remain in or re-enter the work force. Also, the earnings exemption/retention will be averaged over a longer period to account for temporary work, which is important for those who cannot sustain long-term employment (for example, persons with health or disability issues). In addition, when applicants apply for ESIA their eligibility will consider this earnings exemption/retention rate. Currently, because ESIA eligibility rules are so stringent and needs based allowance levels so low, families with one or more employed adults whose employment incomes are so meagre that they are unable to pay for their basic needs, are in most cases ineligible for income assistance.
- **Invest \$2 million to increase the Poverty Reduction Credit** to immediately increase welfare incomes for those most in need – single recipients with no dependants.¹¹
- **Offset Carbon Tax and use \$34.2 million of the tax revenue to enhance the Affordable Living Tax Credit.**
- **Provide an additional \$6 million to the Nova Scotia Child Benefit** to increase both the benefit amount and the income eligibility threshold.
- **Invest \$10 million in Pharmacare for ESIA recipients** to increase budget by 20%.
- Implement a **Poverty Reduction Strategy** with investments in public services and programs, to ensure they are responsive to the diversity of needs. Other investments made in the NSAPB will also help

those living in poverty including in universal programs such as Early Learning and Child Care.

Total Investment: \$118.2 million (\$83 reallocated from Your Energy Rebate and \$5.5 reallocated from Heating Assistance Rebate Program)

Notes

- 1 Community Society to End Poverty in Nova Scotia (CSEP-NS), Flyer. No date.
- 2 See for example: Rene Ross, *Struggling to Survive: Women on Employment Support & Income Assistance (ESIA) in Nova Scotia Provide Their Key Recommendations for Policy Reform* (Antigonish Women's Resource Centre; Every Woman's Centre, Sydney; Pictou County Women's Centre; Funded by Status of Women Canada, Women's Program, 2006). www.hpclearinghouse.ca/pdf/Struggling%20to%20Survive.pdf
- 3 Sara Wuite, Christine Saulnier, Stella Lord, *Cornerstone Compromised: A Critical Analysis of Changes to Special Needs Assistance in Nova Scotia*, (Halifax: CCPA-NS, July 2013).
- 4 Welfare incomes include support payments from the ESIA program, and federal and provincial tax benefits for which eligibility criteria vary, including The Poverty Reduction Credit – quarterly tax free payments (of \$62.50 each) for individuals and couples that have no children and have annual adjusted income below \$12,000 may be eligible. See: <http://www.novascotia.ca/coms/noteworthy/PovertyReductionCredit.html>; The Affordable Living Tax Credit provides a base amount of \$255.00 for individuals or couples and \$60.00 per child each year. The credit is phased out at \$35,100. See: <http://www.novascotia.ca/finance/en/home/taxation/personalincometax/altc-prc.aspx>; The Nova Scotia Child Benefit is targeted to families with net income below \$18,000, though families with net income between \$18,000 and \$26,000 receive partial benefits. It increased in July 2012 from \$45.24 to \$52.08 per month for the first child and \$65.57 to \$68.75 per month for the second child and \$75 for the third and subsequent child. In the 2014–15 budget, the threshold was increased from \$25,000 to \$26,000. For more information on this benefit, see: <http://www.novascotia.ca/coms/families/ChildBenefit.html>
- 5 Total welfare incomes are taken from: Caledon Institute, *Welfare Incomes 2013*. <http://www.caledoninst.org/Publications/Detail/?ID=1031> Note that they do not include the Poverty Reduction Credit (\$62.50 each quarter) or any special needs or other subsidies that recipients may be eligible for under certain circumstances.
- 6 Nova Scotia. Request for Proposal (RFP) 60149096, Employment Support and Income Assistance (ESIA) Transformation Project, pp. 4; 8.
- 7 Ibid, p.8.
- 8 Department of Community Services, *Data Request of Staff* (July 2013).
- 9 Sara Wuite, Christine Saulnier, and Stella Lord, *Cornerstone Compromised: A critical analysis of changes to Special Needs Assistance in Nova Scotia* (Halifax: CCPA-NS, 2013). <https://www.policyalternatives.ca/newsroom/news-releases/changes-special-needs-allowances-costs-more-does-less-those-need>
- 10 Government of Newfoundland and Labrador, *Poverty Reduction Strategy Progress Report*, (St. Johns, Government of NL, June 2014). http://www.swsd.gov.nl.ca/poverty/pdf/prs_progress_report.pdf
- 11 Department of Finance, *Tax Measures: Budget 2013–14*. http://www.novascotia.ca/finance/site-finance/media/finance/budget2013/Tax_Measures_Bulletin.pdf

Supporting People with Disabilities

Background

Nova Scotia has long had a significantly higher rate of disability than any other Canadian province and as such should be a leader in promoting the social and economic inclusion of people with disabilities. Unfortunately, this has not been the case. In 2012, the disability rate for Nova Scotian adults over the age of 15 was 18.8%, compared with a national average of 13.7%.¹ More women than men experience disability in Nova Scotia.²

People with disabilities in Nova Scotia also have significantly lower incomes and rates of employment than those without disabilities. In 2006, (the most recent year for which statistics are available) 47% of Nova Scotians aged 15–64 with disabilities participated in the labour market, compared to 73% for non-disabled Nova Scotians.³ That same year, the average income for Nova Scotians 15 years and older with a disability was \$24,413, some \$7,364 below non-disabled Nova Scotians and \$4,090 less than the Canadian average income for persons with disabilities.⁴ The poverty rate for persons with disabilities was 16.8% compared to 8.9% among people without disabilities.⁵

Despite these numbers, the provincial government has been slow to respond. In terms of employment, persons with disabilities are severely under-represented in the Nova Scotia Public Service. While they make up 11.5% of the labour force, they represented only 2.9% of the public service, according to the 2013 Employment Equity Report from the Nova Scotia Public Service Commission. This marks a decline from 4.0% in 2005.⁶ As another indicator, labour force participation and employment rates for persons with intellectual disabilities are the lowest in Canada.⁷

As for income support, Nova Scotia is at the low end among provincial governments. In 2009, income assistance accounted for 39.6% of the income of working age persons with disability.⁸ Indeed, people with disabilities made up 43% of the income assistance caseload in 2011.⁹ There is a steady decline of income support for single persons with disabilities from \$12,707 in 1989 to \$9,970 by 2012, and is among the lowest in Canada.¹⁰

In addition, the provincial government has failed to respond to the needs of Nova Scotians with an acquired brain injury, implementing only one of eight recommendations for improved programs and services arising from the 2007 Needs Assessment.¹¹

Current Issues

The United Nations Convention on the rights of Persons with Disabilities, ratified by Canada in 2010 and supported by Nova Scotia, may have served as a wake-up call for the provincial government. In August 2013 the government of the day announced a new community-focused approach to the provision of services and supports for Nova Scotians through the Services for Persons with a Disability (SPD) program which serves those with intellectual development disability, long-term mental illness or long-term, chronic and persistent physical limitation.

The SPD program provides a range of residential and vocational supports but those have been described as inadequate (long waiting lists) and inappropriate (over-reliance on large institutions and sheltered day programs).¹² The new community-focused direction is based on *Choice, Equality and Good Lives in Inclusive Communities*¹³, the report of a 19-member community-government advisory committee. With adoption of the report, Nova Scotia belatedly joined other provinces in adopting a multi-year plan that moves away from institutional facilities and toward an individualized funding approach to provision of residential supports for persons with disabilities. The report also recommended focusing vocational programs on getting people into the labour force with job coaches and other forms of supported employment, an approach also endorsed by the Employability Table, a second community-government committee that issued its discussion paper in September, 2013. Citing the UN Convention recognition of “the right of persons with disabilities to work, on an equal basis with others,” the paper urges the provincial government to pursue as a priority full participation in the competitive labour force by persons with disabilities. It calls for, among other things: equitable representation in the public service; expanded funding for employment supports like job coaches, workplace site assessments and accommodations; employment of persons with disabilities as a condition of job-creation investments; supports for students with disabilities to transition from the school system to the labour force.¹⁴

NSAPB Actions

Previous initiatives (such as the 2001 Kendrick Report¹⁵) aimed at transforming the system of supports for Nova Scotians with disabilities have been stymied by a lack of political commitment and resources.¹⁶ The 2013 initiatives have been received with a certain amount of political commit-

ment, but they must be backed up with increased resources in the short term leading in the long-term to both fiscal benefits and better, fuller lives for persons with disabilities. The Institute for Research and Development on Inclusion is working with the Department of Community Services on a multi-year budget.¹⁷ To ensure progress on implementation, the NSPAB invests \$20 million as follows:

- \$10 million to support transformation of residential and vocational support programs
- \$10 million to reduce wait lists for SPD programs and services

Total Investment: \$20 million

In addition to this targeted investment, the NSAPB invests in other programs including a substantial increase in income supports for those living in poverty, more funding for adult learning including to ensure that those who are in most need of these programs receive the supports they need. In addition, the NSAPB invests in affordable housing, which is to be constructed fully accessible. Other investments in long-term care and community-based care will also benefit people with disabilities, especially seniors.

Notes

1 Statistics Canada, *Canadian Survey on Disability, 2012* (December 3, 2013).

2 Disabled Persons Commission, *Persons with Disabilities in Nova Scotia: A Statistical Report 2010*. http://disability.novascotia.ca/sites/default/files/StatisticalReport_2010.pdf. Editor's note: The reports of the Disabled Persons Commission were previously available at the Nova Scotia Community Counts website, which has been discontinued.

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Address Intersectional Inequities

Background

Employing an intersectional lens in policy-making (including the provincial budget) begins by making explicit, and often challenging the assumptions underlying budgetary decisions. By prioritizing asking questions and understanding a variety of perspectives, an intersectional lens forefronts questions of power, social justice and equity.¹ An intersectionality-based policy analysis asks questions about how ‘race’, ethnicity, class, sexuality

and other social locations and systems of inequality (racism, colonialism, classism, heterosexism) interact in relation to budgetary choices.

To apply this lens is to ensure that budgetary decisions meet the needs of all Nova Scotians. At the very least, policy decisions made through an intersectional lens do not exacerbate the inequities that do exist, but rather are constructed to put an end to them.

Current Issues

Women's Inequality

The last 40 years have seen an 80% increase in labour market participation rates of prime working age (25–54) women in Nova Scotia. However, the supports and structures women and their families need to adapt to this new reality are still inadequate. Despite moving into the labour force, women still do more unpaid care work than their male counterparts.² In short, women face barriers connected to the gender division of labour (work that women do inside and outside the home) and the undervaluing of what is considered 'women's work' has resulted in low wages, and higher rates of poverty across lifespan.

Women in Nova Scotia make up 61% of employees that earn minimum wage or less; they fill only 32% of senior management positions;³ fill 2 out of 3 of all part time jobs; and a lower percentage of women are employed full time (75% compared to 88% of men).⁴ Women represent near 100% of those employed in 6 of the 10 lowest paying occupations, and there are no women at all in 5 of the top 10 highest paid occupations.⁵ When we look closer, we see that women fill 85% of positions in health occupations; 81% of administrative roles; 72% education jobs and government services; down to a low of 5% of trades, transport and equipment.⁶ Women experience a 33% pay equity gap, which means that for every dollar a man earns in full-time, full year work, a woman earns 67 cents⁷ and earn on average \$15,000 less per year than a man because of the pay equity gap.⁸ We also know, for example, that 45% of female lone parents in Nova Scotia live in poverty (compared to 23.7% of male lone parents). We also know that 39.3% of female elderly live in poverty versus 18.1% of elderly males.⁹

As is outlined in other sections¹⁰, access to collective bargaining and pay and employment equity measures significantly reduce the gap between how much women and men are paid for their time when they work the same hours. In terms of unionization, the pay inequity gap is narrower at 81.8% for unionized jobs versus 72.1% for non-union.¹¹

Applying a gender-based intersectional lens¹² to spending and taxation decisions reminds us that women benefit less from tax cuts and introduction of new tax credits because fewer women pay taxes, fewer women are in high income brackets, fewer women access tax credits and tax deductions (RESPs, RRSP, Union dues, CPP). We also know that cuts to public services negatively affect women more because of the gender division of labour, women are relied on to fill in gaps, and because of their different realities related to health and family, they require more of these services. Any pay cuts or job cuts in the public sector also affect women more than men because they dominate this sector.

The absence of data from the (just recently re-instituted) mandatory long-form census prevents us from presenting a full picture of how inequalities intersect, but what we do know is that the gaps and barriers described above are worse for women with disabilities, Aboriginal, racialized and immigrant women.

These intersecting barriers will not be dismantled without dedicated funding for program support and affirmative action legislation. At present, women's centres and other organizations with mandates to address inequities are stretched thin without core-funding to address the needs and realities of women in their communities. Indeed, in examining one particular group of mostly women (like sex workers) one realizes that the issues they face (which relate to poverty, gender discrimination and other issues of social justice and human rights) extend to all women.

Justice for Sex Workers

Sex work is conceptualized as the exchange of sexual services for money. Although very little research is available on the nature of the sex trade in Nova Scotia, sex worker advocates, the police and academics conducting research on the topic agree that there are various forms of sex work.¹³ The most visible form of sex work is what is known as “survival sex work”, historically occurring in public streets, and involving sex workers who are engaging in the trade for purposes of economic survival. Other forms of sex work in the city include internet-based, escort services, and erotic dancing. There is very little known about the extent and prevalence of the former two types of sex work in Nova Scotia. We know, however, that the majority of sex work is now occurring behind closed doors, with very little street-based activity.

Violence, unsafe working conditions and social stigma against sex workers need to be addressed in ways that ensure the rights and safety of these workers. Survival sex workers, in particular, by the nature of their work, are

at high risk of being victimized by sexual predators and violent clients. Youth involved in sex work are also particularly vulnerable and they are also less likely to access support services including youth outreach, homeless shelters, sex work support agencies and the police.

The issues around sex work must be part of a broader social justice, antipov-erty, antiracism, human rights and labour agenda, not confined to one policy-area concerned exclusively with the provision of law and order. Indeed, sex workers themselves have highlighted the problems in dealing with the issues around sex-work in so limited and circumscribed a manner. They note that, “sex work was a better option than the “system” which was not only “never enough” but often also demeaning and controlling.”¹⁴ The system being referred to is the income assistance system. They also report this work being better than many other even lower-paying jobs in the service industry.

At present, Stepping Stone is the only support organization in Nova Scotia that provides outreach and drop-in services to sex workers in the HRM. The only program that is specifically funded to assist sex workers to leave the sex work industry is the Prostitution Education Program (PEP) program administered through the Nova Scotia Department of Justice. This program offers services and support to people involved in, or at risk of becoming involved in, prostitution-related activities. It is, however, only available to women on income assistance and not actively in the sex trade.

Beyond helping sex workers explicitly is to get at the root causes of the issues they face around violence and socio-economic disparities. The NSAPB thus allocates funding to develop a women’s equality action plan and to provide additional resources for women’s centres and to create quality jobs, educational opportunities, address violence against women, and otherwise to improve the status of women in Nova Scotia. The Women’s Equality Action plan needs to focus on what we can do to reduce and eventually eliminate the barriers preventing women from fully participating in our society and our economy.

NSAPB Actions

- Develop a Women’s Equality Action Plan (**\$200,000**)
- Core-Funding for Non-profits Working to Address Race, Gender, LG-BTQI Inequities (**\$6.5 million**)
- Allocate resources (**\$1.2 million**) to protect the rights, and health and safety of sex workers including additional funding for programs

and services to non-governmental support organizations across the province

- Increase capacity of Advisory Council on Status of Women to undertake gender-analysis, and support government decisions (\$84,000)

Notes

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5 NSACSW, *ibid*. According to Statistics Canada, there are no female petroleum engineers, no female contractors and supervisors in oil and gas drilling services, no broadcast technicians, no physicists or astronomers, and no women occupy professional occupations in the physical sciences. In Nova Scotia, women make up 100% of these low paying occupations: home child care provider; Tailors, dressmakers, furriers and milliners; Fabric, fur and leather cutters; Estheticians, electrologists and related occupations; Harvesting labourers; Photographic and film processors and 83% of Food and Beverage Servers.

6 *ibid*.

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9 Statistics Canada, Low Income Measure, After Tax, 2013.

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12 CCPA-NS, *Nova Scotia Budget Watch 2015: Through a Gender Lens* (Halifax: CCPA-NS, 2015). https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2015/04/NS_Budget_Watch_Gender.pdf

13 There is a full length book exploring street level sex work that includes first voice experience and insights into the industry: Leslie Jeffrey and Gayle MacDonald, *Sex Workers in the Maritimes Talk Back* (Vancouver: UBC Press, 2006).

14 Forthcoming HRM Roundtable Review on Violence and Public Safety

Support and Realize Our Full Potential

Early Learning and Child Care

Background

The ONE Nova Scotia Coalition's action plan includes a focus on early childhood education¹ thus addressing one of the glaring omissions in the Ivany report.² There are concerning elements of this plan, however, including no mention of women or any gender analysis. The use of social impact bonds as potential form of funding is also very problematic,³ and there is no recognition of the real reasons the current patchwork system is failing. We await the release of the review⁴ of child care by the Department of Education and Early Childhood Development and hope it recognizes the need to fundamentally alter the way child care is delivered in Nova Scotia, as outlined in the CCPA-NS submission to the review⁵ and in this NSAPB. We also await concrete steps from the federal government to collaborate with the provinces on a Pan-Canadian child care plan.

Current Issues

Building an Early Learning and Child Care system means shifting away from a market-based, patchwork approach, which is not working for families. The current system results in high fees, scarcity of spaces, and undervalued Early Childhood Educators (ECEs), most of whom are women.⁶ A co-

ordinated *system* of ELCC creates jobs; fosters labour market participation and a skilled workforce; increases productivity, GDP and tax revenue; reduces poverty and income inequality; supports child early childhood development and social inclusion; advances women's equality; and addresses population decline.⁷ It can meet the diverse needs of children, and support parents, especially women, who are in the paid labour force, studying or participating in community life.

But to realize these numerous benefits, the system must be built around the research-based and internationally recognized principles of:

- universality – equal access for all who want it
- publicly funded – direct service funding from federal and provincial/territory government, not fee subsidies and tax breaks
- non-profit – a social service, like health care and public education
- regulated – provincial/territorial licensing and monitoring of standards
- quality – well trained and compensated staff in a safe and secure environment
- developmental – play-based programs with curriculum that is developmentally appropriate
- social inclusion – affordable and accessible to foster equality for women, children with special needs, newcomers and rural communities
- integrated – comprehensive services with a seamless day of learning AND care
- democratically governed – accountable and based on community input into the planning, design, delivery and evaluation
- self-governance and self-determination – respects the rights of Aboriginal communities⁸

In the absence of this system, Nova Scotia's children are still denied equal learning opportunities and their parents still struggle to balance work and family responsibilities. More than 70 per cent of women work outside the home⁹, and child care shortages are more severe in rural communities.

Spending on ELCC is an investment – it brings future returns. A 2011 report confirms that expansion in the early learning and care sector pro-

vides **more short-term economic stimulus than other major sectors of the economy.**¹⁰ The GDP multiplier (the increase in GDP generated from a dollar increase in spending) in the early learning and care sector is \$2.23. This is 67% higher than construction and 112% higher than manufacturing. Furthermore, the employment multiplier is 46.8 jobs per million dollars increase in expenditure.¹¹

In Manitoba the economic returns were even higher in rural communities, affirming the essential role that child care can play in regional development.¹² Research indicates that child care “may help mitigate outmigration and rural depopulation.”¹³ Public ELCC offers productive new uses for existing local infrastructure, so with “declining student enrolment, locating early childhood programs in schools helps maintain the viability of the school and, especially in small rural areas, the school can preserve the community”.¹⁴ Early learning and child care can create hubs for community support.

Overall, ELCC advances multiple policy priorities and goals: “preparing our future workforce, supporting parents to work or upgrade their skills and strengthening democratic communities.”¹⁵ It is well worth the investment.

It is also important that the provincial government should not be expected to build this system on its own. Quality, universal, integrated child care requires that provinces and the federal government work together to create a seamless *system*.¹⁶ The NSPAB continues to advocate for a pan-Canadian ELCC strategy, but we know from other jurisdictions that the province can take some leadership in moving forward on ELCC.

NSAPB Actions

- **Eliminate Subsidies to For-profit Providers:** Since the changes in the funding formula that allowed for-profit providers to access public funding, most of the new growth in child care spaces has been in the for-profit sector. Over half of Nova Scotia’s child care spaces are now in the for-profit sector. ELCC is a social service, not a business, and the NSAPB will end existing public subsidies to for-profit operators and re-invest these resources in the developing public system. This will eventually phase out for-profit providers, particularly the growing for-profit child care chains.
- **Develop an ELCC Action Plan:** In close consultation with the child care community (ECEs, child care advocacy organizations, feminist organizations, labour unions, human rights groups, aboriginal com-

munities and researchers), we will develop an ELCC Action Plan that identifies clear goals, targets, and timelines for developing a system.

- **Foster inclusion:** Children with disabilities should have access to the same programs and services to which all children are entitled. \$1 million will be dedicated to funding supports for inclusion of children with diverse needs in early learning and care settings. This can be invested in staff training, equipment and space modifications, and additional staff.
- **Incremental investment:** By international standards, the minimum target for annual expenditure on ELCC should be 1% of GDP.¹⁷ Nova Scotia currently spends only about 0.37%.¹⁸ One estimate of the cost of \$7/day child care in Canada is \$4,692 per child aged 0–4 at current system costs including wage rates.¹⁹ The current per capita amount being spent on care for children aged 0–4 in Nova Scotia is \$1,353 (based on 2015/16 funding) and the per capita for primary kids age 5 is \$11,037 (2012). Additional funding required in Nova Scotia would be \$145.1 million plus additional investment to lower costs and increase wages. Under a planned investment approach, the NSAPB will begin with an increase of \$42 million on ELCC for 2016–17. Incremental increases follow in subsequent years as the ELCC Action Plan is completed and implemented in stages.

Total investment: \$42 million

Notes

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2 Tammy Findlay and Stella Lord, *A New Economy Needs Child Care* (Halifax: CCPA-NS, May 14, 2015). <https://www.policyalternatives.ca/publications/reports/new-economy-needs-child-care>

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4 Nova Scotia, “Review of Regulated Child Care to Begin.” *Education and Early Childhood Development*. January 8, 2015. <http://novascotia.ca/news/release/?id=20150108001>

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- 7** McCain et al IBID; Robert Fairholm, *Short-term Impact Analysis of an Expansion of Regulated Early Learning and Care in Nova Scotia*, (Milton: Centre for Spatial Economics, 2011). http://cupe.ca/updir/Robert_Fairholm_-_NS_Child_Care_Impact_Report_Jan._20,_2011.pdf
- 8** McCain et al IBID; Organization for Economic Cooperation and Development (OECD), *Starting Strong II: Early Childhood Development and Care*, (Paris: OECD, 2006); Nova Scotia. *What We Heard*; Coalition of Child Care Advocates of British Columbia (CCCABC) and Early Childhood Educators of BC (ECEBC). *Community Plan for Public System of Integrated Care and Learning*. 2nd. Ed. (Vancouver CCCABC & ECEBC, 2011. http://www.cccabc.bc.ca/plan/Community_Plan_ECL.pdf.
- 9** 78.7% of mothers with children aged 0–5 who worked outside the home in 2013, see The Atkinson Centre for Society and Child Development, Nova Scotia Chapter, *Early Childhood Education Report 2014: Time for Preschool* (Toronto: Atkinson Foundation, OISE/UT, McCain Foundation, 2014). http://timeforpreschool.ca/media/uploads/profiles-eng/ns_v2.pdf
- 10** Robert Fairholm, *Short-term Impact Analysis of an Expansion of Regulated Early Learning and Care in Nova Scotia*, (Milton: Centre for Spatial Economics, 2011). http://cupe.ca/updir/Robert_Fairholm_-_NS_Child_Care_Impact_Report_Jan._20,_2011.pdf
- 11** Fairholm, *ibid*.
- 12** McCain et al., *ibid*.
- 13** Prentice 2008 p. 3.
- 14** McCain et al. 2011, p. 20.
- 15** McCain et al., *ibid*, p. 3.
- 16** McCain et al., *ibid*.
- 17** OECD *ibid*.; UNICEF, *The Child Care Transition: Report Card 8* (Florence: UNICEF Innocenti Research Centre, 2008). http://www.unicef.or.jp/library/pdf/lab0_rc8.pdf
- 18** Kershaw, *ibid*.
- 19** Macdonald, *ibid*, April, 2015.

Public Education: Laying a Strong Foundation

Background

Nova Scotian families deserve a strong public education system. To ensure that our students are treated equitably, and that they all receive the same

kinds of opportunities to learn and grow, students from all backgrounds and from all areas of the province need access to reasonably equal educational opportunities. Rural areas should have access to educational options comparable to those in urban areas; students from poor and marginalized communities also require extra support to succeed in school. Nova Scotians need to invest in the education of our children.

Current Issues

Inclusive Education

The NSAPB ensures that the Nova Scotia educational system is better able to meet the needs and to support the strengths of all students, including those with disabilities; African Nova Scotian students and Mi'kmaq students, whose communities have faced historical and ongoing discrimination; and students living in poverty. Meeting the needs of these students involves a wide range of measures: from ensuring buildings are physically accessible and able to accommodate diverse groups to supporting school staff through incorporating adequate time to plan for a wide variety of learning needs in the classroom. The NSAPB invests in both the physical infrastructure of our schools and the human resources our education system needs to provide a healthy learning environment for all students by dedicating \$10 million in programs targeting educational inclusion and equity for African Nova Scotian and Mi'kmaq students as well as students with disabilities.

The recent Memorandum of Understanding on Treaty Education signed by Mi'kmaq Kina'matnewey, Millbrook First Nation, and the Minister of Aboriginal Affairs is a good step in the direction of inclusive curriculum in the province of Nova Scotia.¹ However, any commitment to treaty education must come with long-term investment in curriculum design and implementation. While the work plan and cost sharing for this MOU have yet to be finalized, the NSAPB recommends that the province take the lead in funding these initiatives seriously. In Saskatchewan, the Office of the Treaty Commissioner houses treaty education programming. Approximately \$550,000 is spent annually directly on treaty education, with 75% of this funding transferred from the provincial Department of Education.² The responsibilities of such an office could include designing and creating a Primary – 12 Treaty Resource Kit for use in classrooms province-wide, running capacity building training programs for educators, supporting other provincial initiatives around treaty education, and assessing the effectiveness of their own programming in order to improve on it in the future. In order to ensure the advancement

of good relations in Mi'kma'gi, the NSAPB commits a one-time start-up infusion of \$1 million, as well as an on-going \$400,000 annual contribution to the establishment of a Treaty Education Program.

The APB also recommends re-instating funding for the arm's-length Africentric Learning Institute under the auspices of the Council for African Canadian Education (CACE). In 2014, government funding that supported the ALI was cancelled, supported by claims from minister of education Karen Casey that the CACE had no legislated authority to hire staff, and was thus exceeding its mandate.³ However, the CACE had employed staff since 1996, after receiving written authorization from the education minister at the time. While the Delmore Buddy Daye Learning Institute (DBDLI) now exists under a similar mandate as the Africentric Learning Institute had, there are concerns about the DBDLI's alignment with the Department of Education, specifically regarding whether or not the Institute is independent enough from the department to produce any meaningful criticism. Traditionally under-represented Nova Scotian communities need an independent voice to give feedback on government programs and ensure that the services being delivered meet the needs of the community. Re-instating funding for the ALI would cost the department just \$400,000.

Smaller Classes, Better Learning

The Nova Scotia Education Action Plan (released in June 2015) highlighted the importance of reducing class sizes in high school math classes. While this is a commendable aim, it is important to remember that students displaced by lower class caps will increase class numbers in subjects without caps, which can hamper the learning environment in other subjects. Without additional funding, capping class sizes in certain subjects will require an enormous increase to teacher workload in others: if enrolment in Math is capped at 24, the students who would have taken that class will at some point have to choose different subjects for the same class period, bumping enrolment in those classes up beyond the 36–40 student mark. As studies show, when workload-related stress increases for teachers, student outcomes suffer.⁴ In order to avoid this problem, the NSAPB recommends an increase in funding of \$3.5 million on top of the reinstatement of the remaining \$45 million in funding cut in 2010.

Investing in our Educators

The 2015 Minister's Action Plan for Education includes a number of new learning initiatives that would make classrooms in Nova Scotia more ex-

citing and enriching places. However, in order to be successfully implemented, a number of these initiatives would require professional development time for teachers, as well as resources to put these plans into action. An investment of \$2 million dollars would cover a minimum of one substitute day per teacher in the province, along with some additional resources for new initiative implementation.

In early October of 2015, the Nova Scotia government made an offer that would see teachers' wages frozen for the first three years of their next contract.⁵ "Freezing" public sector wages (which, in fact, amounts to a cut in wages once inflation is taken into consideration) demonstrates a commitment to austerity that is not necessary in our current fiscal context, and certainly not sustainable given the state of the province's education system, especially considering the major changes proposed in Nova Scotia's Action Plan for Education. In order to continue to strengthen our public education system and serve the needs of our diverse population, we need to support teachers and respect the collective bargaining process. The NSAPB therefore recommends that teacher's salaries not be frozen, but have a cost of living increase applied as is typical.

NSAPB Actions

- Target educational inclusion strategies for Mi'kmaq and African Nova Scotian students, as well as students with disabilities: \$10 million
- Commit to the establishment of a Treaty Education Office: \$1.4 million
- Re-instate funding for the Afrocentric Learning Institute: \$400,000
- Support student outcomes and healthy learning environments by reducing class sizes across disciplines: \$3.53 million + \$45 million
- Invest in fulfilling the mandate of the Minister's Action Plan for Education: \$2 million
- Teachers' salaries will not be frozen, but will have a cost of living increase applied with salaries adjusted for inflation.

Notes

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3 Jerry West, “Africentric Learning Institute shut out of education funding” (Halifax: CBC News, 19 December 2014) <http://www.cbc.ca/news/canada/nova-scotia/africentric-learning-institute-shut-out-of-education-funding-1.2879547>

4 Lori Francis, Natasha Scott and E. Kevin Kelloway, *Stress and Strain in the Nova Scotia Teachers’ Union Membership: Teachers’ Report*, CN Centre for Occupational Health and Safety, Saint Mary’s University, Halifax, 2010.

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Post-Secondary Education: Building Capacity to Work Together

Background

The positive impacts of post-secondary education on our society are clearly documented. The median income for a Nova Scotian with a high school diploma is \$19,050. This figure jumps to \$32,004 for Nova Scotians with post-secondary education below a Bachelor’s degree and to \$47,351 for people with a Bachelor’s degree or higher form of post-secondary education.¹

According to data from the Organisation for Economic Co-operation and Development (OECD),² a woman in Canada with a college or university degree will earn \$261,335 more over her lifetime than a woman with a high school diploma. A man with college or university degrees will earn an additional \$293,058 over his lifetime than a man with a high school diploma.³

The public benefits of an educated population are also substantial. For a woman with a post-secondary education, the net public return on investment in Canada is \$58,498 and for a man, \$71,201. Benefits of an educated population include increased contribution to the income tax system (\$91,254 for men; \$67,254 for women); social benefits (\$4,772 for men; \$19,517 for women); and a higher rate of employment (\$6,602 for men; \$3,293 for women).⁴

Given these benefits, the Alternative Provincial Budget makes substantial investments in college and university education. By funding the upfront costs of post-secondary education, the province can expect to reap the long-term benefits of a healthier tax base and a reduced reliance on public services which come with a more educated population. These benefits will cre-

ate a more sustainable funding model for education by fairly distributing the cost through the income tax system.

Current Issues

University Fees

Tuition fees in Nova Scotia are the third highest in Canada, at \$6440 for the 2014–15 year, compared to a national average of \$5959.⁵ A report released in 2014 by the Canadian Centre for Policy Alternatives predicts that tuition fees in Nova Scotia will continue to hold this spot until at least 2018.⁶ That analysis was made before the provincial government announced that tuition fees will be deregulated for an unspecified period of time which is likely to make matters worse than previously predicted.

Tuition fees negatively impact who attends a post-secondary institution. Polling done by the Nova Scotia Post-Secondary Education Coalition in 2013 found that 1 in 3 Nova Scotians either would not, or knew someone who would not apply to attend a post-secondary institution because it would mean incurring too much debt.⁷ Tuition fees also negatively impact a student's ability to focus on pursuing their degree. Recent research shows that the financial pressure of pursuing a post-secondary education puts more stress on students than academic success in the degree itself.⁸ This has a direct impact on the ability of students to complete their degree.

Rising tuition fees are also responsible for skyrocketing student debt levels in our province. As of 2010, Nova Scotia students graduated on average with \$30,400 in debt after a four year degree. This debt is the second highest average debt load when compared to other provinces and \$8,000 higher than the Canadian average.⁹ Studies have shown that rising student debt levels deter graduates from taking on further debt upon completion of their degree. This prevents graduates from building roots in their community through buying a house, starting a family, or starting a business.¹⁰

Student Assistance

Students are best served by student assistance programs that provide adequate levels of financial support to students who need it when they need it most, are easy for students and their families to access and understand, and combat the long term impacts of rising student debt levels in Nova Scotia. The Nova Scotia Student Grants program, introduced in 2008, exemplifies such a program. The program provides 40% of a student's provincial student loan as a non-repayable grant. The student receives the assistance on

a yearly basis, at the beginning of their term, with the amount being pegged to their need assessment from their student loan calculation.

The best way to strengthen student assistance in Nova Scotia would be to increase the grants program to cover the entire amount of the provincial student loan, thereby eliminating provincial student loan debt.

Students are currently provided some debt relief through the Loan Forgiveness program, a trimmed down version of the Student Debt Cap program. However, the program does not cover students studying outside Nova Scotia, students beyond their first four years of study, and provides no coverage if the student does not complete their degree. Considering that the students most likely to take longer than four years to complete their degree, or not complete at all, are low-income students, the Loan Forgiveness program fails to provide support to those students who need it most.

The government of Nova Scotia should eliminate the Loan Forgiveness program, and use this funding to offset the cost of a 100% grants based student assistance program in Nova Scotia.

University Funding

Over the past four years, Nova Scotia's universities have been forced to adjust to real annual cuts from the provincial operating grant. These cuts have had a direct impact on the quality of education provided in Nova Scotia, and have undermined the ability of institutions to maintain and develop the academic and support services students depend on.

As this document has already highlighted, Nova Scotia is in a relatively strong position with respect to its debt, and can afford to increase funding to core services while continuing to reduce its debt burden. Nova Scotia should take advantage of its current financial situation to invest in the programs that will guarantee future prosperity.

While justifications for funding cuts are hard to find, the impacts of these cuts are extremely clear. Students face cuts that have resulted in slashed library procurement budgets, fewer academic supports, and increased class sizes.

Cuts to the operating grant also fail to recognize the economic and social benefits provided by the post-secondary education sector in Nova Scotia. Residents who attain at least some post-secondary education are more likely to be civically engaged, will be more aware of sustainable practices, are less likely to be dependent on the public healthcare system, and more efficient at finding work in the labour force.¹¹

Speaking in purely financial terms, the province earns its investment in post-secondary education back. In a report released by the Canadian Centre

for Policy Alternatives in 2013, it was observed that Nova Scotia's income tax gain from a post-secondary degree holder offset public costs in 12.6 years.¹² Considering that populations with a concentration of postsecondary degree holders receive a wage boost across the work force, this benefit would increase even further. Progressive income taxes are a much better and equitable model for funding post-secondary education than increasing fees.

Nova Scotia Community College Fees and Funding

The Nova Scotia Community College is a key component of education and training in the province. Not only does NSCC provide young people access to skills and training for the workplace, but it also is a key component of skills re-training for workers who are unemployed and seeking to change careers.

The NSCC's 13 campuses across the province also make it a key component of economic and rural development. In 2012–13, the NSCC contributed \$1.4 billion to the provincial economy, including paying its 1,595 full-time equivalent (FTE) employees in 2012–13 \$141.3 million in wages.¹³ These jobs are often full-time, permanent positions, providing important good jobs in communities across the province.

All told, for every one dollar spent providing a student with a college education, there is a public return of \$7.20 over the life of that students.¹⁴

For students in rural communities, the NSCC makes post-secondary education more affordable and accessible. Articulation agreements between the NSCC and some Nova Scotia universities allow students to stay in their home community for a two year program before going to complete a longer degree at a university. The significantly lower tuition fees at the NSCC and the savings associated with living at home make this option more accessible to low income rural families.

While less expensive than university, college tuition fees have not benefited from past tuition fee freezes and rebate programs. Tuition fees at the NSCC increased by three per cent in 2015–16, to \$3,130 for a standard program and \$4,790¹⁵ for an advanced diploma (compared to \$1,452 for most programs at the College of the North Atlantic in Newfoundland).

In recognition of the importance of the NSCC, Nova Scotia must invest in the college system and its students both by maintaining core funding and reducing tuition fees. Reducing tuition fees by 50 per cent would be a good first step to ensuring that Nova Scotia seeking skills and training are able to access it.

Medical Services Insurance for International Students

International students are an integral part of college and university campuses in Nova Scotia. In 2013, international student enrolment grew by 10 per cent from the year before. Since 2003, international student enrolment has increased over 240%. International students make our institutions more diverse and make valuable contributions to the academic community. They play a significant role in the provincial economy through paying tuition fees, spending on basic living expenses, and consumer spending; an investment of approximately \$231 million per year.¹⁶

Despite these significant contributions, international students are faced with various challenges when it comes to accessing to post-secondary education, including a lack of access to public health care upon arrival in Nova Scotia. At this time, international students are eligible for Medical Services Insurance (MSI) coverage once they have studied in Nova Scotia for 13 months, without spending 31 consecutive days outside the province. In the meantime, they are forced to invest in private health coverage through their institution or students' union. This policy can prove to be expensive for students who are already struggling to pay international student fees, and can prevent students from visiting their families for fear of losing health coverage.

The cost of administering health coverage to international students upon arrival is less than \$500,000 a year, a small price to pay for supporting such an important and growing population. In order for international students to continue to live and invest in Nova Scotia after they've completed their studies, Nova Scotia must provide a supportive, welcoming environment.

NSAPB Actions

- Reduce university tuition fees to 2011 levels: **\$34.5 million**
- Reduce NSCC fees by 50 per cent: **\$15 million**
- Convert student loans to grants: **\$10 million**
- Restore university funding to 2011 levels: **\$30 million**
- Provide MSI to international students upon their arrival in Nova Scotia: **\$500,000**

Total Investment: \$90 million

Notes

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Literacy and Lifelong Learning

Background

Learning is a lifelong process that occurs in school, in the home, at work and within the community. Literacy — the ability to access and understand information — is widely regarded as the foundation for further learning. Literacy affects an individual's employment opportunities, income, health, and capacity to participate in society, issues that are clearly significant to quality of life; its absence is both a cause and a result of disadvantage and vulnerability. Literacy also affects communities and the broader society; it is far less expensive to provide education and health care to a literate population.¹

Today's society requires an increased level of literacy to successfully function and navigate through daily life. There is an increasingly heavy reliance on technology in every aspect of modern life. Recent statistics² show that about half of Nova Scotians do not have adequate literacy skills. Nova Scotia has a higher proportion of its population at the lowest proficiency levels in numeracy and problem-solving skills in technology-rich environments when compared to other OECD countries.

Many factors affect our literacy rates and the delivery of services. Older populations typically have lower literacy skills and Nova Scotia's population is aging. While most Nova Scotians have English as a mother tongue, there are pockets where English is not the first language. This is especially the case in urban areas with higher immigrant populations, Acadian regions of the province, and among First Nations people. The African Nova Scotian and First Nation populations have grown more quickly and are younger than the population as a whole. Both groups have lower levels of education, lower labour force participation rates, and lower incomes than the population as a whole³. Educational attainment and labour force participation are connected to literacy.

Adult learning encompasses a wide spectrum of programs to address adults' learning needs and interests. Learning initiatives include opportunities for adults whose literacy skills may be limited, who may have gaps in their employability skills, who may lack technical skills for specific technical jobs, or who have limited credentials despite possessing considerable skills. Nova Scotia offers many excellent adult learning programs, but it is not sufficient that learning opportunities are available; they must be promoted, accessible, and affordable. In addition, the adult learning opportunities should be extended and improved.

Current Issues

Fostering a Culture of Learning

To successfully develop our economy, government departments need to work together to foster a culture of learning. Nova Scotia must raise awareness of the benefits of improved literacy and essential skills⁴ by developing a wide range of strategies for honouring and celebrating adult learning. One mechanism is the annual Adult Learners' Week. This must be fully endorsed. In addition, government officials and staff need to take the lead by participating in and actively promoting learning.

Nova Scotia's programs around literacy and essential skills need to be strengthened. For example, in 2010, the provincial legislature passed *An Act Respecting the Nova Scotia School for Adult Learning and Other Designated Components of Adult Learning in Nova Scotia*⁵. The Act is an excellent starting point, but funding must be allocated. A broader policy on lifelong learning is needed to develop and implement core standards for all learning programs.

Improving promotion of existing programs

The government's excellent programs around labour market training and adult learning include the School for Adult Learning, the Workplace Education Initiatives, Apprenticeship Training and Skills, Skills on Line, Record of Achievement, and the Recognition of Prior Learning.

Most Nova Scotians are unaware of these programs. Government departments need to work together to maximize the programs' reach. Employers need to promote them in the worksite. Community leaders need to understand how to use these programs as community development strategies. These programs could be much more effective with increased funding, clearer targets, better integration, and greater visibility. The Record of Achievement model needs to be completed with a comprehensive campaign to ensure business understanding and buy-in.

Increasing the diversity of program offerings

The province provides literacy and essential skills training as part of its adult learning program. This training often leads to an academic credential, as well as skills development in a workplace context. A very small percentage of those who could benefit take the Nova Scotia School for Adult Learning programs. Many initially engage with adult learning through the

evolving “literacies” e.g. family literacy, health literacy, seniors’ literacy, or in the workplace, addressing their specific “life context” learning needs.

Program offerings should be diverse to meet the needs of adults across their lifespans. Challenges include very low literacy levels among some adults, progress maintenance (i.e. learners whose literacy levels do not progress at a rapid rate), and learners whose skill levels are out of step with the labour market. These programs need adequate funding, and must be coordinated to provide instruction year-round, rather than the typical Fall to Spring offerings.

Eliminating barriers to participation

Nova Scotia needs to invest in adult learning by providing people with sufficient resources to take advantage of learning opportunities. While support is available to improve skills, the public seems largely unaware of even well established assistance programs. Working with community groups, agencies and support groups that encounter adults with low literacy levels is an important element of a larger social awareness campaign.⁶

The key ways to eliminate barriers to learning opportunities and to ensure relevance and value to the learner revolve around the following issues:

- Transportation.
- Childcare.
- High speed internet access.
- Library access.
- Realistic employment outcomes.

Credentials must indicate a level of skill or expertise and not be used as a barrier to further learning. More workforce development programs are needed for lower skilled individuals without a grade 12 or GED. Nova Scotians need opportunities to improve their skills and achieve an industry-recognized credential to make a livable wage. We must shorten the pathways to industry-recognized credentials, and allow sufficient time to complete those pathways.

NSAPB Actions

- Invest \$3 million to foster a learning culture in Nova Scotia— provide funds for Adult Learners’ Week and put into practice the NS-

SAL regulations. Encourage provincial departments (e.g., LAE, Community Services, Justice, Tourism) to jointly promote adult learning.

- Allocate \$7 million to promote and fund existing programs.
- Invest \$4 million to offer diverse programs to meet learning needs, including “career ladder” modelled programs⁷.
- Eliminate barriers to adult learning — invest \$6 million to ensure that learners have a living wage with a learning bonus to reduce financial barriers and to create incentives to attend programs.

Notes

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Connect and Care For Our Neighbours

Justice

Background

It has been said that crime is a reflection of inequality in a society,¹ and increasingly, the Department of Justice is dealing with the fallout of a crumbling social contract; widespread economic and political alienation, mental health and addictions, advanced communication technology, and increasing individualism are all putting pressures on the very values and philosophies that our system of law and order upholds. Although crime rates in Nova Scotia are continuing to follow a downward trend, crime remains a costly and complex social problem for the province. Crime is correlated with a variety of individual, social and cultural factors such as age, race, geography, and socio-economic status.

Between 2013 and 2014 the crime rate for the province dropped by 3.4%, and the Crime Severity Index decreased by 5.5%.² However, violent and drug-related crime was up in 2014, compared to 2013, particularly in the Halifax Regional Municipality. While crime rates are down in Nova Scotia, the incarceration rate increased by 7%; on average 68 of every 100,000 people in Nova Scotia were in custody from 2013–14, compared to 63 out of 100,000 in 2012–13.³

There is a vast body of empirical evidence to support the notion that increased social services to individuals at-risk of becoming (or already) in-

involved in the criminal justice system can provide protective and preventative supports. Areas like education, housing, mental health intervention, addiction services and recreation are recognized by front-line non-profit service providers, academics and even law enforcement agents as being critical to reducing recidivism and criminal justice involvement. Other sections of the Alternative Budget prioritize investments in these programs.

Current Issues

Systemic Racial Inequality

The representation of African Nova Scotians in the prison system is substantially higher than in the general population. Where only about 5% of HRM's population is African Nova Scotian, in 2011–12, 18% of those sentenced to the Central Nova Correctional Facility in HRM, and 18% of those on remand were African Nova Scotian.⁴ Aboriginals are also over-represented in the prison system, in 2013–14, 11% of those incarcerated in Nova Scotia were Aboriginal.⁵ The reason for this over-representation is multi-faceted, but speaks to the persistent systemic inequalities that exist within Nova Scotia. The APB recommends a systematic study on the over-representation of the African Nova Scotian and Aboriginal populations in the criminal justice system.

Repeat Offenders

One population where investments in social supports can have significant impact is with those who are repeat offenders and stuck in the “revolving door” of the Criminal Justice system. An analysis of repeat offenders found in the HRM Roundtable Review indicates that in Halifax, 20% of all those accused of crime were repeat offenders, and accounted for 62% of all charges laid between 2006 and 2012. Further, 23% of those who were repeatedly accused were African Nova Scotian.⁶

Many of those who get caught in this revolving door do not have the proper supports on the outside to assist them in reintegration into their community. Poverty, addictions, release conditions and lack of employment and housing opportunities make staying out of the Criminal Justice System next to impossible for even those who wish to make a change in their lives. The APB recommends investments in employment, education and housing programs to support those exiting the prison system who are ready to make changes in their lives and reintegrate into their communities.

Drug Treatment Court

Traditional approaches to justice have proven to be particularly ineffective for dealing with chronic offenders who are suffering from addictions and mental health issues or who are turning to crime for economic survival. The province is commended for opening alternative courts, such as the Mental Health Court in Halifax, and the Domestic Violence Court in Sydney. These court systems are modeled to promote health and healing and are recognized as being successful alternative approaches to the traditional court system for individuals who have complex issues. The APB expands the alternative court system and works toward adding a Drug Treatment Court. Drug treatment courts can work to alleviate the demand side of the drug trade, while enforcement continues to deal with the supply side of the trade.

Restorative Justice

Restorative justice is another alternative to a traditional justice approach. Historically, restorative justice has been used for youth offenders; it takes minor and first-time offences out of the court system, and brings together offenders, victims, community representatives and police officers to talk about the offence and mutually decide on an appropriate way to resolve the outstanding dispute. A similar alternative measure for adults is Adult Diversion, which can be used for first-time adult offenders in crimes that do not involve victims. Much of the crime that restorative justice can effectively deal with is what emerges from the depths of poverty and addictions, and is committed by first-time adult offenders — cases where the label of criminal would make it more difficult for an already marginalized and struggling individual to eke out a living.

The foundation for a successful and widespread restorative justice system is strong in Nova Scotia. With appropriate funding Nova Scotia could be a world leader in restorative justice. The APB expands the Restorative Justice Program for adult offenders in HRM, and will continue to expand it across the province. Currently, the Adult Restorative Justice Program operates in areas outside Halifax. Further, a new collaborative pilot program involving Dalhousie University, the Province of Nova Scotia, and the Halifax Police Department is instituting systems of harm-reduction and restorative practice to deal with incidents involving Dalhousie University students and alcohol, as well as for dealing with minor criminal cases like mischief and petty theft. The investment in the expansion of the current restorative justice program would be an investment in non-profits that currently run community justice programs in their communities. It is critical that standards be

developed to guide this expansion and for these programs to undergo rigorous, comprehensive and systematic ongoing evaluation.

NSAPB Actions

- Allocates resources to undertake a systematic study on the over-representation of the African Nova Scotian population in the criminal justice system.
- Invests **\$1.5 million** in the creation of a Drug Treatment Court in Halifax
- Invests **\$2.5 million** in alternative justice programs, to be allocated based on evidence-based best practices for crime prevention initiatives, and to be governed by quality standards. This will contribute to the expansion of Restorative Justice Program for adult offenders in HRM and across the province.
- Invests an additional **\$2 million** into community and prison-based offender reintegration initiatives and in particular those serving populations that are over-represented in the criminal justice system—African Nova Scotians and First Nations. Initiatives addressing employment, education and housing are critical as part of prevention and lowering recidivism.

Investments in other sections of the APB for affordable housing, poverty reduction and life-long learning and child care, elsewhere in the budget also have implications for crime prevention.

Total Investment: \$6.5 million

Notes

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Housing and Homelessness

Background

Too many Nova Scotians are without homes of any kind. In 2012 in Halifax, 1,860 individuals stayed in a shelter because they were absolutely homeless.¹ For the 12-months spanning July 2014–June 2015 that number of unique individuals had fallen to 1308.² In Nova Scotia, many people are living in homes that they cannot afford, or their homes are not safe or adequate or properly maintained.³ And, many of the individuals and families who *are* housed spend an increasing proportion of their income on rent (including heat), leaving little for food. New data from the Halifax Census Metropolitan Area shows that 25.4% of all households spend 30% or more of household income on housing and 11.8% or one in eight spend 50% or more on housing costs.⁴

The challenges are different depending on whether you live in Halifax or larger towns versus rural communities. There are more homeowners in rural Nova Scotia and many struggle to maintain their homes.⁵ Homelessness is often less visible in these areas.⁶ The lack of affordable housing options is exacerbated by the need for affordable transportation. But urban or rural, several forces affect housing affordability; policy decisions on income support or housing, contribute to housing insecurity, and increased stress, morbidity, mortality, social exclusion, illness, and disease.⁷

Current Issues

A Housing Strategy for Nova Scotia

The May 2013 *Housing Strategy for Nova Scotia*⁸ sets out, in general terms, how the province will address the shortage of affordable housing. It has no target dates, financial commitments or measurable outcomes. Instead the strategy – which the new government has accepted as a framework – prom-

ises to support home ownership and the creation of mixed communities through alliances with private developers and non-profit organizations. The expectation is that, with government help, the private sector will create housing priced just below market rent. It is unrealistic to believe that the private sector's developments will ever be affordable for people on social assistance or for working people on low incomes. The significant gap that exists between what people earn or receive and the market rates for housing are not discussed at all in the housing strategy.

The strategy champions mixed housing, where homeowners and tenants, rich and poor, abled and disabled would be a part of vibrant and diverse neighbourhoods. It is difficult to imagine this vibrancy developing when there are people who are disadvantaged, on low or fixed incomes, before they even walk into their homes.

One element of the strategy has been realized — a new structure for the Nova Scotia Housing Development Corporation, renamed Housing Nova Scotia. There is an Advisory Committee but there is now published information on how decisions are made or how community representatives are chosen.

The strategy has a commitment to spend \$500 million over 10 years for a variety of programs, not all directly related to social housing. The understanding is that this amount includes support for home ownership and community development opportunities.

With a new federal government there is at least a possibility that new monies will be invested into maintaining and building new social housing. In 2012, 1,268 families were on waiting lists for affordable public housing in HRM;⁹ that does not include the people waiting in rural parts of the province or in Cape Breton. There is increasing need for affordable public housing.

Housing First

A core belief of Housing First is that people do not need to prove that they 'deserve' housing. Housing is a right.¹⁰ The main features of the Housing First approach are that housing is provided immediately — directly from the street or shelter — and client choice in where to live is essential. Homes are the cure for their homelessness, not treatment or services or proven 'readiness' to be housed.¹¹

There is a great deal of talk about Housing First in the province. In part, this is due to the federal government's directive regarding the way communities must spend homelessness dollars in the current five year funding stream (March 2014–March 2019).¹² Under this funding envelope, a new program is being launched in Halifax. A team of intensive case managers has

been hired under the leadership of Mobile Outreach Street Health (MOSH) which is itself a project of the North End Community Health Centre. This new team will be implementing Housing First for 50–60 individuals in Halifax who are experiencing chronic or episodic homelessness as defined under the federal government’s directive. Additionally, a provincially-supported program that works is continuing to move people out of the shelter system and into secure housing.

The Department of Community Services supports seven organizations in Halifax to engage a Housing Support Worker to assist individuals and families secure and maintain housing.¹³ As results exceeded expectations in the first year, the pilot was promised regular funding. The most recent report from that initiative says “In total, since 2011, the aggregate number [of persons moved out of the shelter system or insecure housing into secure housing] has been 1,811 with relatively few returning to shelter, the street or unsafe living situations. To our knowledge, this initiative has been the single most effective intervention to end homelessness in Halifax in the last decade.”¹⁴ This initiative is not being supported in other parts of the province.

Two years ago, a new partnership announced that it had come together to work to end homelessness in HRM by 2019. Its focus is on affordable housing and homelessness, and when it was unveiled, the partners committed to doing things differently, boldly, “to collectively set priorities and change the landscape for people who are homeless, at risk of homelessness or living in housing they really can’t afford”.¹⁵ Participants are Halifax Regional Municipality, Affordable Housing Association of Nova Scotia (AHANS), Housing Nova Scotia, Investment Property Owners Association of Nova Scotia (IPOANS), Canada Mortgage and Housing Corporation (CMHC) IWK Health Centre, Capital District Health Authority (CDHA) and United Way Halifax. Various committees and task teams that involve many other groups, government departments and individuals, are working to address specific barriers. The Halifax Housing Needs Assessment and launch of the MOSH Housing First project are products of the partnership’s work as well as significant discussions underway by task teams struck to examine specific issues.

Rental Price Controls and Subsidies

The most universal challenge to finding affordable housing is the gap between people’s income and market rates for housing. Nova Scotia has been without rent controls since eliminated in 1993, when the province had vacancy rates as high as 12%.¹⁶ As a result, landlords can increase the rent simply by providing at least 4 months written notice to all tenants prior to the

end of any 12 month period.¹⁷ While this gives renters a degree of warning, it also leaves many renters vulnerable. Changes to the Residential Tenancies Act in 2012 did include the introduction of the Annual Allowable Rent Increase Amount (AARIA) which restricts the percentage increase that can be applied to rent in land-lease communities (i.e. mobile home communities).¹⁸

Successful rent control systems exist in many jurisdictions, including Manitoba and Ontario, where rent controls have not impeded the development of new rental units; in 2012, Manitoba and Ontario experienced 19% and 13.1% increases in the number of dwelling starts, respectively, over 2011.¹⁹ Vacancy rates in Manitoba, Ontario and Nova Scotia increased in 2012 over 2011, although Manitoba, with a more restrictive approach to rent increases, did maintain a lower vacancy rate (1.6% in 2012)²⁰ than either Ontario (2.5%)²¹ or Nova Scotia (3.4%).²²

Based on the available data, rent controls should limit rate increases to 2%, no more than once over a 12 month span. As with both other provinces, Nova Scotia would have exceptions to this limit. These exceptions would include a removal of the rate increase limit on units already above \$1150/month (Manitoba applies this exception to units over \$1130, but has average rental rates roughly 3% below the average rates in Nova Scotia)²³, and the option for a landlord to apply for an exemption on approved, renovated units.

NSAPB Actions

- **Housing Support Worker Investment:** Secures the \$400,000 grant for the HRM Housing Support Workers and invests an additional \$50,000 to that initiative and an additional \$800,000 to support hiring 13 new housing support workers outside of HRM and in existing housing-related non-profit organizations. These are to serve all areas of the province, including dedicated workers to support off-reserve Aboriginal people and to serve African Nova Scotians.
- **Second Stage Housing in Rural NS:** Invests \$300,000 into a fund to retrofit housing units with enhanced security measures to serve as second stage housing in rural Nova Scotia.
- **Non-profit Housing Providers Additional Funding:** additional funding of \$1.8 million to non-profit organizations operating second and third stage housing, for additional staff for appropriate programming and support as required by residents.

- **Build Affordable, non-profit housing:** Only \$30 million of the promised \$500 million over 10 years for the Housing Strategy has been allocated thus far; The NSAPB earmarks this \$30 million and an additional \$30 million this year and for 10 years to build non-profit affordable housing units. It will ensure housing and supports meet the specific needs of women at risk as well as targeted supports to other at-risk groups including youth, families, African Nova Scotians, and Aboriginal, as well as people with disabilities.
- **Housing NS Board of Directors:** The NSAPB ensures that Housing NS Board of Directors has representation from non-profit housing providers, collaborative governance and a clear mandate for affordable housing for those least able to afford it.
- **Increases funding by \$3 million to other existing housing programs:** this funding is to be allotted among the various programs including Home Ownership and Repair, and Public Housing Subsidies.
- **Invests \$1.2 million for Co-op Housing:** this investment is targeted to fund co-operative housing for artists and students.
- **Invests \$2 million for rent supplements targeted to non-profit providers.**
- **Reinstates rent control** (See textbox) on rental increases and provides funding (**\$860,000**) for additional enforcement officers to ensure that the legislation is enforced, as well as health and safety standards and accessibility standards for housing. These officers need to be distributed to ensure coverage in each county.
- **Supporting Housing First Teams:** Additional funding is required to enable Housing First teams to be enacted including in mental health and addictions, as is done in the health care section.
- **Advocates for a pan-Canadian housing strategy:** Continue to pressure the federal government to establish and fund a pan-Canadian housing strategy and to prioritize immediate and substantial investment to address the housing crisis for First Nations communities on and off reserve across this country.

Total Investment in Housing: \$40.1 million

Notes

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Active, Accessible and Sustainable Transportation

Background

Expenditures on transportation in Nova Scotia are mostly road-related. In 2002, the direct and indirect or invisible costs of car-dependent transportation in Nova Scotia were “more than \$6.4 billion annually”, more for transportation than for food or housing.¹

Indirect costs of cars include the time we spend buying, selling, and servicing them, insuring them and dealing with insurance claims; the cost of land for roads and parking; the costs of building and repairing roads, of policing them, and of keeping them clear of ice and snow.

In Nova Scotia, almost 100 persons die annually due to motor vehicle collisions.² Car ownership is unequal across income groups and between generations, and about 30% of us don't drive.³ Finding a job is difficult without a car. Seniors, women, youth, and the disabled are the most likely to feel the inconvenience, even the danger, of being without a car.

Transportation accounts for 38% of our energy use⁴ and 26% of our greenhouse gases (GHG).⁵ The provincial government's 2013 sustainable transportation strategy avoided a serious response to the problem. Nor did it chal-

lenge plans for expanding costly road and related infrastructure, which reflect our transportation budget priorities. They lock us into unsustainable and inequitable transportation options for decades to come.⁶

Current Issues

Planning and Institutional Infrastructure

To address its transportation challenges, Nova Scotia needs two plans: a long-term multi-sectoral plan and a 10-year multi-modal transportation plan. The multi-sectoral plan should be grounded on our dispersed and highly valued settlement pattern, encouraging decentralization of economic activities and the re-development of villages, towns, and cities as more compact communities. The transportation plan should enable access to the centre of communities by foot or by bicycle; and for those living in more dispersed population areas, by fixed-route transit. Door-to-door accessible transportation should be available for those who need it. Nova Scotians should be able to travel between communities using a convenient and reliable inter-community public transit system, minimizing their dependence on private automobiles.

To prepare and implement these plans, Nova Scotia needs a provincial crown corporation, the Nova Scotia Transportation Corporation (NSTC) (to prepare and implement the transportation plan), a provincial transit corporation—Transit Nova Scotia (TNS), and a Halifax Urban Transportation Commission (HUTC). The NSTC should collaborate with municipalities, as well as the not-for-profit and for-profit sectors provide an overall umbrella for planning and budgeting for all forms of passenger and goods transportation, rail, road, sea, air, and active transportation.⁷ The NSTC should also set up TNS, help set up the HUTC, and establish a small team of professionals to support transportation planning in smaller communities.

Active Transportation

Active transportation, walking and biking, is the most sustainable form of transportation, provides health and community-building benefits, and requires only moderate public and private investment; the NSTC transportation plan should assign it highest priority. Recreational walking and biking trails receive attention; less so active everyday transportation because it competes with cars. The provincial small grants program, Connect 2, focuses on walking and biking paths; Nova Scotia Moves focuses on a wider range of projects to encourage active transportation for everyday use.) Pro-

grams coordinated by the NSTC should make active transportation for commuting and everyday needs a priority. In particular, NSTC should focus on improving the design and location of pedestrian crossings; creating protected bike lanes in large population centres; acquiring property and building bicycle and pedestrian short-cuts; and installing bike parking at inter-community and urban community transit terminals.

Public Transit

In Nova Scotia, public transit is not defined as an essential and universal service and no level of government is mandated to provide it. From 2003–06, the average per capita expenditure on public transit in Canada, excepting Nova Scotia, was \$19.87. In Nova Scotia in 2007, the average per capita expenditure was \$3.79.⁸ It is time that we developed well-coordinated and efficient public transit in Nova Scotia with per capita spending at least equal to the national average.

Inter-community Transit

Fixed route public transit between Nova Scotian communities is limited: maritime bus, a private company, provides service between Halifax and Amherst, through Truro to Cape Breton, and from Halifax to Wolfville. Kings County Transit provides service in the Annapolis Valley from Wolfville to Greenwood. Privately-owned shuttle services provide door-to-door service, often on the same schedules, along parts of the Greenwood to Yarmouth to Halifax route. Via Rail only runs from Halifax to Amherst and through to Montreal (via New Brunswick) three times a week. The possibility of daily service to and from Moncton and New Brunswick is presently being examined.

In 2013, the NSAPB proposed a similar crown corporation, Transit Nova Scotia (TNS). Based on the Saskatchewan experience, because of Nova Scotia's similar population but more compact size, TNS should be able to recover a higher proportion of its costs in fares.

Smaller Population Centres and Rural Areas

Most smaller Nova Scotian population centres have extensive thinly populated peripheries. People in these areas are more likely to be in motor vehicle accidents because they have to drive longer distances to work and for services.⁹ Reducing speed limits on highways, improving enforcement, and decentralizing services and employment to small population centres can reduce the number and length of trips in rural areas, and also reduce GHG emissions.

Smaller communities can access grants to cover one third of the costs of phone-ahead door-to-door transportation through the Community Transportation Assistance Program (CTAP). However, whether a community applies for a grant or is able to maintain a service is highly dependent on whether it has volunteers with time to find funding, administer, and even operate it. Communities also have access to one-time research, planning, pilot project, and evaluation grants.

With a view to developing an equitable Universal Access Program for all smaller communities and their rural areas, the NSTC should study the outcomes and impacts of grant programs, particularly the many grants which have not led to action, and move from grant-dependent programs to predictable, criteria-based and systematic funding to ensure transit and accessible transportation appropriate to their needs.

Larger Population Centres

Besides Kings County Transit, there are two other larger population centres that have fixed route transit systems in Nova Scotia. Transit Cape Breton serves Industrial Cape Breton and Halifax Transit (formerly Metro Transit) serves the more densely populated area of the Halifax Regional Municipality. Liverpool/Queens, Truro/Colchester, Amherst, Bridgewater, New Glasgow and Pictou are all urban centres with no fixed route transit. Yarmouth may launch a service by the end of 2015. Metro Transit runs cross-harbour ferries. Transit Cape Breton is considering a ferry across Sydney Harbour. Only Halifax transit provides service every day of the week and on public holidays. All three systems are currently cutting back coverage, service frequency, or service hours, increasing pressure on their populations to travel by car.

The NSTC should look for solutions to transit challenges in large population centres that: emphasize multi-modal coordination, discourage reduction in coverage, and improve frequency and convenience, bringing back previous users and attracting new ones with a sustained social marketing campaign. It should assist in establishing a Halifax Urban Transportation Commission (HUTC) and it should collaborate with the HUTC to study how reserved bus lanes on roads with four or more lanes and bus-only transit ways where land permits can offer a response to the Halifax transit challenge.

Accessible Transportation

Accessible transportation for the physically and cognitively disabled in Nova Scotia differs in availability and convenience between communities.

Where there are fixed-route urban transit systems, most of the buses are now low floor vehicles. Cape Breton and Metro Transit also provide door-to-door access-a-bus services. Smaller communities with CTAP grants to run book-ahead door-to-door transportation services can also apply for accessible transportation assistance program grants to help buy or convert vehicles. For communities without CTAP grants, taxis can apply for these grants. The dependence on a grant application process and raising matching funds means accessible transportation is not universally available for those who need it across all Nova Scotian communities.

Cars, Roads, and Highways

The NSTC will help plan and implement major infusions of funds for public transit and accessible transportation, redirected from building new roads or widening existing ones. Measures to discourage car ownership and reduce greenhouse gas emissions could include: increased vehicle registration fees for personal use vehicles, particularly those oversize for their function; emissions testing and control, ensuring that advertised levels of emissions are true levels of emissions. The NSAPB's proposed carbon price program will also serve to reduce car use where there are transit options.

NSAPB Actions

- Invest **\$4 million** to develop a nova scotia transportation corporation (NSTC) responsible for: creating a 10-year provincial multi-modal sustainable transportation plan; participating in development of a provincial multi sectoral plan; marketing transit; professional training; (education to encourage a shift to public transit; professional) and support for appropriate transportation planning in small population centres.
- Invest **\$10 million** for active transportation – walking and biking for everyday transportation needs. This could be used, for example, for helping pedestrianize community cores, widen sidewalks, acquire right-of-ways and land for foot and bike paths, and build protected bike lanes. (and provide bicycle parking adjacent to pedestrianized community cores and at inter-community transit terminals.)
- Invest **\$18 million** for the creation of Transit Nova Scotia,, including purchase of existing assets from current providers, an initial oper-

ating subsidy, and immediately provide a public bus route to fill the service gap around the southern half of Nova Scotia.

- Invest **\$10 million** to move from grant-dependent programs for smaller population centres to predictable, criteria-based and systematic accessible transit and transportation (funding for fixed-route accessible transit where potential ridership can support a defined proportion of the cost, this proportion based on both population and geographic coverage.)
- For larger population centres, invest **\$10 million** in transit, including support for creating a Halifax urban transportation commission (HUTC), continued replacement of older buses with ALF buses, increasing geographic coverage, and needs analysis to determine service improvements to encourage a shift from cars to transit.
- Invest **\$6 million** for door-to-door accessible transportation, with the objective of making this service universal (available) throughout Nova Scotia for those with physical and cognitive handicaps that preclude their use of fixed-route accessible public transit where it is available.
- Reduce spending on new roads and highways to support sustainable and equitable transit and transportation. Cancelling the Bayer's Road widening could, for example, save at least \$16 million.

Total Investment: \$58 million

Notes

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Public Health Care

Background

Nova Scotians deserve a robust and reliable public health care system, and we have plenty of tools at our disposal to ensure that all citizens of our province can live well. If we invest in preventative care and use social and economic policy to address poverty and social exclusion, we can lift a significant portion of the financial burden imposed by high rates of chronic illness. Combining progressive social and economic policies with a move towards interdisciplinary community-based care provision will free up resources, allowing for a higher standard of care across the board.

Although some commentators are happy to stoke fears about skyrocketing health care costs, the alarm is largely unwarranted. In 2015–16, Nova Scotia increased its health budget by 0.8%, the smallest increase in a decade. The increase, which is below the rate of inflation, technically amounts to a freeze in spending. Contrary to popular belief, health spending has slowed in recent years. Total national health expenditure, for both public and private spending, hit a record high of 11.6% of GDP in 2011. Since then, spending has declined by an average 0.6% per year, down to 10.9% of GDP in 2015.

If we want to get more value for money from our health care system, we can start by looking at the largest drivers of health costs: prescription drugs and physician spending. Between 1998 and 2012 provincial drug spending grew at an annual rate of 9.2%.¹ The province should push for a national pharmacare program, which would provide drug coverage to all Canadians and save \$7.3 billion per year.² In the meantime, Nova Scotia should collaborate with the Atlantic Provinces to offer more generic drugs. National physician spending grew at an annual rate of 6.8% from 1998 to 2008, dropping slightly to 4.9% and 4.5% in 2013 and 2014. Moving away from the fee-for-service model, which incentivizes doctors to see healthier patients and to

see them as fast as possible, would diminish costs and allow for funds to be reallocated to priority areas.³

While health care has taken a greater *percentage* of provincial budget spending in recent years, this comes as the result of dwindling revenues (from reduced federal transfers and cutting taxes for corporations and the wealthy), and sharp spikes in the costs of private health services. A truly cost-effective health care system would see a greater public share of health services, with increased upstream funding to prevent illness in the first place.

The provincial government has argued that it needs to reign in rising health care costs in order to reduce the deficit, especially before the looming ‘grey tsunami’ of a fast-aging population and its associated health costs. While aging is expected to increase health care costs in Nova Scotia by 35.9% over the next 20 years, this equates to a 1.55% increase in annual costs from now until 2036.⁴ Since health care comprises 41% of the provincial budget, Nova Scotia will only need to increase revenues by 0.69% annually to accommodate the rising costs. Even a conservative estimate of 2% annual growth in the economy will still leave extra funding to invest in other areas.

Current Issues

Expired Health Accord and Federal Cuts

Nova Scotia needs to join with other provinces and hold the new Federal government to its promise to negotiate a new Health Accord that includes strong stable funding based on need. In 2014/2015, the Federal Conservative government refused to negotiate a new accord, and changed the Canada Health Transfer (CHT) to be based on population alone, excluding income (or demographics or geography). Due to this, Nova Scotia received \$20.3 million less in 2014/2015⁵ and \$24.3 million less for 2015/2016, than under the previous formula.⁶

The CHT formula is set to change again in 2017. Moving from fixed annual increases of 6%, the rate of growth of the CHT will depend on Canada’s gross domestic product (GDP). Combined, these two changes mean that as a poorer province, with an older population and higher rates of chronic disease, Nova Scotia will lose \$902 million in funding from 2014–24.

Chronic Disease

Nova Scotia suffers disproportionately from chronic diseases, such as diabetes, cancer, heart disease, respiratory disease, arthritis, and mental illness. Chronic disease is the single largest cause for hospitalization and ac-

counts for 75% of all deaths in the province.⁷ This creates a lower quality of life, lower productivity, and results in higher health care costs. About 60% of our health care budget is consumed by chronic diseases, 40% of which are estimated to be preventable.⁸

The provincial government's approach has involved programs like Thrive! which focuses on nutrition and exercise. Yet the causes of chronic illness are due far more to socioeconomic conditions. In order of impact, the factors that determine people's health include: income, social status, education, social support networks, working conditions, early childhood development, and physical environment.⁹ Personal health practices rank seventh and among the least consequential factors.

If the government wants to lower rates of chronic disease (and costs to the health system), then it must redirect its efforts to alleviate poverty, reduce homelessness and inadequate housing, and increase access to education and stable employment. Unfortunately, Nova Scotia has underfunded social services, well below other provinces, every year since 1990.¹⁰

Continuing Care

Continuing care is in crisis, with over 2,100 patients waiting for nursing and residential homes, and over 800 patients waiting for home care province wide.¹¹ Facilities are also under funded and face chronic staffing shortages.¹²

The government has refused to open new long term care beds, focusing on home care instead. An exclusive focus on home care, however, offloads costs onto patients and places a higher burden on unpaid caregivers, most of whom are women.

To further cut costs, the government announced plans in December 2014 to put homecare out to tender through a competitive bidding process. Ontario did the same in the mid 1990's, where private for-profit companies won contracts by driving down wages and by allowing poor working conditions. This led to severe shortages of homecare workers and high turnover. Patients now receive fewer care hours and have little continuity in staff.¹³

In 2010, Ontario's Auditor General found home care "inequitable, insufficient, and ineffectively measured and managed".¹⁴ The 2016 alternative budget moves Nova Scotia away from repeating Ontario's costly mistakes and towards a more comprehensive public home care system.

NSAPB Actions

Invest \$26.7 million to improve Primary Care:

- Eliminate fee-for-service payments of physicians and move to Alternative Payment Plans, which encourages more comprehensive and preventive care, leading to cost savings.¹⁵
- Hire and integrate 100 nurse practitioners into hospitals, health centres and long-term care facilities. Nurse practitioners can provide 80–90% of services offered by family doctors, but for almost half the salary: \$12.3 million
- Increase funding for and enrollment in Nurse Practitioners training programs: \$5 million.
- Engage other Atlantic Provinces and the federal government to develop a plan for the creation of a midwifery training program in the region.
- \$1.6 million to hire 25 midwives.
- Create a provincial wait times strategy to optimize operating room use, correctly prioritize patients, and set performance targets: \$100,000
- Eliminate ambulance fees: \$7.65 million¹⁶
- Merge the four existing pharmacare plans into one plan and begin to harmonize the eligibility criteria and formularies: cost neutral

The NSAPB invests \$36.5 million in Continuing Care:

- Reverse decision to open home support and home nursing services to private for-profit bidders.¹⁷ Cost: neutral
- Create a major facility and housing support development fund to improve residential facilities and housing options. Facilities for chronically ill and persons with disabilities, are in desperate need of repairs: \$10 million (to be followed by \$15 million per year for next 3 years)
- Create a provincial staff development fund that includes recruitment, retention and training to cover negotiations, labour adjustments, and provide for increased staffing levels for long term care facilities and home care: \$15 million (and increase funding by \$10 million per year for 5 years)
- Make family and resident councils mandatory and invest in them, requiring and supporting them in each licensed nursing home: \$500,000.
- Double funding for palliative care strategy: \$1 million

- Create a provincial respite care program: \$10 million

Invests \$8.2 million in support for Mental Health and Addictions:

- Review funding support for mental health and addictions to determine the proportion of health spending that goes to mental health.
- Continue the provincial mental health and addictions strategy but double the initial funding: \$5.2 million.
- Double the funding for peer support development: \$1 million
- Change community grants program to a core funding support program for community agencies: \$2 million
- Establish a fund to support workplace mental health programs to help implement the National Standard for Psychological Health and Safety: \$1 million.

Invests \$40.5 million in Community Health Centres (CHCs):

- Provide core funding for CHCs currently established in Nova Scotia represented by the Nova Scotia Federation of Community Health Centres by investing \$ 500,000.00.
- Create a five year plan to establish 10 new community-governed-not-for-profit community health centres and dedicate \$40 million in one-time infrastructure and start-up funding.
- Commit Physician Alternative Funding Plan (AFPS) to site-specific three-way contracts with physicians, the ministry of health and community health centres.

Total Investment: \$114.9 million

Notes

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- 14 *ibid.*
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Immigration and Immigrant Retention

Background

Over the last few decades, Nova Scotia has turned to immigration as a possible solution to an aging population and a weak provincial economy. However, immigration in Nova Scotia is ambiguously configured. Immigration is regarded as vital to ensuring the province’s viability, yet retention remains

an issue, and a growing number of migrants are temporary. While measures exist to transition some of these to permanent residency, more must be done to facilitate this process. Part of this must stem from a re-envisioning of immigration and its place within the province. Indeed, if people are to come and if they to stay, the strategy can no longer be one-sided. The province will have to do more than merely ask for immigrants to come, to create jobs, and to save the economy. It will also mean that it will have to invest in them too.¹ At the same time, greater attention must be paid to those currently in the province. While Nova Scotia's *Labour Standards Code* offers some surveillance of TFW employers, requiring that they obtain an employer registration certificate prior to recruiting, hiring, or extending the employment of a foreign worker, additional steps must be taken to temper the exploitative contours of the Temporary Foreign Worker Program (TFWP). Herein lies the potential of provincially managed immigration schemes. Rather than simply a tool by which the province can ameliorate its own situation, the NSPNP has the potential to improve the living and working conditions faced by its most precarious residences. Here, we must also consider the potential impact of provincial policy on refugee claimants, and the extent to which the province can remedy the vulnerabilities faced by this small, but important, subsection of migrants. If we are to accept this challenge, the province must invest in immigration, not simply as an economic strategy, but as a strategy of social justice.

Current Issues

Investing in Immigration

Currently the Nova Scotia Office of Immigration (NSOI) finds itself stretched in terms its personnel and constrained in terms of the services it can offer. Consider that in 2015, the CEO of the Office of Immigration also shares the responsibilities in conjunction with her duties as Deputy Minister of Intergovernmental Affairs. The office of immigration is chronically short staffed and has little data on immigrants in the province. The province must invest in immigration and allocate greater resources for NSOI and to settlement services provided by non-profit organizations in the province as well as libraries, schools and other public services that assist with integration. More precisely, it should:

- **Increase the staff and resources of the Nova Scotia Office of Immigration:** The office should be funded at the same levels as com-

parably sized provinces, such as Manitoba or Saskatchewan, which have turned the tide on immigrant attraction and long-term settlement. If the province wishes to duplicate the success of, for example, Manitoba, approximately 61 full-time staff are required for the NSP-NP and adjoining relevant units: information services, integrity and quality assurance, immigration and employment unit, settlement and language training unit, policy unit, international qualifications recognitions unit, and employer and labour marketing service unit. Investing **\$3.7 million** in the staff and resources of the Nova Scotia Office of Immigration would set us on the path towards a more robust provincial service.

- **Settlement Services:** Settlement services go a long way in ensuring retention. Settlement Services should be available to all newcomers regardless of their status. This should include services for TFWs and international students, and in the case of the latter, their accompanying spouses. These services should be tailored to the unique needs of different newcomers, but they should emphasize English proficiency, social integration, and labour market readiness. Settlement services should be expanded within rural areas to ensure that newcomers — regardless of their status — have access to similar programs and supports across the province. An investment of **\$7.9 million** covers the expenses of settlement services.
- **Immigration Services:** Attention must also be paid to the needs of individuals currently residing on a temporary basis, but for whom permanent residency in Nova Scotia is a possibility, notably for International students. Information sessions and one-on-one counselling intended to assist temporary migrants navigate the NSPNP process should be offered, limiting reliance on profit oriented immigration consultants and lawyers. These services should be made available to potential migrants, their families in Nova Scotia, and potential employers — anyone who might be engaged in or aiding in the NSPNP application process or any other aspect of immigration. The NSAPB invests **\$200,000** to cover the costs for three full-time NSOI staff to assume a position of facilitation, taking the steps necessary to ensure that those eligible for permanent residency transition smoothly.
- **Education and Outreach:** The recent National Household Survey shows that about five percent of people in the province are immi-

grants and roughly five percent of the province is visible minority.² Immigrants to Nova Scotia, time and time again, remark on how difficult it is to break into social networks and labour markets. With this in mind, the province must embark upon a program of public outreach and education concerning the benefits of immigration. Such a program should be explicitly anti-racist. Finally, employers need to be better informed about the NSPNP, as well as federal requirements for transitioning from temporary to permanent status as they apply to temporary foreign workers and international graduates. The NSAPB invests **\$160,000** to cover the costs for two full-time staff responsible for education and outreach.

Protecting Temporary Foreign Workers

In addition to screening potential employers, the province should proactively and reactively investigate employers who are suspected, reported, or found to be in violation of the conditions of the Temporary Foreign Worker Program^{TFWP} and the province's Labour Standards. The NSAPB invests **\$360,000** to hire five investigation officers for this purpose. This protection should cover all temporary migrant labour, including live-in caregivers and seasonal agricultural workers.

Refocusing the Nova Scotia Provincial Nominee Program

Reflecting on the examples of Manitoba and Saskatchewan, PNPs are most successful when they prioritize the needs of migrants and their families. Adding flexibility to the program to allow for higher levels of recruitment will ensure that great number of potential immigrants are reached. Moreover, recruiting within the networks of permanent residences and Canadian citizens currently residing in Nova Scotia will lead to higher retention rates. At the same time, the program should turn its attention to temporary foreign workers presently excluded from the NSPNP, notably low-skilled workers. Despite their temporary status, many of these workers establish ties to the communities in which they work and live. They are already, in a sense, settled, and have full-time employment. Moreover, there is an eagerness amongst employers to retain them. Germany allows for this, while simultaneously redressing some of the more problematic features of the TFWP.

Meeting the Needs of Refugees and Refugee Claimants

Between 2008 and 2012, 997 refugees were settled in Nova Scotia, the majority of which were government assisted. Nova Scotia has recently donated

\$50,000 to the UNHCR's Syrian refugee effort and has agreed to settle additional refugees if given the go ahead by Citizenship and Immigration Canada (CIC). The provincial government should continue to pressure CIC in order to facilitate the resettlement of refugees in Nova Scotia. To this end, the province should establish a matching program to aid in the private sponsorship of refugees to the province, which would also provide support and mentorship to private sponsors. The NSAPB invests **\$1.14 million** to cover one full-time staff person and provide adequate funding to support the entry of 100 refugee families.

More precisely, in regards to refugee claimants:

- The NSAPB invests **\$600,000** to make **Income Assistance** available to claimants the moment they make their claim. (There is currently a waiting time.)
- The NSAPB invests **\$860,000** in **housing** for refugee claimants, providing safe shelter and offering access to a shelter allowance (similar to that received by other individuals who are able to work).
- The province has recently invested \$50,000 in refugee claimant **health care**, redressing in part, the gap in service provisioning created by the cancellation of the Interim Federal Health Program in 2014. While this money provides for some administrative (0.6 full time) and nursing staff (0.3), the NSAPB allocates **\$150,000** in additional funding for administrative staff, and the employment of a coordinator who would help claimants navigate the health care system. Mental health care services must also be integrated. Billing should be adjusted to take into account the complexity of refugee claimant health care needs.
- **English classes** should be provided to claimants—they should be able to join classes already in progress.
- The province should also provide funding through **legal aid** to the refugee claimants who arrive in Nova Scotia each year. These individuals are supported almost exclusively through the Halifax Refugee Clinic. The Clinic operates on a tight annual budget of \$170,000, covering three full-time workers and one part-time worker. It offers specialized settlement services to claimants, as well as legal representation in front of the refugee determination board — these ser-

vices should continue to be offered through the HRC, but the province should assume responsibility for its funding.

Investing in data collection and information

The province and federal government need to invest in collecting data on immigrants to Nova Scotia to generate evidenced based policies and to provide information that can be used by non-profit organizations and academic researchers to understand immigration patterns in the province. The best way to do this is to invest in over-sampling of province in Statistics Canada's main surveys.

TOTAL: \$ 15.32 million

Notes

1 See Alexandra Dobrowolsky and Howard Ramos, *Expanding the Vision: Why Nova Scotia Should Look Beyond Econocentric Immigration Policy* (Halifax: CCPA-NS, 2014) <https://www.policyalternatives.ca/publications/reports/expanding-vision>

2 Statistics Canada, National Household Survey 2011

Arts, Culture and Heritage

Background

The 2015–16 year was a disappointing one for the arts and culture sector in Nova Scotia. Thousands of Nova Scotians took to the streets to protest the elimination of the Film Tax Credit, a program the Nova Scotia government explicitly said it would not cut if elected. Many workers in the film and television industry expressed that the film industry has important spin-off effects for the arts and culture community in Nova Scotia. Artists who work primarily in theatre, music, or visual arts often supplement their income through the well-paid, unionized work offered by film and television productions in acting, set design, production, and more.

As of 2010, there were 3,400 workers whose primary occupation was creating art and 14,900 cultural workers in Nova Scotia. Overall, these workers often have lower than average incomes. In 2010, the average income for artists in Nova Scotia was \$29,100, 32 per cent less than the average income of all workers.¹ For cultural workers, the average income was \$37,900, which is

still 10 per cent below average income in Nova Scotia.² Low average incomes in this sector reflect the reality that arts and culture is underfunded in the province, and add depth to statements that higher paying industries like film and television help supplement incomes for workers in arts and culture.

It is too soon to assess what damage will be done to the arts and culture sector by the elimination of the Film Tax Credit, but the broader issue of funding for arts and culture, including ensuring that artists and cultural workers are provided living wages, cannot be lost. The Alternative Provincial Budget seeks to prioritize arts and culture in the province, both by creating new programs and by enhancing existing programs to better meet the needs of communities.

Current Issues

Establishing and Maintaining Community-Based Artist-Run Centres

Artist-Run Centres are membership-based, community art organizations that usually provide public spaces for artists to display work, as well as training and educational opportunities for artists and the public. Artist-Run Centres in Nova Scotia provide important community-based arts and culture programming, whether it's the Khyber Arts Centre in central Halifax that has a long-standing reputation as a performance and gallery space or the Le Tré-carré galerie d'artcontemporain, which serves as an important arts space for the Acadian community of Baie Sainte-Marie.

Unfortunately, since the 1990s, there has been no new money to open new Artist-Run Centres. Federal funding guidelines require that an Artist-Run Centre be up and running for two years before it is eligible for funding. To better leverage this federal funding, the Alternative Provincial Budget establishes \$3 million in new, multi-year funding for start up costs for new Artist-Run centres. This money would help establish new Artist-Run Centres in diverse communities across the province.

In order to support the existing Artist-Run Centres, there is also a need to provide additional funding for new facilities and technology. The high costs of some equipment can limit who can engage in certain artistic disciplines. Artist-Run Centres can fill this gap by providing equipment that members can lend out. Funding, however, has not kept up with the pace of technology, impeding Centres from playing this important role. The Alternative Provincial Budget would establish \$3 million in new funding for facilities and equipment for Artist-Run Centres.

Strengthening Existing Programs

One of the ways Nova Scotia funds arts and culture is through grants to individuals and organizations. Largely, these grants programs are well established and effective. These grants fund the creation of art, public events that promote art in the community, and operating costs for arts organizations. The Alternative Provincial Budget builds on these effective programs by providing additional funding of \$1.5 million to increase the number and value of these grants.

The province also funds arts and culture through funding for festivals in communities across Nova Scotia. The funding currently provided by the province for festivals is for only one year, which limits the opportunity to develop annual, instead of one-time, events. This is a missed opportunity in the province and a better-crafted strategy would allow communities to build annual events that would attract economic development. The Alternative Provincial Budget increases funding for festivals by \$2 million to allow for multi-year funding to help establish annual events. Funding after the first year would be progressively reduced as festivals increase their ability to raise funds independently.

Rebuilding the Film and Television Industry

The response of Nova Scotians to the elimination of the Film Tax Credit clearly communicated the importance of the Tax Credit and the film and television industry in the province. While the impacts of the elimination of the Tax Credit are already being documented, it is not enough to reinstate the Tax Credit and hope that the industry that has already left will return. In order to re-establish the industry, the province must do more to engage with cultural workers, artists, and others in the industry. The Alternative Provincial Budget immediately restores funding to Film and Creative Industries Nova Scotia and provides funding to engage stakeholders in a province-wide discussion about how to rebuild and improve the Film and Television industry in Nova Scotia, an investment totalling \$500,000.

Protecting our Heritage

Libraries, museums, and cultural interpretation centres in Nova Scotia serve as important gathering places in our communities. They are institutions that help us to reflect on our shared history, and to consider how our past continues to shape our present. The better our understanding of the particular challenges faced in Nova Scotia's historically marginalized communities, the better equipped we will be to develop wise policy. And given

that improvements to educational, health, and other social outcomes (in any community) actually reduce the likelihood that individuals will need social and income-support programs, there is a significant potential return to investing in knowledge.

In addition to serving as spaces for public education, libraries, museums, and cultural interpretation centres also act as economic engines, providing good public sector jobs in local communities, and bringing in tourism dollars. In order to continue to develop Nova Scotia's world-class heritage sector and to preserve our province's diverse heritage, the Alternative Provincial Budget invests an additional \$6 million dollars in heritage programming, which covers libraries and museums, as well programs specifically designed to promote African Nova Scotian, Mi'kmaq, and Acadian culture and history.

NSAPB Actions

- Establish new multi-year funding for start-up costs for new artist-run centres: \$3 million
- Fund new facilities and technology for artist-run centres: \$3 million
- Increase budget for arts and culture grants by \$1.5 million
- Develop multi-year funding for festivals: \$2 million
- Restore funding to Film and Creative Nova Scotia and begin consultation process on rebuilding the film industry: \$500,000
- Invest in heritage facilities and programming: \$6 million

Total Investment: \$16 million

Notes

1 Kelly Hill, *Artists and Cultural Workers in Canada's Provinces and Territories*, (Hamilton: Hills Strategy Research Inc., 2014).

2 Ibid.

Sustain and Renew Our Natural Resources

Environmental Protection

Protecting the environment must be a central and defining issue in regard to political, social, and economic policy. Finding ways to halt climate change and remediate its impacts is rapidly becoming a central concern globally, and is fundamentally re-shaping our understanding of what development, culture, politics, economics, and social objectives need to be if we are to survive as a civilization.

Addressing the imperatives of global warming offers us the opportunity to fundamentally re-tool the machinery of civilization and create a truly sustainable society; develop green energy, foster sustainable agriculture, forestry, and fisheries, decentralize and democratize political and economic structures, and achieve social justice. These understandings and imperatives form the backdrop to the specific measures proposed in the NSAPB.

First, the Department of the Environment requires sufficient resources in order to enforce the regulations that do exist, let alone ensure that we continue to be vigilant in developing, and revising regulations. Currently, this department is one of the smallest, comprising only .5% of the budget.

Second, as is outlined in the energy chapter, the NSAPB seeks to develop affordable, secure, efficient, and renewable energy.

Third, water is the source of life. We have to treat it as a precious resource, neither squandering, polluting, nor selling it. Water is a human right. Where

pollution or untreated sewage issues exist we need to make investments in addressing them and remediating any damage.

Along with water, food provides the staff of life. From a historical position where virtually all of our food was produced in Nova Scotia, by Nova Scotians, and for Nova Scotians, we have over past decades moved to a fundamentally unstable and insecure agricultural field, increasingly tilled by multi-national food conglomerates. This reliance on the importation of food and the massive use of energy, fertilizers, irrigation, and biocides (herbicides, pesticides, fungicides) does not produce food security for Nova Scotians. Nor, increasingly, has it even produced good nutrition and safe food, particularly for low-income citizens. We need to adopt measures that stabilize and support agriculture in Nova Scotia and that result in the delivery of safe, nutritious, and affordable food to our population.

Last but not least, we need to ensure that our forestry and fisheries resources are harvested responsibly. We therefore have an opportunity to fundamentally re-conceive our social, environmental, and economic models of thinking about forests and create new sustainable.

NSAPB Actions

The NSAPB allocates funding to cover inflationary costs for all Departments, and also increases the Department of the Environment's budget by another 20%. This additional \$5 million will go to:

- Support enhanced compliance and enforcement that crosses all environmental areas, e.g., air, water
- Develop legislation and enforce regulations focused on protecting coastal environments (e.g., Coastal Act)
- Clean-up of Boat Harbour as an environmental justice issue
- Increased support and protection of wilderness areas to meet 13% target of protected wilderness areas and promotion of new areas
- Completion and implementation of the Greener Economy Strategy
- Meeting of Environmental Goals and Sustainable Prosperity, including local food/seafood purchasing goals.

Energy

Background

Nova Scotia's energy landscape is undergoing dramatic change. Our legislated commitments to increasing the share of our electricity generated using renewable sources and decrease greenhouse gas emissions set us on a promising course. We are working to diversify our fuel mix and update our electricity infrastructure while grappling with the challenge of rising power rates. Improving Nova Scotia's energy security, securing equitable access to electricity and doing our fair share to address climate change must be the guiding objectives of any provincial action on energy.

Current Issues

Electricity Review and a Long-Term Energy Strategy

Nova Scotia's commitment to energy efficiency and renewables, combined with the province's legislated caps on greenhouse gas emissions, set the electricity sector on the right course. However, there is much more to be done to reduce our reliance on fossil fuels and to deal with energy affordability.

In the electricity sector, political posturing often trumps good public policy. Although the broad outlines for green electricity policy received all-party support in 2007, progress is stalled on several fronts amid partisan attacks.

We need to capitalize on the tremendous outreach and feedback of the Electricity Review. The Alternative Budget allocates money for a long-term energy strategy incorporating results from the Review.

While Nova Scotia is a national leader in setting targets for and achieving greenhouse gas (GHG) emissions reductions in the electricity sector, our electricity system still relies heavily on GHG-emitting fuels, making us particularly vulnerable to future federal climate change policy which will demand deep emissions reductions.

On a global per capita basis, a Canadian target consistent with the goal of preventing greater than 2°C would set national GHG emissions 2050 reductions at 5% of 2010 levels. By 2040, national targets would limit GHGs to 1/3 to 1/4 of present emissions.

Electrical power generation presents the largest opportunity for easy reductions, particularly compared to reducing emissions from transportation or oil and gas extraction. For this reason, under potential future federal emissions reductions regulations, electricity generation will be expected

to almost eliminate GHG emissions as soon as possible. Further, mercury emissions standards will make coal-fired electricity generation increasingly impractical.

Eliminating electricity emissions by 2035 would give us room to aggressively target emissions reductions in transportation and industrial sectors between 2035 and 2050. 2030 will be a significant turning point for our electricity sector.

Priorities for a Long-Term Energy Strategy for Nova Scotia:

- Establish a 2035 target for a carbon-free, renewable electricity system
- Make provincial energy security a priority over energy export when developing domestic energy resources
- Use full-cost accounting of domestic energy resource development and fuel imports
- Commit to pursue only energy efficiency that is cost effective
- Implement a consultation process that ensures all future energy-related resource and policy developments are consistent with the overall vision established by the strategy
- Prioritize community consultation and highlight best practices to maximize community benefit from local energy projects
- Develop regulatory reforms to ensure Nova Scotia's dominant power utility operates in the public interest
- Identify opportunities for increased integration of photovoltaic energy in Nova Scotia

Energy Poverty

Rising power costs will persist in the short term transition from fossil fuels. What is required is action to protect lower-income Nova Scotians from rising costs through a Universal Service Program (USP).¹

A USP focuses on low-income households whose total energy costs exceed 6% of income. The Program would cover baseload electricity and heat from any source (electricity, oil, etc.). **The NSAPB invests \$33 million to create a Universal Service Program to tackle energy poverty.**

The program would replace the existing program, the \$116-million-per-year 10% sales tax rebate Your Energy Rebate Program, which fails to target assistance to low-income households. It would also reduce the need for the

\$12 million Heating Assistance Rebate Program (HARP), a fixed subsidy to low income households. HARP's budget can be cut by \$5.5 million. Because it applies to non-electric heat and all power and heating consumers would lose the 10% provincial tax rebate, the USP would be paid for through general revenues rather than via a charge on energy bills. The proposed USP includes rate relief and arrears reduction programs and it would rely on an expanded efficiency program. Elsewhere in this budget, anti-poverty measures will assist low income households who may not participate in the USP. **In addition, the NSAPB invests an additional \$3 million to support expanding low-income programs at Efficiency NS.**

Renewable Energy Innovation

The ongoing upheavals to Nova Scotia's energy status quo provide invitations for this province and its communities to show remarkable leadership. Change is exciting, and Nova Scotians are on the leading edge of research into harnessing tidal power. Halifax Regional Municipality's Solar City program combines a novel financing mechanism with centralized administrative and technical assistance to radically broaden the municipality's use of solar technology. It is a key role of government to foster opportunities for innovation. Nova Scotia can become a sustainable energy leader.

Carbon-Pricing

It is clear, now that 75% of Canadians are covered by a carbon price, that it is an inevitability. Nova Scotia can choose to lead or be led by it. Let us use carbon pricing to take us where we need to go.

The Alternative Budget details one possible path to pricing carbon in Nova Scotia.

Implementing a Carbon Tax

Nova Scotia relies heavily on fossil fuels to supply its energy needs. In 2015, 60 percent of our energy was supplied by coal, mostly imported, with an additional 15 percent supplied by oil and natural gas.² While we have an impressive renewables target — 40 percent by 2020, over 22 percent of which has already been achieved — additional policy tools are required to spur aggressive emission reductions and to foster a low-carbon transition in Nova Scotia that reaches beyond the energy sector.

Beyond good environmental policy, policies that foster climate-change mitigation promise a wealth of co-benefits for Nova Scotians: reduced illness and morbidity; lower provincial healthcare costs; decreased house-

TABLE 3 Carbon Tax and Revenue, 2016–20⁵

Revenue	2016/17 \$10	2017/18 \$15	2018/19 \$20	2019/20 \$25	20/21 \$30
\$ in millions	\$74.7	\$112.1	\$149.5	\$186.9	\$223.9

hold spending as energy efficiency and access to renewables improves; and the growth of green-sector jobs to support a low-carbon transition, allowing more Nova Scotians to stay here. Indeed, in 2013 job growth in all of Canada’s economic sectors was surpassed by the rate of growth in the green energy sector,³ with more jobs available in green energy than the tar sands by the end of 2014.⁴

To harness fully the opportunities and benefits described above, the NSAPB adopts a Carbon Tax in Nova Scotia within a broader climate change mitigation policy framework. This Carbon Tax would commence in the 2016/17 fiscal year, with an initial tax rate of \$10 per tonne of carbon dioxide equivalent (tCO₂e) emitted, increasing in \$5 increments per year, to reach \$30 per tCO₂e by the 2020/21 fiscal year.

Given the regressive nature of a carbon fee, disproportionately affecting low-income and marginalized households already strained by high levels of energy poverty, the NSAPB’s Carbon Tax proposal includes provisions whereby **half of the revenue will be returned to low-income Nova Scotians through an enhancement of the Affordable Living Tax Credit (an extra \$145 per household and \$34 per child), for individuals or couples with incomes below \$30,000**⁶ ensuring that no net carbon tax is paid by the province’s most vulnerable and marginalized citizens.

In turn, given the significant financial resources and public-sector support required to foster a low-carbon transition,⁷ the NSAPB uses the remaining half of the revenue in a **Greenhouse Gas Reduction Fund**. The Fund would support investment incentives and public expenditures to galvanize our low-carbon transition with strategic planning to leverage co-benefits related to reducing overall levels of poverty and inequality in the province. This would include energy efficiency and renewables installation for low-income households, improved public transit in disadvantaged communities, jobs training programs for low-income citizens in the renewable energy sector. By using half of the revenue from a carbon tax to strategically fund emission reductions and poverty alleviation in Nova Scotia, the full potential embedded in a price on carbon will be realized.

NSAPB Actions

- Tackle energy poverty through Universal Service Program: **\$33 million**
- Development of training programs to build local expertise in clean energy technology development and installation: **\$5.35 million**
- Additional Investments target to low-income programs of Efficiency NS: **\$3 million**
- Long Term Energy Security Plan Development: **\$1.35 million**
- Greenhouse Gas Reduction Fund: **\$37 million**

Total Investment: \$79.9 million

Reallocated Spending:

- Cancel Your Energy Rebate Program **-\$116 million (\$33 million to USP, remainder to Poverty Reduction)**
- Heating Assistance Rebate Program **-\$5.5 million (reallocated to Income Assistance)**

Additional Revenue Raised:

- Implement Carbon Tax of \$10/tonne (50% of revenues to fund emission reductions and 50% to fund poverty alleviation programs): **\$74.7 million**

Notes

1 The core element of a USP is a credit on energy bills that would cover all the costs above 6% of income for a low income household –based on their prior year income and energy costs. For details, see: Roger Colton, Testimony www.rpa.state.nj.us/usfintrm.pdf

2 Nova Scotia Power. 2015. “Tomorrow’s Power”. March 27, 2015. Available at: <http://tomorrowpower.ca/answer/1000>.

3 Clean Energy Canada. 2015. *Tracking the Energy Revolution*. Available at: <http://cleanenergycanada.org/trackingtherevolution-canada/2015/>

4 Blackwell, Richard. 2014. “Green Energy Sector Jobs Surpass Total Oil Sands Employment.” *The Global and Mail*, December 2, 2014. <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/green-energy-sector-jobs-surpass-oil-sand-employment-total/article21859169/>

5 The Broten report of 2014 proposed a carbon tax starting at \$10 per tonne, increasing by \$5 increments for 5 years and applied to non-electricity based emissions, as is proposed in this al-

ternative budget. Data provided in Table 1 are from the Report (p. 54); however, the NSAPB's proposal rejects the recommendation for a *revenue neutral* carbon tax made in the Broten Report.

6 The Affordable Living Tax credit is reduced by \$0.05 for every dollar of adjusted family income over \$30,000.

7 Marc Lee (2011), *Fair and Effective Carbon Pricing: Lessons from BC*, CCPA-BC and Sierra Club BC, details the importance of using a portion of carbon tax revenue to support public investment in an aggressive low-carbon transition, in addition to using the remaining revenue to offset the negative impact for low-income citizens. https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2011/02/CCPA-BC_Fair_Effective_Carbon_FULL_2.pdf

Food Security and Agriculture

Background

“Food security exists when everyone has access to safe, nutritious food of the variety and amount that they need and want, in a way that maintains their dignity. Food security also exists when people are able to earn a living wage by growing, producing, processing, handling, selling, and serving food, as well as when our planet is protected for future generations.”¹

A vibrant food and agriculture sector can greatly improve food security and health, in addition to economic well-being and social inclusion of all Nova Scotians. A community development approach to food and agriculture is fundamental to regional planning and social policy development.^{2,3} Food production with a local focus on small and medium-size enterprises has the potential to nearly double the economic “multiplier factor”⁴ and create a more resilient provincial economy and stronger social fabric.

Current Issues

There are positive trends, most notably the number of farms increased 2.9% between 2006 and 2011⁵ in Nova Scotia, the only province with an increase. The 2012 additions to the Environmental Goals and Sustainable Prosperity Act support new entrants and the consumption of local food. The province also has an interdepartmental healthy living strategy, Thrive!, which opens doors to more explicitly connect health and local food. Anti-poverty initiatives also alleviate income-related food insecurity in the province.⁶

However, the rate of food insecurity, with 17.5% of Nova Scotians reporting being food insecure, is the second highest in Canada, after Nunavut.

Among 33 major census metropolitan areas, food insecurity was highest in Halifax, affecting about 1 in 5 households. In 2012, 28% of households with a black or Aboriginal respondent were food insecure.⁷

Nova Scotia's Department of Agriculture supports the local food and agriculture sector these must remain as budget priorities. ThinkFARM⁸ supports new and transitioning farmers; Select Nova Scotia raises awareness of locally produced foods and both should be maintained. The 10-year strategy, Homegrown Success,⁹ also provides supports, but they are by and large oversubscribed. There is also a strong and growing civil society movement to support community food security, with a threefold increase in farmers' markets in the last decade¹⁰. The demand for community-based food initiatives to strengthen the local food systems and improve access to affordable, healthy foods has also risen. However, funding and infrastructure support for these initiatives is piecemeal and vastly insufficient.

In addition, the Canada-European Union Comprehensive Economic Trade Agreement (CETA) threatens to undermine initiatives to support local producers. The CETA trade-off in agriculture was for Canada to gain improved access to Europe for our pork and hormone free beef, with a very substantial increase in the level of European exports of cheese to Canada. This increase will harm both Canadian cheese-makers and the dairy farmers who supply them with milk. It also undermines the supply management system, which matches milk production to domestic demand, and must strictly control imports to function properly.¹¹ It is critical to ensure supports will be available for Nova Scotia farmers to ensure their operations can withstand an increase in subsidized European imports.

More supports are needed for small and medium scale enterprises that tend to circulate more of their money locally. Best Management Practices¹² funds small-scale expenses, but more funding is needed. It is also important that these funds are distributed throughout the small to medium-sized enterprise sector.

NSAPB Actions

NSAPB builds healthy, just and sustainable food systems by maintaining the above-mentioned programs and taking steps to further support a strong and resilient local food and agriculture sector. It preserves existing and develops new agricultural land by:

- Implementing the recommendations of the 2010 Agricultural Land Review Committee to better protect agricultural land and support agricultural land conservation easements and community land trusts¹³—the NSAPB invests **\$5 million per year** and also encourages municipal investments to complement this effort.
- Designing a strategy for the development of urban agriculture¹⁴—the NSAPB invests **\$200,000 for pilot projects**.

It provides an additional **\$2 million** in investments for the food and agriculture sector for:

- Targeted investments (e.g., Best Management Practices) — particularly in local infrastructure development (e.g., abattoirs) — for small and medium-size enterprises to reduce barriers and enhance economic viability;
- Resources for new entrants (e.g., small one-time infrastructure grants, micro-loans); and
- Facilitating more business training and mentoring for farmers and processors.

The NSAPB also supports efforts to:

- Develop more substantial institutional procurement policies to support local producers and processors and support institutions to implement the policies that already exist;
- Scaling food production, processing and storage regulations to be more flexible and responsive to the needs of less industrial, small scale, and seasonal producers;
- Improve local distribution by facilitating increased co-operation among producers¹⁵. This would improve the implementation of institutional local food procurement policies;
- Prepare for the effects of CETA on supply management by developing succession and exit strategies for dairy farmers, and egg and poultry producers—e.g., a quota bank like the license bank for fisheries; and
- Define the Department of Agriculture’s work by developing better cost of production statistics.

The NSAPB commits funds and support to ensuring all Nova Scotians have access to and can afford healthy foods:

- Continue to develop and implement anti-poverty programs to ensure that all Nova Scotians can afford healthy food—**see other sections**.
- Invest **\$1 million** in community-based, innovative solutions that improve access and the ability of Nova Scotians to afford healthy foods (e.g., community food infrastructure and programs — kitchens, gardens, freezers), buying co-ops, community food centres, mobile markets, and other partnerships between the local agriculture sector). These programs offer significant social return on investment and address not only access to healthy foods, but also enhance social networks, community cohesion and address multiple social determinants of health.

Additionally, the NSAPB supports nutrition and food skills education from grades primary through 12, as follows:

- Invests **\$2 million** (currently at \$750,000 towards some breakfast/lunch programs, with no increase since 2005) in the development of a universal school nutrition program (one healthy meal or snack) with a focus on locally and sustainable foods.¹⁶ This represents only a portion of the costs associated with a universal school food nutrition program; a full program would require contributions from other levels of government, as well as the private and corporate sectors.
- Improve food skills and nutrition education by investing **\$400,000** to support linking agriculture in the classroom to hands-on experiences (e.g., school and community gardens, etc.).
- Increase support for the HealthPromoting Schools program from **\$750,000** to **\$1 million** to support an integrated approach to healthy foundations for children.

The NSAPB also seeks to:

- Increase cross-department and cross-government collaboration: the Departments of Agriculture, Health and Wellness, Business (and related organizations, e.g., Perennia, Nova Scotia Business Inc.) Community Services and Education — **cost neutral**.

Total investment: \$11.6 million

Notes

- 1 FoodARC, What is Household Food Security? (Halifax: FoodARC Research Centre). <http://foodarc.ca/our-approach-food-security/what-is-food-security/>
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- 3 Terry Marsden and Roberta Sonnino, Human health and well-being and the sustainability of urban-regional food systems (Current Opinion in Environmental Sustainability, volume 4, issue 4, 427–430, October 2012).
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Fisheries and Forests

Background

Wild Fisheries

Healthy, prosperous fishing communities are vital to the economic, cultural and environmental resilience of Nova Scotia. Rural employment from fisheries is particularly important, as Nova Scotia has a higher percentage of rural population than any other Canadian province.¹ This industry provides direct and indirect employment for about 30,000 people. Fishing activities are still the backbone of Nova Scotia's coastal communities, despite years of ecosystem and societal changes that constantly put this sector under threat.

The commercial fishery now has approximately 5,000 fishing vessels and targets over 30 species. In 2014, Nova Scotia was Canada's largest exporter of fish and seafood, with exports of \$1.3 billion (19% increase over the previous year — 127,157 tonnes (t) of fish and seafood. The top three exports by value were lobster (34, 531 t valued at \$570.6 million), scallop (6,416 t valued at \$164.0 million) and snow/queen crab (9, 131 t valued at \$114.1 million).²

Aquaculture

Aquaculture in Nova Scotia is growing. The industry generated more than \$54.3 million in 2013 and directly employed 636 people in full- and part-time positions. Marine Atlantic Salmon/Rainbow Trout (Marine) made up \$39,260,685 or 72.33%. There are 44 companies actively farming fish at more than 270 sites in Nova Scotia.³

However, the open-net finfish aquaculture segment remains a challenge in terms of social returns and negative effects on wild fish, affecting marine biodiversity, exchange of pathogens between farmed and wild fish⁴, and the impacts of sea lice pesticides on wild fish populations. A 200,000 fish salmon farm excretes the same amount of nitrogen as 10,000 people and affects an area of the sea floor far beyond the perimeter of the fish farm.

Forestry

Nova Scotia's forestry sector, like forestry across the country, is in rough shape. Several of the province's mills have closed in recent years, and despite large infusions of public money, the same thing could happen again. The forestry sector provides thousands of jobs and income to tens of thousands of small woodlot owners across the province. The sector's decline means losing a traditional form of jobs and income for rural communities.

Current Issues

Wild Fisheries: Livelihoods and Access

Despite having the largest export revenue from fisheries in the country, federal and provincial policies act as barriers for small-scale fishers in Nova Scotia, as these policies support and subsidize large-scale export development and industry consolidation. Nova Scotia still lacks an overall fish harvesters organization, arguably the biggest barrier. Community fishers struggle to make a livelihood while Nova Scotians find it difficult to access local fish. Consumers purchase seafood that reaches them through numerous actors, intermediate processing, and processing and packaging in other countries.

Aquaculture Subsidies: Unsustainable

In 2010, the value of commercial fisheries in Nova Scotia was around 12 times that of aquaculture, yet this is not reflected in the funding for local fisheries associations. Aquaculture's unsustainable activities threaten much more profitable industries, such as the lobster industry, and tourism (worth almost \$1.5 billion in revenues).

A recent report from the Auditor General questions the investment of the Nova Scotia government in Cooke Aquaculture as there was little accountability for the 25 million dollars and no conditions ensuring that the funds be used to benefit Nova Scotians.⁵ Further, in 2013, compensation to Cooke from the Nova Scotia government was \$13.2 million following an outbreak of infectious salmon anemia virus (ISA).

An Independent Aquaculture Regulatory Review for Nova Scotia (2014) recommends strong measures to protect wild fish from the proven harmful effects of open net pen salmon farms as well as a meaningful role for communities in decision-making. These recommendations should be implemented in full without subsidies for new open-net pen salmon farms.

Forestry

Public or Cooperative Ownership and Royalties

Instead of bailing out the mills when they approach closure, or funding their expansion, the province should consider some model of public or cooperative ownership. A prime example of this strategy comes from TEMBEC in Québec, a forestry company that was in danger of closing but was purchased by the local workers and residents, with public support for capital upgrades. Local cooperatives have much more of a stake in their communities than trans-national corporations solely concerned with profits.

Also, the province receives very little in terms of royalties or licensing fees for the use of crown land timber. Last year the provinces brought in \$8.5 million in licensing fees and \$242,000 in royalties⁶. The province should consider reviewing these fees with the aim of receiving more public revenue from our forests.

Windhorse Farm – a Model to Consider

In terms of sustainable forestry options, Nova Scotia has an excellent example to learn from. Windhorse Farm in New Germany has been around for 170 years and is Canada’s oldest demonstration of sustainable forestry practices.⁷ Hundreds of people have learned sustainable forestry techniques from the Windhorse Education Foundation. The lessons could be applied more broadly at the governmental level.

As Windhorse Farm says on its website, “Settled in 1840 by the Conrad Wentzell family, the woodlot has been harvested each year for the last 170 years yet has the same volume of standing timber today as it had when the first axe bit wood in 1840.”⁸

Community Forestry

When the Liverpool mill closed, there was a real concern that the vast forest lands owned by the company could be clear-cut and the fibre shipped out of province. The provincial government refused to allow this to happen. Over 220,000 hectares of forest land was purchased with the idea of creating some form of community-run forestry in the region.⁹

NSAPB Actions

The NSAPB will invest in:

- Additional support for post-harvest production: \$820,000
 - Support for marketing and distribution within Nova Scotia \$1.16 million
 - Funding for training opportunities under the *Fish Harvester Organizations Support Act*: \$2 million
 - Implement the Dolle-Lahey recommendation in full: \$2 million
 - Development of a plan for community-run forests on the former Bowater forest lands: \$2.8 million
- Total: \$8.78 million

Notes

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- 3 <http://novascotia.ca/fish/aquaculture/economic-impact/>
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- 5 http://o101.nccdn.net/1_5/269/230/3ba/compensation-isa-jan-2014.pdf
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Water

Background

Water governance is complex, under multiple jurisdictions, with private well owners, municipal governments, and the provincial government all assuming roles and responsibilities for the protection, maintenance, and delivery of drinking water.

It has been over four years since Nova Scotia released the *Water for Life: Nova Scotia’s Water Resource Management Strategy*, without any update on successes or outcomes from this document. More important, the state of freshwater and aquatic ecosystem health in Nova Scotia is declining. Algae blooms in south-west Nova Scotia are still occurring, urban lakes are increasingly eutrophic and leaking wastewater ponds from hydraulic fracturing waste continue to threaten downstream ecosystems. Municipal governments are asked to accept fracking wastewater despite continued concerns about long-term health and ecological impacts. Clearly more concrete and significant steps are needed to implement the government’s own water strategy to address these pressing concerns. Based on the UN resolutions recog-

nizing the human right to water and sanitation, all levels of government are obligated to take concrete action to honour this right.

National Water and Wastewater Infrastructure Fund

The federal government introduced wastewater regulations in June of 2012.¹ The Federation of Canadian Municipalities estimated that the new regulations could cost up to \$20 billion in upgrades to water and wastewater infrastructure over the next two decades. While high standards on the treatment of wastewater are critical to source protection, the failure to provide funding for these upgrades leads municipalities to turn to P3s (Public-Private Partnerships) to upgrade or replace eroding systems. However, research across Canada and internationally recognizes that while public money is often spent to design and build public facilities, the public loses when a municipality enters into a partnership with private operators for critical public services.

Wastewater treatment facilities are severely lacking in coastal communities, where the practice has been to dump raw sewage into the ocean. There is also poor monitoring and enforcement of environmental regulations pertaining to on-site septic systems.

As of July 2015, there were 23 boil water advisories in Nova Scotia.²

The NS government allocates money to municipal water and wastewater projects through their Provincial Capital Assistance Program, the New Building Canada Fund–Small Communities Fund, as well as the Federal Gas Tax Fund. Information available is vague, although we do know from a CBC report that NS provided \$700,000 to municipal water and wastewater projects in August of 2015. Given current issues and the difficulties faced by municipalities to fund these critical infrastructure upgrades, the NSAPB commits to allocating a solid amount of consistent funding to improve water and wastewater standards. The NSAPB recommends, as the first year in a three-year commitment, an investment of \$60 million to municipalities for water and wastewater infrastructure.

In his announcement regarding the Green Economy Act, the Environment Minister indicated that, “86 per cent of the municipalities are meeting the drinking water standards and 91 per cent of the municipalities in our province are treating their wastewater...and we continue to lobby the federal government to provide funding to municipalities so that they can invest in the infrastructure needed to meet the standards.”³

Drinking Water in Indigenous Communities

While drinking water on First Nation reserves is a federal responsibility, the *Safe Drinking Water for First Nations Act* sets up a framework where responsibility can be downloaded onto provinces, corporations or other bodies. The National Assessment of First Nation Water and Wastewater Systems estimates that \$42 million is required to meet Aboriginal Affairs and Northern Development Canada's protocols for safe water and wastewater in Atlantic Canada. Out of Nova Scotia's 13 First Nations, the report noted that three communities were high risk and three were medium risk. The Atlantic Policy Congress of First Nation Chiefs is discussing a Public-private partnership (P3) model for the 33 First Nation communities in the Atlantic. P3s present a threat to sovereignty and local democracy of Indigenous communities and potential for trade challenges if anyone wanted to cancel a P3 agreement. The NSAPB recommends that the province contribute but continue to call for the federal government to allocate adequate funds for this federal responsibility, supporting the public delivery of water and wastewater services.

Hydraulic Fracturing

The NSAPB congratulates Nova Scotia for passing Bill 6, "An Act to Amend... the Petroleum Resources Act" in 2014, It places a ban on high-volume hydraulic fracturing. The legacy of fracking wastewater in Kennetcook and Noel was suddenly dealt with by onsite treatment, with no consultation of the local community. Questions remain about whether the province had to pay the costs of treatment but for now we remain cautiously optimistic that there is now sufficient concern to prevent further fracking without sufficient baseline data, strict regulations and their rigorous enforcement of corporate responsibilities.

NSAPB Actions

- Recognize water and sanitation as a human right, per the United Nations resolution;⁴
- Protect key waterways including those excluded from the Federal Navigation Protection Act (R.S.C., 1985, c.N-22, amended on 01 April 2014;
- Exclude water from all trade agreements;

- Prohibit public-private partnerships in order to protect the human right to water and sanitation;
- Ensure access to potable water and sanitation in all Nova Scotian communities, and legislate access to public water via taps (and sanitation via public, 24-hour washrooms) in larger urban centres with appropriate levels of funding to implement the legislation;
- Eliminate industrial extraction of water for private profit (bottling plants);
- Establish standards for water use for industrial purposes and agriculture;
- Establish a Water Act by the end of 2016 that includes transparent and accountable governance arrangements, the ability to impose licensing conditions for water use and discharge, and mechanisms for the effective designation of priority areas where additional management and restoration will be required. A Water Act should also contain measurable targets for water use efficiency and for water conservation;
- Incorporate commons and public trust principles in all water-related legislation.
- Continue lobbying federal government to fund new wastewater infrastructure.
- Invest in independent scientific research on chemicals used in fracking (\$285,000)
- Fund water and wastewater infrastructure in municipalities (\$60 m in capital)
- Invest \$1.75 million to increase and maintain more public fountains

Total Investment: \$2.035 million

Notes

¹ Environment Canada, “Wastewater” (Ottawa: Environment Canada, 2015) <http://www.ec.gc.ca/eu-ww/default.asp?lang=en&n=BC799641-1>

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3 Nova Scotia Legislature, Hansard 20 November 2012 http://nslegislature.ca/index.php/proceedings/hansard/C89/house_12nov20/#HPage3981

4 United Nations General Assembly, Resolution 64/292. “The human right to water and sanitation”, adopted 28 July 2010;

Pay the Fair Price of a Just, Healthy Society

Progressive Tax Reform

Background

While the current tax system needs reform, corporate tax cuts, income tax cuts for the highest earners, and a shift from income to consumption taxes are not the solution. What we need is a tax system based on principles of justice and fairness to strengthen our economy and our society as a whole. The tax system needs to change, but any changes must be progressive to ensure that everyone pays their fair share. Nova Scotia needs enough tax revenue to fund the public services and programs that enable Nova Scotia to build a thriving society to serve all Nova Scotians well. Tax changes should be fair, and progressive. They should shrink the gap between rich and poor and be based on ability to pay. Taxes should encourage an ecologically sustainable economy.¹

Taxes and Inequality

Income inequality — the gap between the rich and the poor — is increasing rapidly, at great cost to our communities.² Average real wages (adjusted for inflation) have not changed in Canada for more than 30 years, and have decreased in Nova Scotia since the early 1990s.³ At the same time, virtually all of the increased wealth from productivity growth was funnelled to higher profits. This means higher incomes at the top of the income distribution,

where stock ownership is concentrated.⁴ The income of the top 1% tax filer is *10.5 times* that of the average income of the bottom 90% in Nova Scotia.⁵

- **PROGRESSIVE** taxes are based on the principle of ability to pay – the more you make, the more you pay as a share of your income. A progressive income tax system taxes incomes at a higher percentage in a series of steps. The higher the income, the higher the percent tax. In Nova Scotia, there are five tax brackets. The lowest tax rate is 8.79% on income between about \$8,500 and \$38,500. The highest tax rate is 21% on income over about \$158,500.
- **REGRESSIVE** taxes take a larger share of income from lower-income people than higher-income people. Taxes that charge everyone the same dollar amount (such as user fees) or the same percentage amount (such as sales taxes) are regressive. Someone on a low income finds a user fee harder to pay because it represents a larger share of that person's income than it does for someone who earns more. People with higher incomes who can afford to save and invest more of their earnings pay less sales tax as a percentage of their income, as savings and investments are not subject to sales taxes.

In Nova Scotia, our taxes are a mix of progressive income taxes, regressive sales taxes, property taxes and user fees. We have the highest sales tax in Canada and the third highest tax rate on the top income tax bracket. Top income tax rates are higher in New Brunswick and Quebec. Ontario's top tax rate is almost the same as Nova Scotia's due to a tax "surcharge".

Current Issues

The Broten Tax and Regulatory Review

The 2014 Broten report recommends significant changes to Nova Scotia's tax system.⁶ Very few of those recommendations were included in the 2015 Provincial Budget. The biggest question for the 2016 Provincial Budget is which recommendations from the Broten report will be included.

The Broten report recommends mostly regressive tax changes that will increase inequality: lower taxes on large corporations and high-income individuals. The report recommends removing some sales tax rebates, and adding a pollution tax on carbon. While these changes are regressive in nature, removing the sales tax rebate on home energy and adding a pollution tax are worthwhile measures, especially as Nova Scotia begins to transition

away from a carbon-based economy. Broten's recommendations include compensating low-income households for the pollution tax by increasing refundable tax credits for low-income households. There are better ways to improve the energy security of low- and modest-income households. The NSAPB opposed the energy rebate when it was proposed, and supports its elimination as long as the savings are reinvested to achieve goals related to making energy renewable, efficient, more secure and accessible to those on low-income (see Energy section).

Increase the Progressivity of Income Taxes

Last year, New Brunswick matched Nova Scotia's 21% top rate on taxable incomes over \$150,000/year and created a new top income tax bracket starting at \$250,000 with a tax rate of 25.75%. Even Alberta has abandoned its regressive flat income tax of 10% with modest increases on higher incomes, with a top rate of 15% on incomes over \$300,000.

Quebec's income tax on incomes over about \$84,000 is 24% and taxable incomes over \$102,000 are taxed at 25.75%. Ontario's top nominal rate is 13.16%, but there is a "surcharge" of 56% on most income tax brackets, which increases their real top rate to almost 21% on incomes over \$220,000.

This year's NSAPB changes are in step with what has happened elsewhere. Making a modest increase in the tax rates of the two top tax brackets will help generate the funds needed for the policies and programs described elsewhere in this budget. Extensive research shows that in practice, top income tax rates can go higher without creating the negative consequences predicted by conservative economists.⁷

Why Capital Gains Should be Fully Taxed

If you have capital gains, you only pay tax on half of that income. One of the major drivers of taxable capital gains is speculation, which often leads to harmful price fluctuations, such as the recent housing and derivatives "bubbles".

In Nova Scotia, the top 1% of income-earners (with incomes over \$150,000) reported taxable capital gains of \$130 million in 2009, out of a total of \$209 million earned by all Nova Scotians. They didn't pay a penny in tax on \$65 million of those capital gains earnings – since only half of their capital gains are actually taxed. The 880 Nova Scotians with incomes over \$250,000 reported \$101 million in taxable capital gains. Thus, the top 1% earned 50% of the total taxable capital gains made in Nova Scotia – over 50 times their weight in the population.

Some capital gains are the result of productive investment. The NSAPB does not change the tax on the capital gains realized when we sell our homes or small businesses (including farms or fishing boats). These assets are exempt from capital gains taxation because it is assumed their owners will have to replace them as assets. The NSAPB will tax 100% of all other capital gains adjusted for inflation, and eliminate the 50% tax-free capital gains allowance that now exists.

Tax Deductions vs. Refundable Tax Credits

Someone with a company pension plan or RRSP savings can deduct what they've paid into these pensions from their taxable income. Those earning the highest incomes receive the largest benefit from deductions because they save at the tax rate of their highest tax bracket. For instance, someone earning over \$170,000 per year saves 21% or \$2,100 on a \$10,000 RRSP deposit, while someone earning \$35,000 would save only \$879 on that same \$10,000 RRSP deposit — if they could afford to save that much. Canada Pension Plan contributions (which almost everyone makes) are only eligible for a standard tax credit that saves tax at the lowest tax rate of 8.79%.

Deductible items are also much more likely to be claimed by people with higher incomes because they can afford them. Converting tax deductions to refundable tax credits would go a long way towards improving the progressivity of our tax system and equalizing tax incentives for everyone. Modest income taxpayers get lower tax benefit from tax credits or deductions; their income is often too low to pay enough taxes for a deduction or credit to apply. Making tax credits refundable would make them available to everyone (regardless of income level) and further equalize the tax benefits.

Begin Shifting Away from Property Tax

Currently, municipalities rely on property tax for more than three-quarters of their revenues, a system which is regressive and costly. Indeed, the provincial government requires a “flow-through” of municipalities’ property tax revenues to the provincial government. This arrangement increases reliance on property taxes: the provincial government has little incentive to increase its revenue from income taxes. As proposed in the CCPA-NS Alternative Municipal Budget for the Halifax Regional Municipality in 2012, some flows-through are for services received and should be maintained. However, the provincial government should relieve the municipalities of the regressive flows-through for the services over which the municipalities no longer have any legal authority: public education, social housing, and correctional fa-

cilities. Eliminating this regressive flow-through would cost the provincial government roughly \$200 million. The loss of this revenue should be offset by an increase to income tax rates for those with incomes over \$60,000, not by slashing provincial support to programs. This change would represent a step away from property taxes and a step toward more services (including municipal ones) funded by progressive income tax. To this end, CCPA-NS has repeatedly proposed the establishment of a Refundable Municipal Income Tax (REMIT),⁸ a surcharge on each taxpayer's provincial income tax, which would be sent directly to municipalities.

NSAPB Actions

- Raise taxes on the top two income brackets (by 2% on income from \$93,000 to \$150,000 and by 2% on income above \$150), bringing rates to 19.5% and 23% respectively. (\$41m)
- Fully tax capital gains (\$36.7m)
- Shift federal tax deductions to refundable tax credits at the provincial level (\$198.5m)
- Begin Phase-Out of the Municipal Flow-Through (Municipalities gain \$20 million in revenue)

These are the highlights of the tax proposals in this year's Alternative Nova Scotia Budget. For a full discussion of other tax changes to increase the progressivity of the tax system and begin to address income inequality see previous years' Alternative Budgets.⁹

Total New Revenue: \$350.9 million minus \$20 million for the flow-through

Notes

¹ See Igluka Ivanova and Seth Klein, *Progressive Tax Options BC: Reform Ideas for Raising New Revenues and Enhancing Fairness* (Vancouver: CCPA-BC, January 2013). <https://www.policyalternatives.ca/bc-tax-options>

² Lars Osberg, *Instability Implications of Increasing Inequality*, (Ottawa: CCPA, 2012) <https://www.policyalternatives.ca/publications/reports/instability-implications-increasing-inequality>.

³ Mathieu Dufour and Larry Haiven, *The Rising Tides Swamped Many Boats: Rising Profit Shares and Falling Labour Shares in Nova Scotia* (Halifax: CCPA-NS, 2008). <https://www.policyalternatives.ca/publications/reports/hard-working-province-it-enough>.

4 See the Growing Gap project, at www.growinggap.ca, for a chronicling of the various aspects and consequences of this stagnation for Canadian households.

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6 Laurel Broten, *Charting a Path for Growth: A tax and regulatory review for Nova Scotia* (Province of Nova Scotia, 2014) <http://www.novascotia.ca/finance/en/home/taxation/default.aspx>

7 Lars Osberg, *How Much Income Tax could Canada's Top 1% pay?* (CCPA, October, 2015) <https://www.policyalternatives.ca/newsroom/updates/how-much-income-tax-could-canadas-top-1-pay>

8 Michael Bradfield, *Policy Points: Alternative to Property Taxes* (Halifax: CCPA-NS, February 25, 2013) <https://www.policyalternatives.ca/publications/commentary/policy-points-alternative-property-taxes>

9 All past alternative provincial budgets can be downloaded here: <https://www.policyalternatives.ca/projects/nova-scotia-alternative-budget> See also CCPA-NS, *Nova Scotia Budget Watch 2015, Tax Changes: What Principles, in Whose Interest?* https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2015/04/NS_Budget_Watch_Tax_Changes.pdf

Federal Transfers and Equalization

Background

As noted in previous Alternative Budgets, many of the investments we recommend would be unnecessary or less costly if the federal government lived up to its responsibilities to work towards a better quality of life for all Canadians. The federal government could use its greater taxation capacity to fund, for example, national programs to reduce poverty, increase affordable housing or develop a quality early learning and child care system. It also should lead and fund an energy plan linked to a climate change plan, a national transportation strategy, and a robust infrastructure initiative to address the deficit that exists in municipalities across this country for water and wastewater management, for bridges, for roads, and for public transportation. Unfortunately, federal governments backed away from such pan-Canadian leadership, leaving the task to provincial governments with widely varied needs and fiscal capacities. At the same time, they failed to ensure that federal transfer payments are adequate to enable provinces to meet their responsibilities. Since the federal government introduced changes to the Canada Health Transfer (CHT), the Canada Social Transfer (CST) and to the equalization formula in 2007, the promise of federalism has been continuously undermined, exacerbating the growing inequality that now plagues Canada. Now there is an opportunity to rebuild the relationship

and address the inequalities, given promises including investments in public infrastructure, public transit, to increase health care funding and to negotiate a new health accord, and to reduce poverty.¹

Current Issues

There were two significant and inter-related “reforms” to the transfer system in 2007. One put both the CST and the CHT on a per-capita basis. With the CST the change was immediate; the CHT changed in 2014 with the expiration of the 2004 health accord. For provinces with above-average fiscal capacity, the changes to per-capita federal transfers means a cash windfall. Provinces such as Nova Scotia lose revenue through removal of equalization factors — or associated equalization — from health and social transfers. Associated equalization was worth \$352 million to the Maritime Provinces in 2013–14 alone.² The loss was to be cushioned by a second reform — a richer, formula-based overall equalization program. That more lucrative equalization regime, yielding annual increases of more than eight per cent, lasted only two years. In 2009, the Harper government capped equalization, resulting in average annual increases of about four per cent over the last six years, with most of the increase going to Ontario. The cap meant that equalization-receiving provinces received \$17.8 billion less between 2009–10 and 2013–14.³

The impact of the 2007 and 2009 changes was fully realized in 2014 when Alberta became the last province to move to equal per capita funding for health transfers. As a result, Alberta’s health transfer increased by 38%, paid for by skimming off the allotments to the other nine provinces.

The impact is being compounded in 2015–16 because health transfer increases — announced in December 2014 — are applied to the diminished 2014–15 base. With the diversion of dollars to Alberta, Nova Scotia now receives \$25 million less per year. The situation will deteriorate even further. In 2016–17 health transfers are set to move with a three-year average of nominal GDP, or 3%, whichever is higher. Assuming that the historic pattern of health expenditure increases continues and that Nova Scotia’s aging population remains stable, the federal share of health spending in Nova Scotia — down to 20.82% in 2014–15 from 24.25% in 2005–06.

In terms of the CST, more attention needs to be brought to the erosion of funding. When the Canada Health and Social Transfer was split, 62% of funds went to the health transfer and 38% to the CST, which is intended to fund post-secondary education, social assistance, other social programs and early childhood development and child care services.⁴ In addition, there is a

TABLE 4 Change in Major Transfers Per Capita 2006–07 to 2015–16

	2006–07 (\$ per cap)	2015–06 (\$ per cap)	% change 2006–7/2015–6
Canada	1,312	1,897	44.59
NL	2,936	1,310	(55.38)
PEI	3,062	3,758	22.73
NS	2,485	3,221	29.62
NB	2,892	3,517	21.61
Que.	1,673	2,461	47.10
Ontario	868	1,482	70.74
Manitoba	2,392	2,651	10.83
Saskatchewan	1,051	1,310	24.64
Alberta	578	1,310	126.64
BC	1,055	1,310	24.17

Source Finance Canada, June 2015

lack of accountability related to this transfer with no national standards attached except that there be no residency requirement for social assistance. Any poverty reduction strategy that might be developed by the federal government as the Liberal Party of Canada promised, must increase funding via the CST and ensure there are important accountability measures built into it.

Equalization and Total Transfers

A 2009 cap on equalization, coupled with economic problems in Central Canada, means that, with the exception of Ontario, all equalization-receiving provinces received increases in total federal transfers well below the national rate of increase. *Table 2* calculates the percentage change per capita nationally and for each province over the nine-year period from 2006–07 to 2015–16.

A disproportionate share of increased federal transfers went to Alberta and Ontario, provinces with greater fiscal capacity than Nova Scotia's. Nova Scotia fares better than its Maritime neighbours and Manitoba, partly due to the arrangement which allows the province to choose between the current equalization formula and the one in force at the time of the 2005 Off-shore Accords. However, 2015–16 preliminary estimates show that benefit dropping by over 40% in the coming year. Thus total federal support to Nova Scotia was expected to rise by only \$43 million in 2015–16, a percentage increase of 1.43, smallest of any province.

New Federal Government

Should the new federal government follow-through on its main promises regarding provincial transfers as well as direct spending, the Nova Scotia budget 2015–06 could look quite different. The Liberal Party of Canada did, for example, promise to negotiate a new health accord, though it isn't yet clear what formula will be used. The Liberals also promised \$3 billion in additional health funding over four years for improved home care, as well as an additional unspecified amount to reduce the cost of prescription drugs and expanded mental health programs, as well as infrastructure spending including for public transit, affordable housing, and other initiatives aimed at reducing poverty and supporting families, while at the same time investing in post-secondary education, as well as jobs skills and training.

NSAPB Actions

- The Nova Scotia government must advance our right to a fiscal transfer system that, in the spirit of the Constitution Act, ensures reasonably comparable levels of services at reasonably comparable rates of taxation.
- To achieve this goal, the federal government should increase the equalization envelope by \$4 billion, bringing it to pre-cap levels.
- The equalization top up should be paid for by an increase in the federal share of revenues from the petroleum industry and the elimination of tax subsidies to the oil industry and a phased-in federal carbon tax.
- In addition to extending the 6% overall increase in health transfers beyond 2017, the per-capita funding formula for health and social transfers must be replaced with a formula that reduces transfers to provinces with above-average fiscal capacity and increases them to provinces with higher costs from demographic factors.
- Future increases in the CHT should be calculated on the 2013–14 base, not the 2014–15 base eroded by the Alberta's windfall.

Notes

1 Liberal Party of Canada, Election 2015 Campaign: Real Change. <http://www.liberal.ca/realchange/>

- 2 Atlantic Provinces Economic Council, *The Importance of Federal Transfers to Atlantic Canada*, Atlantic Report, Winter 2014 (Halifax: Atlantic Provinces Economic Council) p. 3.
- 3 Report of the Council of the Federation Working Group on Fiscal Arrangements, July, 2012
- 4 Donna Wood, *The Canada Social Transfer and the Deconstruction of Pan-Canadian Social Policy*. Prepared for Vibrant Communities Calgary, 2013. http://www.vibrantcalgary.com/uploads/pdfs/Canada_social_transfer_Wood_full.pdf

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