

A Budget for the 99%

Nova Scotia Alternative Provincial Budget 2014





CCPA

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Preamble

Alternative Budget Goals

- The goal of an alternative budget is to make a persuasive case for how we can reallocate or/and raise additional public funds to create a community that is socially and economically just, as well as environmentally sustainable.
- It is a form of popular economic education to show people how government budgeting works, that alternatives do exist, and they can help shape those alternatives.
- It seeks 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.
- 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.

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, however, they need access to better information about the choices and consequences of decisions that are made about revenues, about spending and about the debt. We hope this document provides Nova Scotians with additional information and alterna-

tives to use to hold the government accountable for the ‘difficult choices’ it makes on our behalf.

Applying an Intersectional Lens to the Budget

Employing an intersectional lens to policy-making including the provincial budget begins first by asking more questions and making fewer assumptions – the norm when policy-making is done. An intersectional lens forefronts questions of power, social justice and equity. Using *An Intersectionality-based Policy Analysis Framework*,¹ begins with asking questions like:

- What knowledge, values and experiences do you bring to this area of policy?
- What assumptions underlie the policy in question? How is the problem defined and who defines it? Who is affected by this definition?
- What are the current policy responses to the problem? Whose needs are being met?

A key question that must figure into the analysis is how ‘race’, ethnicity, class, sexuality and other social locations and systems of inequality (racism, colonialism, classism, heterosexism) interact in relation to this policy problem. How do our budgetary decisions impact different people because of their social locations and the systems of inequality that exist?

The consequences of not using an intersectional lens are clear and all too familiar: we simply end up with policies that do not meet the needs of all Nova Scotians and often instead perpetuate the inequities that do exist. For example, the Government’s current approach to people with disabilities provides on-going access to welfare, but no access to the kinds of resources necessary to deal with the challenges disabled Nova Scotians face in the job market. If the government were to use an intersectional lens, however, the relationship between welfare policy and employment policy would crystallize: by creating a program to cover the costs of disability-related supports, the Government could help many people with disabilities leave social assistance and move into some form of employment. The government would also then consider how different social locations interact for people with disabilities, recognizing that women with disabilities face additional bar-

riers to the labour market. It would then also be necessary to analyze solutions also considering ‘race’ or ethnicity.

An intersectional lens is vital to the development of a budget that (re)allocates resources in a way that better meets the needs of everyone. A budget that highlights issues around human rights and social justice helps to clarify that social and economic justice is not just affordable, it is sensible. This year’s NSAPB has integrated these concerns throughout the budget.

Notes

1 Olena Hankivsky, (Ed.). *An Intersectionality-Based Policy Analysis Framework*. Vancouver, BC: Institute for Intersectionality Research and Policy, Simon Fraser University. This publication is also available online at www.sfu.ca/iirp/ibpa.html.

Introduction

A Budget for the 99%: Not Just About Fairness and Equality

After more than thirty years of jobless growth and growing household debt punctuated by a series of increasingly severe economic crises, September 17, 2011 marked an important turning point. On that day, “thousands of people marched on the Financial District, then formed an encampment in Zuccotti Park, launching a movement that shifted the conversation on economic inequality.”¹ Following the emergence of “Occupy Wall St,” similar “Occupy” movements sprang up all around the world, including here in Nova Scotia. The Occupy Movement was driven by the clear sense that it is both possible – and absolutely necessary – to build an economy in the interests of the people, not corporations and the wealthy. The drive to achieve social and economic justice was not just morally right, it was economically efficient. Since then, the mountain of evidence that has long attested to the fact that income inequality is bad for the economy, for the environment and climate change, and for democracy as well, has only grown.² In fact, even the International Monetary Fund, which has arguably acted as one of the architects of the current situation, has recently warned that income inequality leads to slower or less sustainable forms of economic growth.³

Inequality has long hindered the ability of most Nova Scotians to enjoy a decent standard of living. The growing gap between rich and poor in this province has only served to multiply the obstacles that most Nova Scotians now face as they work to achieve a basic level of security and sustainability. Indeed, under the mistaken idea that we need simply to grow our economy, the government and policy-makers have lost sight of the fact that *how* we grow is at least as important as growth itself. Rather than growing in-

equality in a growing economy, we need to ensure economic benefits are spread widely and fairly throughout Nova Scotia.

Unfortunately, this has not happened. In fact, most workers in Nova Scotia have seen their wages stagnate even despite rising rates of productivity. 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, as 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 Clearly, growth was not enjoyed equally by all Nova Scotians.

Since 1982, the increase in real incomes in Nova Scotia has been modest for most: \$3,500 for the bottom 90% of tax filers; and massive for a few: \$99,500 for the top 1%. In 1982, the average top tax filer enjoyed an income 8.3 times greater than those whose earnings put them at the bottom of the income distribution. Today, the 1% tax-filer makes about 10.5 times more than do the lowest earners.⁵ To qualify for membership in Atlantic Canada's 1% requires an income of at least \$151,900. On average, however, the incomes earned by Atlantic Canada's 1%'ers is much higher: \$259,300. In contrast, the average income of the bottom 90% of tax filers is just \$26,700 — the lowest in the country.⁶

To deal with the problem of inequality, we need to break apart and democratize the controls that the wealthiest Nova Scotians have over how our wealth is both generated and allocated. Societies that are more equal are commonly described by things like employee-owned and controlled businesses like co-operatives. Such businesses also often meaningfully involve local community and consumer representatives on their governing boards.

High rates of unionization are also key to re-balancing priorities and achieving a more equitable form of growth.⁷ Evidence shows that the higher the unionization rate in a society, the lower the poverty rate. Conversely declining union membership is closely related to growing income inequality.⁸ We also know that women benefit from the union advantage even more than do men, thereby helping to address gender inequality.⁹ Wage differences between racialized and non racialized workers, and between workers with and without disabilities is also narrower in unionized workplaces.¹⁰

A society mired by income inequality is one where few will take risks. Without risk there is little change and little innovation. Risk-taking is unlikely when people are worried about meeting their daily needs or are only a few pay cheques away from living on the streets. A safety net that helps people take risks is one designed to make sure that no one falls too far when

things go awry and they hit hard times. Likewise, no one should face greater risks just because of their race, ethnicity, sex, gender, age, or the fact that they have a disability. Indeed, the risks associated with our social locations need to be eliminated entirely. At the same time, and in the same way, we do not want to reduce risk-taking to a simplistic calculus around money. Choosing a career in art, becoming a farmer, opening your own business, taking leave to take care of young children or elderly parents, going back to school to retrain or further your education, these are all things that contribute to our quality of life. And, in our society, these are all economic risks of such severity that we are pressed to avoid them.

The Nova Scotia Alternative Provincial Budget (NSAPB) recognizes that to reduce inequality requires a combination of increasing incomes and lower costs of living for the majority. That means employers and owners must share more of the productivity gains and profits with workers, which is why unions become a critical part of the solution, as do alternative work models including worker co-operatives. Progressive taxation also becomes a critical part of the solution to ensure we have a sufficient and fair tax base to expand affordable access to post-secondary education, public transit and child care.

Smart public investments that address inequality and insecurity not only achieve greater fairness; they also provide more opportunities for economic growth, but not just any kind of growth. Public services help level the proverbial playing field, and thereby make it possible for most people to access meaningful forms of work. Unfortunately, between 1990 and 2009, Nova Scotia consistently invested less than did most provinces in terms of the provision of social services. In fact, the Province consistently spent less on a per-capita basis than the Canadian provincial or the Atlantic average.¹¹

As the NSAPB clearly shows, it is possible to build an economy in the interests of the people, to achieve social and economic and social justice. All of our citizens have the right to fully use their skills and capabilities. If we want to attract more people to live here or entice them to stay, we need to attack inequality in all of its forms. We need to offer a caring, inclusive, and prosperous community. Demographic trends are undoubtedly important, but demographics are not destiny. Demographic trends are influenced by our policy choices.¹² One of our most important choices is how we choose to share our prosperity.

It is about *all* of us. Our economy is our people; our people are our government; without our environment nothing else matters.

Notes

- 1** Two Years After Occupy Wall Street, a Network of Offshoots Continue Activism for the 99%, Democracy Now, September 19, 2013, http://www.democracynow.org/2013/9/19/two_years_after_occupy_wall_street
- 2** Kate Pickett and Richard Wilkinson, *The Spirit Level* (Penguin, 2010) <http://www.equalitytrust.org.uk/resources/spirit-level-why-equality-better-everyone>
- 3** Income inequality leads to slower economic growth – IMF economists, February 26, 2014 <http://uk.reuters.com/article/2014/02/26/uk-imf-inequality-idUKBREA1P1PH20140226>
- 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** Statistics Canada, High Income Trends (Ottawa: Statistics Canada, 2013).
- 6** Jason Edwards and Christine Saulnier, Time to curb inequality in Atlantic Canada, Chronicle Herald, February 5, 2013 <http://thechronicleherald.ca/opinion/644091-time-to-curb-inequality-in-atlantic-canada>
- 7** Spirit Level, IBID.
- 8** Errol Black and Jim Silver, The Union makes us strong and improves our health, in *The Social Determinants of Health in Manitoba*, Eds. Lynne Fernandez, Shauna MacKinnon and Jim Silver (CCPA Manitoba, 2010) p. 195
- 9** The hourly union advantage for women is \$7.31 and for men it is \$5.44. The advantage is the amount that unionized female and male workers make compared to non-unionized workers. Statistics Canada, CANSIM Table 282-0074
- 10** Andrew Jackson, *Union Communities, Healthy Communities: The New Attack on Unions and its Threat to Shared Prosperity in Canada* (Broadbent Institute, 2013) <http://www.broadbentinstitute.ca/sites/default/files/documents/union-en.pdf>
- 11** CCPA-NS, Twelve Things You Should Know about Nova Scotia's Fiscal Situation (CCPA-NS, March 2012).
- 12** Robert B. Friedland and Laura Summer, *Demography is Not Destiny Revisited* (Georgetown, Wash., Center on an Aging Society, Georgetown University, 2005). <http://agingsociety.org/agingsociety/publications/demography/index.html>

Fiscal Overview and Alternative Provincial Budget Summary

The Nova Scotian economy needs a boost. With real economic growth expected to reach only 0.7% for 2013,¹ finding stable employment remains a challenge. Though the unemployment rate over the past year has dropped slightly, this is only because over 9,000 Nova Scotians, unable to find work, have dropped out of the labour force. From January, 2013 to January, 2014, employment fell by 3,200. Meanwhile, the youth unemployment rate remains stubbornly high at 18.7%.²

Fortunately, the provincial government's finances are in a strong position to make much needed investments in our social programs and to support the economy and employment. Though the Finance Department's December Budget Update (*Table 1*) forecasts a deficit of \$481.7 million for 2013/14, \$280 million of this is the result of a one-time increase in pension valuation adjustments. Thus, the starting point for 2014/15 is a deficit of approximately \$200 million.³

Most measures of Nova Scotia's fiscal health have improved consistently over the past few years. Our debt-to-GDP ratio, which provides the best measure of Nova Scotia's ability to pay off its debts, has fallen from 48.7% in 2000 to its current level of 36.7%. Debt servicing charges as a percentage of provincial government expenditure have fallen from almost 20% in 2002 to 8.7% in 2013/14.⁴ As a percentage of GDP, debt charges have fallen from a peak of 5.1% in 1995 to only 2.2% today.⁵

The new government projects a significantly larger deficit than anticipated in the last budget for 2013–14, an estimated surplus of \$16.4 million at budget time. Thus, government projections from the last budget (2013–

TABLE 1 Nova Scotia Department of Finance Base Case (December 2013)

	Budgetary Transactions (\$mil) 2013–14
Revenues	\$9,323,403
Expenditure (inc. Debt Service)	\$9,852,736
Budget Balance	-\$481,714
Debt to GDP	34.8%

TABLE 2 Nova Scotia Alternative Provincial Budget (\$mil)

	2014–15	2015–16	2016–17	2017–18
Base Revenue	\$9,835,021	\$10,333,454	\$11,065,332	\$12,041,368
Base Expenditure	\$10,279,530	\$10,648,560	\$11,215,866	\$11,985,968
Budget Surplus (deficit)	(\$444,509)	(\$315,105)	(\$150,534)	55,400
Debt to GDP Ratio	36.9%	36.4%	35.5%	34.3%

14) are no longer valid. The new government has yet to produce updated projections.

The Nova Scotia Alternative Budget (*Table 2*) assumes expenditures will increase by the consumer price increases. Thus, wages and purchases of equipment and materials are assumed to move with the cost of living – in aggregate, existing programs will not grow but neither will they be cut, although funds may be re-distributed among programs. Given Nova Scotia’s good fiscal health, the provincial government can easily afford the recommendations of the Alternative Provincial Budget which calls for a balanced budget in 2017/18. Over this period, the debt-to-GDP ratio will continue to fall. Moreover, these are very conservative estimates and do not take into account the expansionary impacts of our investments, which is estimated to result in another \$150,000 million in revenue. Our estimation is that this stimulus budget will actually result in a balanced budget by 2016–17.

The spending priorities of the Nova Scotia Alternative Provincial Budget (NSAPB) (*Table 3*) not only maintain the province on its road to improved fiscal health, they improve the health of the population, create jobs, strengthen public services and stimulate economic growth. The NSAPB is a budget designed to address the issues related to growing income inequality, and therefore, ensure that all Nova Scotians benefit.

The NSAPB proposes to redistribute income through a more progressive tax system; however, tackling inequality is not just about redistributing income. The NSAPB also seeks to redress the negative social and economic effects of income inequality, as well as prevent income inequality from worsening. The NSAPB thus also invests in the creation of an inclusive labour market with more secure, well-paid, unionized jobs. Reducing poverty and ensuring everybody has energy and food security, are priorities in the NSAPB. The NSAPB also invests in quality public services including early learning and child care, affordable housing, improving primary health care, and providing education opportunities that are inclusive and able to respond to the needs in our society. Finally, the NSAPB invests to address the imperatives of global warming, which require us to focus on solutions that create a truly sustainable society. Developing green energy, fostering sustainable agriculture and forestry practices, and democratizing policy decisions, will all help address the fallout from a society allowing runaway wealth at the top, while the rest struggle against the erosion of their share.

Notes

- 1 NS Department of Finance, *December 2013 Budget Update*.
- 2 Statistics Canada, *Labour Force Survey Estimates*, Cansim # 282-0087.
- 3 NS Department of Finance, *IBID*.
- 4 Calculated using data from NS Department of Finance, *December 2013 Budget Update*.
- 5 *Ibid*.

TABLE 3 NSAPB 2014: Strategic Priorities (\$mil)

	2014–15
Our Jobs and Economic Security	
Economic Development	
Eliminate NSBI	-27
Creation of Cooperative Investment Corporation	14
Social Enterprise Strategy	2
Sets up a Start-Up Nova Scotia Equity Fund for Youth	4.5
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	3
Retirement Security	
Establish a Pension Benefits Insurance Program	2
Our People, Our Communities	
Disability and Age Friendly	
Transformation of residential and vocational support programs	10
Reduce wait lists for Services for Persons with a Disability	10
Women's Equality, Bullying and Sexualized Violence	
Develop a Women's Equality Action Plan	0.2
Core-Funding for Non-profits	2.3
Support for women to enter male-dominated professions	3.2
Increase capacity of Advisory Council on Status of Women	0.084
Address workplace sexual harassment	0.5
Allocate resources for advocacy	0.8
Justice for Sex Workers	
Protect rights, health and safety of sex workers	0.2
Support non-profits providing services to vulnerable youth	0.8
Core Funding to organizations supporting sex workers	0.2
Poverty Reduction	
Increase income assistance rate	50
Decrease earnings claw-back	16
Increase the Poverty Reduction Credit	2
Increases the Affordable Living Tax Credit	9
Enhance Nova Scotia Child Benefit	6

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
Public Transportation	
Establish Transit Nova Scotia	18
Community Transportation Assistance Program Core funding	2
Commuter-rail system (Halifax-Truro)	30
Arts, Culture, and Heritage	
Increase budgets for African NS Affairs and Aboriginal Affairs \$1 million	1
Support for heritage (eg. Museums), and cultural activities	8
Early Learning and Child Care	
Enhance Support for children with diverse needs	1
Begin Building Early Learning and Child Care system	42
Primary to 12 Education	
Restore the cuts in P-12 education since 2010	65
Additional class-size relief	3.5
Improve educational equity and inclusiveness	10
Hire 51 guidance counsellors	4
Post-Secondary Education	
Reduce university tuition by 10%	25
Increase University Funding Base by 3.5%	30
Cancel Graduate Retention Rebate	-15
Cancel student debt cap program	-13
Transform Nova Scotia students' provincial loan into a 100% grant	15
Improve bursary to \$1283 for out-of-province students	13
Fully secure funding for autonomous arts education	15.8
Reduce Tuition by 50% for the NSCC	16
Fully fund Medical Services Insurance for international students	0.15
Cancel Excellence in Innovation Fund	-10
Lifelong Learning	
Enhance Adult Learners' Week and NS School for Adult Learning	5
Enhance Maintain LMA funded programs	5

	2014–15
Offer diverse programs to meet learning needs	5
Eliminate financial barriers to adult learning	5
Health Care	
Primary Care	17.3
Continuing Care	25.6
Mental Health and Addictions	8.2
Community Health Centres	40.5
Justice	
Develop best practices for HUB model policing	0.5
Establish Drug Treatment Court in Halifax	1.5
Expand alternative justice programs	2.5
Community-based crime prevention initiatives	2
Our Environment	
Environmental Protection	2.6
Energy	
Develop a long term energy security plan	1
Establish a Universal Service Program for low-income households	33
Targeted programs for low-income renters at Efficiency Nova Scotia for \$3 million of	3
Reduce Heating Assistance Rebate Program	-6
Cancel Your Energy Rebate	-110
Water	
Municipal upgrade water and wastewater infrastructure	60.02
Food and Agriculture	
Preserve existing and develop new agricultural land	5.2
Support existing and facilitate growth in small and medium-size enterprises	2
Nutrition and food skills education in the P-12 school system	2.4
Forestry	
Community-run forests	2
Taxation	
Raising two top brackets one percentage point	-35.353
Decreasing User Fees	10
Begin to Phase-Out of the Municipal Flow-Through	20
Fully Taxing Capital Gains	-55.044
Shifting Federal Tax Deductions to Provincial Tax Credits	-187.531
NSAPB New Spending (net)	698.364
NSAPB New Revenue (net)	-357.928

Our Jobs and Economic Security

Economic Development: From Corporate-Driven to Community-Developed and Co-operative

Background

Nova Scotians are increasingly concerned about the amount of money being doled-out to business, especially to large, profitable companies. These subsidies are problematic in their lack of transparency and the amount of control that seems to be exercised by corporate actors. Corporate handouts usually have few strings attached, including 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 are few details released about these corporate handouts.

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 business 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 and they must do so with more than just low-wage jobs. They also need to fit in with community interests and long term goals. The shipyard contract raised questions, for example, about whether we should be building warships. The question of the ethics of military procurement in an environment where people are living in the streets and families are struggling to make ends meet speaks to the broader question of determining public priorities.

Canada is currently negotiating “second generation” trade deals that will 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. These agreements contain implications that have far-reaching effects. For example, the CETA could:

- Erode supply management in the dairy industry,
- 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 the costs.

Strengthen 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 the prescribed targets. 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 pro-

curement policies. The Province of Nova Scotia has a sustainable procurement policy, but no specific recommendations for targeting.⁴

Support Co-operatives

Nova Scotia needs more home-grown enterprises owned by the people who use the goods/services they produce, or who work there, or both. These are co-operatives, 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.

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

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. (NSBI), which will no longer exist.

Our province also 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 Cooperative Investment Corporation will focus on helping communities start new cooperatives and on providing capital for upgrades at existing co-ops. Part of its mission will be to support cooperatives which can also be considered social enterprises.

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 A 2011 report confirms that expansion in the early learning and child care (ELCC) sector in Nova Scotia provides more short-term economic stimulus than other major sectors of the economy. The GDP multiplier (the increase in GDP generated from a dollar increase in funding for early learning and care) is \$2.23. This is larger than other sectors — 67% higher than construction and 112% higher than manufacturing. Furthermore, the employment multiplier (the number of jobs created relative to the increase in expenditure) is 46.8 jobs per million dollars invested.¹⁰ In Manitoba the economic returns were even higher in rural communities, affirming the essential role that child care can play in regional development.¹¹ In Quebec, for every \$100 invested in the system, the provincial government received \$104 in return.¹² Overall, ELCC advances multiple policy priorities and goals: “preparing our future workforce, supporting parents to work or upgrade their skills and strengthening democratic communities.”¹³

NSAPB Actions

- Shifts funding away from corporate-driven economic development by eliminating NSBI (**\$27 million**) and instituting more transparency and accountability related to the Jobs Fund.
- Reallocates **\$14 million** annually to the new Cooperative Investment Corporation to expand the cooperative economy across Nova Scotia.
- Strengthen 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.
- Invests (**\$2 million**) to advance the further 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. Therefore, the fund is limited to persons under 30 or those who have graduated from a post-secondary program no more than 5 years prior to their application.
- 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: \$20.5 million

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 price preference if they are a commercial taxpayer in the Cape Breton Regional Municipality. However, the 5% 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 section 14: 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

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Building an Inclusive Labour Market

Background

The Nova Scotia economy is relatively underdeveloped and low-waged, with the second lowest average weekly earnings in the country.¹ Nova Scotia's unemployment rate is above the national average and has been for decades. As of January 2014, the official unemployment rate is at 8.6%, or 42,200 people.² The official unemployment rate from Statistics Canada is grossly understated, excluding a large number of jobless. People who are involuntarily working part-time and want full-time hours, people on social assistance, and people who have given up looking because there are no jobs to be found; none of these groups is counted in the official unemployment rate. Estimates of the true number out of work range significantly, but it is undoubtedly a much higher number.

Counting unemployment across the entire province also masks major problems in different regions. For example, in Halifax the unemployment rate is one of the lowest in the country at 6.6%. However, in Cape Breton the official unemployment rate is 14.4% and in the South Shore region it is 11.5%, well above the national average.³

Unemployment and employment rates also vary depending on your social location as well. In 1976, 36% of women in Nova Scotia were employed. Today 56.2% of women are employed.⁴ However, women are still segregated into the lowest paying job categories. 67% of all part-time jobs are done by women, the vast majority of whom are not working part-time by choice. Even when we compare full-time full year earnings, we find that for every dollar a man earns, a woman earns about 70 cents.⁵

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 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%.⁶

Labour market barriers also persist for people with disabilities, who experience much higher unemployment rates and lower participation rates than Nova Scotians without disabilities. Indeed, there are many myths related to persons with disabilities and work. These common misconceptions have been debunked. Research shows that people with disabilities have lower absenteeism and higher job retention. Moreover, in the limited number of cases where accommodation is needed, the cost is a few hundred dollars, while the majority of disabled employees require no modification at all. What's more, any costs are more than offset by a range of benefits.⁷

Current Issues

Unemployment is a huge cost to society, both in terms of its impact on people and on our economy. There are many ways that unemployment is costly for the provincial government, from spending on training programs and social assistance to the loss of tax revenue that results when people lose their jobs. Some of those costs have been calculated as part of the costs of poverty.⁸ Included in this cost, and a significant drain on our province, is lost productivity. When tens of thousands of people are left idle, we are losing opportunities to expand the economy and meet more of our needs.

Cost of Unemployment

Nova Scotia's gross domestic product (the total output of our economy each year) is estimated at \$37 billion.⁹ The employed labour force is 447,800 people.¹⁰ That means our annual output per worker is about \$82,626.

If the 42,200 unemployed people in the province were working, output would increase by roughly \$3.5 billion.

That \$3.5 billion is the cost of lost productivity due to unemployment. Job creation must be a number one priority of any government as it is the best and fastest way to effectively expand the economy.

Labour Standards and Health and Safety

Nova Scotia's minimum labour standards lag behind almost every other province. There is a need to ensure that the jobs created here are good jobs. The province should overhaul Nova Scotia's Labour Standards Code as recommended in the CCPA "Reversing the War on Workers — Labour Standards Reform in Nova Scotia".¹¹ 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, and ensuring a healthy and safe workplace. In 2012–13, the province conducted 2,481 job-site inspections, but, given our workplace accident and death rates, it is clear that more inspectors are needed. It is very concerning to hear 18 inspectors have quit their jobs over the last two years.¹² With thousands of workplaces in NS — many of which are small and scattered — many go without health and safety inspection year after year with only about 34 inspectors on the job in the province at any one time.¹³

Unionization

Evidence shows that the higher the unionization rate in a society, the lower the poverty rate. Conversely, lower union membership is closely related to growing income inequality.¹⁴ In Nova Scotia, unionized workers make on average \$6.70 more an hour than do non-unionized workers (\$25.25 compared to \$18.98).¹⁵ We also know that women benefit from the union advantage even more than do men, thereby helping to address gender inequality.¹⁶ Wage differences between racialized and non-racialized workers, and between workers with and without disabilities, is also narrower in unionized workplaces.¹⁷ Nova Scotia's unionization rate (the percentage of the workforce that is in a union) is 30.6%.¹⁸ However, the difference in unionization rates between the public and private sectors is dramatic. The public sector

unionization rate is 73.4% while the private sector is at 13.3%. The low level of private sector unionization is one of the reasons Nova Scotia has some of the lowest wages in the country.¹⁹

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.

Increasing the private sector unionization rate by ten percentage points to 23.3% could increase the wages of about 40,000 workers in the province. This would boost consumer spending and redistribute wealth in a more equitable way. Because many of Nova Scotia's private sector employers are large, out-of-province businesses, higher worker earnings means more money will stay in the province.

If 40,000 workers, working a regular 40-hour work week, received \$6.27 an hour more in wages, \$521.6 million would be put into our economy each year, or roughly \$10 million a week. Most of that money would immediately be spent in the local economy, a boost in economic growth that costs the government nothing!

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 Act, while investing **(\$240,000)** to hire additional Health and Safety inspectors
- Extend pay equity to the private sector (all workplaces with 10 or more workers) 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
- Invests 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: \$3.4 million

Notes

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Retirement Security

Background

When Nova Scotians retire, they count on several income sources: the federal government's Canada Pension Plan (CPP) and Old Age Security (OAS); their employer's pension plan if they have one; and their own savings on retirement, savings the Federal Government helps encourage through the Registered Retirement Savings Plan (RRSP) and Tax Free Savings Accounts (TFSA).

Nova Scotians who only have a federal pension income to rely upon when they retire are challenged financially. According to Services Canada,¹ in October 2012, the average monthly CPP payment was \$528.49 and the average monthly OAS payment was \$514.56. The average annual income from federal pensions was therefore around \$12,500. The maximum CPP benefit in 2013 is \$12,150 and the maximum OAS benefit is \$6,553. The few Nova Scotians who qualify for both maximums will therefore receive \$18,700 retirement income from the Government of Canada.

As for employer pension plans, approximately 31% of Nova Scotians reported income from a company pension plan in 2009.² Moreover, of the 60% of Nova Scotian employees with an income of \$40,000 or less in 2009, only 15.8% appear to have an employer sponsored pension plan.

The Canada Revenue Agency (CRA) data also reveals that of the Nova Scotians who reported employment income, 28% also reported an RRSP deduction. However, of those earning \$40,000 or less, only 13.8% reported an RRSP deduction.

With a meager federal pension, no employer pension, and little if any personal savings, how can lower income Nova Scotians retire with dignity?

Current Issues

When it comes to income security and retirement, the government of Nova Scotia needs to add its voice to the growing chorus of voices that are calling on the federal government to double CPP benefits. Phased-in increases to CPP benefits paid for by parallel phased-in increases to employer and employee contributions will only add stability and growth to our economy, in precisely the way such increases did in the late 1990s and early 2000s. Simply by adding to the size of workers' pensions we will add to the income security of retired Nova Scotians, including those retirees who now live in or

close to poverty. But this is just one of the benefits realized by doubling CPP benefits, there are several more.

Doubling of CPP benefits will mean that Nova Scotians are better able to live respectable and dignified lives throughout their retirement which will increase spending, increase investment, and, at the same time, decrease stress on the province's income-support and health care system. We know that the full costs of poverty and low-incomes are not just felt by those who live at, below, or just above the poverty line. On the contrary, poverty is linked to social issues like poor health and has large financial and social costs to our government and society.³ In addition, the CPP is the most stable, lower cost, and financially prudent choice for Canadians to save for retirement. The costs of managing the CPP are spread widely and kept low because every worker and employer in Canada contributes to the program. The CPP fared well throughout the last recession and it continues to remain stable during the current period of fragile and uneven growth. According to the Office of the Chief Actuary, "the plan is able to meet its financial obligations and is sustainable over the long term."⁴

Unfortunately, even doubling CPP benefits will not provide most workers with enough to enjoy a fully secure retirement. Today, the average retiree draws only \$594.19 a month from CPP. Even when one takes Old Age Security benefits into consideration, most Canadians will be forced to rely on private savings and private pensions in order to make ends meet. By contrast, if most workers were able to contribute substantially to individually owned RRSPs — and household debt levels would indicate that they are not — studies have shown that, dollar-for-dollar, RRSPs are less reliable than are occupational pension plans in terms of post-retirement income security.⁵ Workplace pensions are, and will remain, fundamental to the income security of retired workers in Nova Scotia and in the rest of Canada. To date, the government has neglected an increasingly dire situation with over 70% of workers in Nova Scotia not covered by an occupational pension plan. The number of workers enrolled in an occupational pension actually declined in 2012 in the private sector.⁶

In addition to encouraging the growth of and wider participation in occupational pension plans, the NSAPB immediately creates a provincial body that can research and report on pensions and their management. For example, the differences between and risks associated with multi-employer pension plans (MEPPs), single-employer pension plans (SEPPs), and joint sponsor pension plans (JSPPs) are significant; if regulatory approaches are to be fair, transparent, and beneficial for employers and workers alike, then

Nova Scotia requires a provincial body that can understand and respond to the constantly-changing world of pension management. We also know now that the risks associated with SEPPs are relatively higher than they are in MEPPs and JSPPs, therefore the government needs to act to ensure the retirement security of workers whose single employer plans fail. To do this, the NSAPB supports the establishment of an arms-length Pension Benefits Insurance Program (PBIP). The PBIP would be fully funded through sponsor levies and would provide workers with monthly protection of up to \$2500.00.

It is also important to ensure that workers can meaningfully participate in managing their retirement savings. Workers have both a right and a direct interest in every investment decision, to understand the different forms of, and risks associated with pension valuation, and to make sure that management fees are kept sustainably low. Therefore, employers who provide access to an SEPP should be encouraged to shift to either an MEPP or a JSPP, as those plans not only involve fewer risks, but also tend to involve workers far more frequently than do SEPPs.

The NSAPB recognizes the need to start a wider dialogue about both the CPP and occupational pension plans. This can include, at a minimum, holding an annual conference or consultation with all relevant stakeholders, including pension managers and unions. Only with wider and ongoing dialogue will it be possible to develop a pension program that supports the needs of workers and the interests of Nova Scotia.

NSAPB Actions

- Invests up to \$2 million to establish an arms-length Pension Benefits Insurance Program that would be fully funded through sponsor levies and would provide workers with monthly protection of up to \$2500.00. This provincial body will have sufficient research and reporting capabilities.

Notes

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Our People, Our Communities

Disability and Age-Friendly

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

In addition to the highest disability rate, Nova Scotia has the highest percentage of seniors, 16.5% in 2011 (compared to the Canadian average 14.4%).³ It is, of course, true that the two are linked in that the percentage of people in Canada with a disability increases with age.⁴ A document released by the Disabled Persons Commission in 2008 also states that “an increased social acceptance of reporting a disability was partly responsible for the increased disability rates in Nova Scotia in 2006.”⁵ It should be noted that about 50% of the increase is attributed to the province’s aging population (about 1.4% of the 2.9% increase between 2001 to 2006).⁶

It bears noting that having a larger population of seniors has major benefits for Nova Scotia. Seniors (aged 65 and over) contribute to society in myriad ways: they are consumers with disposable income, they use services, which drives employment, they pay taxes, do volunteer work, give donations, and are often key providers of child care and/or support for their families and friends (for example, by acting as the primary caregiver for a

spouse with dementia).⁷ Nova Scotia's seniors should never be presented as a cost-burden.⁸

There are issues concerning our aging population that need to be addressed. We can and should seek to become leaders in the development of age-friendly communities, whose "primary mission is to help more physically and economically vulnerable older populations remain independent (that is, age in place) in their current homes."⁹ In addition to investing in things like a dementia strategy, the NSAPB makes significant investments in long term care and continuing care (see the health care section).

The same can be said of people with disabilities. Recent research on people with disabilities who are workers reveals that contrary to popular myths (and stereotypes), workplaces that employ people with disabilities report lower absenteeism, higher retention, increased productivity and workplace safety, better profitability and a larger customer base.¹⁰ An inclusive workforce, one that is as diverse as the community it serves, simply makes good business sense.

The same things that make communities friendly to an aging population also go a long way to making these communities disability-friendly as well. We need to ensure that we are doing everything we can to help people establish economic security throughout their lives (see the Retirement Security section of this budget), this will impact their health as they age. After all, the evidence is compelling that it is the social determinants of health – the conditions in which we live, work, and age – that have the greatest impact on our health.

Supporting People with Disabilities

People with disabilities in Nova Scotia have significantly lower incomes and higher rates of unemployment than those without disabilities. In 2006, (the most recent year 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.¹¹ 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.¹² The poverty rate for persons with disabilities was 16.8% compared to 8.9% among people without disabilities.¹³ 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. This marks

a decline from 4.0% in 2005.¹⁴ As another indicator, labour force participation and employment rates for persons with intellectual disabilities are the lowest in Canada.¹⁵

As for income support, Nova Scotia is at the low end among provinces. In 2009, income assistance accounted for 39.6% of the income of working age persons with disability.¹⁶ Indeed, people with disabilities made up 43% of the income assistance caseload in 2011.¹⁷ There is a steady decline of income support for single persons with disabilities from \$12,707 in 1989 to \$9,970 by 2012. This is among the lowest in Canada.¹⁸

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 government's own 2007 Needs Assessment.¹⁹

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).²⁰ The new community-focused direction is based on *Choice, Equality and Good Lives in Inclusive Communities*,²¹ the report of a 19-member community-government advisory committee. With adoption of the report, Nova Scotia belatedly joined other provinces in implementing a multi-year plan that moves towards an individualized funding approach for the 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, which recognizes “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

the full participation in the labour force by persons with disabilities. The Report therein calls for: equitable representation in the public service; expanded funding for employment supports like job coaches; workplace site assessments and accommodations; policies that make the employment of persons with disabilities a condition of job-creation investments; and, supports for students with disabilities to transition from the school system to the labour force.²²

NSAPB Actions

Previous initiatives (such as the 2001 Kendrick Report²³) aimed at transforming the system of supports for Nova Scotians with disabilities have been stymied by a lack of political commitment and resources.²⁴ The 2013 initiatives have been received with a certain amount of political commitment, but they must now be backed up with policy that directs resources accordingly. The Institute for Research and Development on Inclusion is working with the Department of Community Services on a multi-year budget.²⁵ 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, and for the development of the resources necessary 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 as fully accessible. Other investments in long-term care and community-based care will also benefit people with disabilities, especially seniors.

Notes

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20 The Nova Scotia Joint Community-Government Advisory Committee on Transforming the Services to Persons with Disabilities Program (SPD), *Choice, Equality and Good Lives in Inclusive Communities: A roadmap for transforming the Nova Scotia services to persons with disabilities program* (June 2013). https://novascotia.ca/coms/putpeoplefirst/docs/SPD_Transformation_Plan_and_Roadmap.pdf

21 The Nova Scotia Joint Community-Government Advisory Committee on Transforming the Services to Persons with Disabilities Program (SPD), *Choice, Equality and Good Lives in Inclusive Communities: A roadmap for transforming the Nova Scotia services to persons with disabilities program* (June 2013). https://novascotia.ca/coms/putpeoplefirst/docs/SPD_Transformation_Plan_and_Roadmap.pdf

22 For an overview of the full range of policies, programs and initiatives aimed at providing support to persons with disabilities in Nova Scotia and all jurisdictions across Canada, see: Minister of Canadian Heritage and Official Languages, *Convention on the Rights of Persons with Disabilities* (Government of Canada, 2014) <http://www.ccdonline.ca/en/international/un/canada/crpd-first-report#sec-nova-scotia>

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25 Canadian Association for Community Living, *IRIS Institute partners with the Nova Scotia Community Services* (December 10, 2012). <http://www.cacl.ca/news-stories/blog/iris-institute-partners-nova-scotia-community-services>

Women's Equality, Bullying and Sexualized Violence

Background

The Rehtaeh Parsons case put a spotlight on sexual assault and forced all levels of government to respond to public outcry. Rehtaeh's case brought to light complications in prosecuting a sexual assault that involved youth, alcohol and social media, and demonstrated the tragic effects of victimization. To date, the government of Nova Scotia has passed several pieces of legislation related to this issue, including the "Cyber-Safety Act". Among other things, the legislation allows victims to seek help in identifying anonymous perpetrators and thereby protect themselves against the kind of attacks that Rehtaeh suffered. At the federal level, Bill C-13 was introduced,

bringing changes to the Criminal Code that target social media and the transmission/distribution of intimate images without consent. Other changes include the broadening of the definition of child pornography and incorporating the transmission of intimate images via social media under existing offences concerning the distribution of child pornography.

Unfortunately, there has been very little discussion about how these issues are related to gender discrimination, sexism and women's inequality. While there was some discussion of rape culture, recent events at Saint Mary's University and the University of Ottawa indicate that serious problems persist. Little has been done to get at the root causes of 'rape culture'. Nova Scotians and our government must face this issue head-on and work on the root causes of why women are by far the majority of victims of sexualized violence including sexual assault and domestic violence. The rate of sexual assault for women in HRM was a staggering 133 per 100,000, compared to the 13 out of 100,000 rate of sexual assault for men.¹ What is needed goes far beyond legislative changes and education campaigns.

In this instance, dealing with our rape culture requires that we use the kind of intersectional lens described above. We must ask questions and allocate resources based on what we know about gender and sex differences and women's inequality. Budgets have a different impact on women than they do on men. As the Women's Action Alliance for Change Nova Scotia points out: "Given that women face gender barriers and discrimination, experience inequities in employment, income, the family, and health, government budgets need to be explicitly designed as part of a government's commitment to achieving gender equality and advancing the status of women. If they are not, the implicit gender inequalities as well as other inequalities including race, class, and ability, are more often exacerbated."²

Beyond Bullying

The focus on bullying in our province has masked what we really need to be addressing as a society; why certain groups are more victimized than others. Violence against individuals based on their gender, sex or sexual orientation (Scott Jones offers another recent example) is also an issue which has been given very little attention. Anecdotally, violence against those who are not heterosexual, and in particular those who identify as trans-gendered, is also present in Nova Scotia.³ But we need to do and know more — we need to undertake research that provides policy-makers with the facts necessary to develop better policies.

NSAPB Actions

- **Develop a women’s equality action plan with targets and time-lines for addressing gender discrimination and sexism; this work will be** led by women providing women-centred, community-based services, include and compensate broad, diverse and multi-sector participants. Develop a Women’s Equality Action Plan: **\$200,000.**
- Provide **\$2.3 million** in additional core funding to service organizations providing women-centred, community-based supports and services, and those on and off campus organizations providing sexual assault services.
- Provide **\$3.2 million** in additional funding to programs that have a proven success in getting women into traditionally male-dominated professions including Women Unlimited, now and the Women’s IT program, as well as provide core funding to the Women’s Economic Equality (WEE) Society⁴ and Hypatia,⁵ which are critical non-profit partners.
- Provide additional staff resources at the Advisory Council on Status of Women (**\$84,000**) to undertake and publish gender-based budgetary analysis and indeed more research employing an intersectional lens to policies and programs.
- Provide **\$500,000** additional funding for programs and resources to address and prevent workplace sexual harassment.
- Allocate resources to enable non-profit organizations to continue and expand their advocacy work preventing discrimination on the basis of sex, gender or sexual orientation: **\$800,000.**
- Other NSAPB sections have also provided funding to address discrimination and build a more inclusive primary to grade 12 education system, a system of early learning and child care for everyone, and additional funding to youth organizations and especially those dealing with LGBTQI issues to get at the root causes of youth homelessness.
- The NSAPB also ensures we are celebrating diversity with additional funding for arts, culture and heritage.

Total investment: \$7.085 million

Notes

1 Marie Sinha and Hope Hutchins, *Juristat article: Measuring violence against women: Statistical trends* (Statistics Canada, February 25, 2013). <http://www.statcan.gc.ca/pub/85-002-x/2013001/article/11766-eng.pdf>

2 Women's Action Alliance for Change – NS, *Budget Backgrounder 2012* (WACNS, April 2012). http://www.wacns.ca/WAW/budget_april2012/2012_wacns_budgetbackgrounder.pdf

3 Forthcoming HRM Roundtable Review on Violence and Public Safety

4 The goal of the Women's Economic Development Society is to ensure that women of diverse backgrounds are included in Community-based Economic Development (CED) in Nova Scotia. To accomplish this, the Society creates programs and services to support women as they develop new skills, build assets and take their places in the workforce. For more information, see: <http://www.weesociety.ca/>

5 Hypatia's initiatives are designed to address the policies, systemic barriers, and institutional practices that limit the participation of women in science and technology. For more information, see: <http://www.hypatiaassociation.ca/>

Justice for Sex Workers

Background

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.¹ 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, and within HRM there is only one establishment that employs erotic dancers. We know, however, that the majority of sex work is now occurring behind closed doors, with very little street-based activity.

The issues around sex work must be part of a broader social justice, antipoverty, 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.”² 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.

Current Issues

As a result of the December 2013 Supreme Court of Canada decision to strike down the three sections of the Criminal Code which criminalized and endangered the lives of sex workers, there will be changes to the sex work industry in Canada. It is critical that Nova Scotia develop the capacity to discuss the implications of the Supreme Court decision with its partners (governmental and otherwise). To be sure, the Supreme Court’s decision is likely to help law enforcement to see sex workers less as criminals and more as individuals at high risk of victimization. However, the consequences of certain legislation, like the Safer Communities Act, which target and seek to shut down bawdy houses in the name of public safety, will be severe. This is especially important as we know that sex work indoors is far safer than sex work outdoors. Laws that ban indoor work and ‘living on avails’ have been struck down by the Supreme Court, as they have been found to unnecessarily put the safety of sex workers at risk.³ Since police interventions are still largely focused on getting workers out of the trade, not on addressing the violence workers face, the result is that sex workers are less trusting of the police and more likely to hide and enter into dangerous situations.

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. Moreover, all community members and support professionals working with youth currently have a duty to report child abuse and neglect (professionals who work with children and youth have an added responsibility to report). As much as protecting our youth is essential, doing so in a manner that prevents them from accessing protection is counterproductive.

The dominant philosophy among sex worker advocates is that sex work should be seen as a legitimate form of work and that adult sex workers should be given the same health, safety and human rights protections as

other workers in Canada. Most importantly, sex workers must be allowed to work in safe conditions without the fear of being criminalized while working.

Sex work advocates support the position that youth under the age of 18 are incapable of making that choice under the law. This means that all harm-reduction activities involving youth sex workers and the police must mean the removal of young-people from the trade.

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. Stepping Stone works to reduce the harm to sex workers and provides supports if adult sex workers want to leave the sex work industry. However, funding to this organization has been reduced through the reallocation of resources by various charitable organizations. Also, funding from the provincial Department of Community Services has remained stagnant for many years. 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.

NSAPB Actions

- Allocate resources (**\$200,000**) to ensure that responses to legal changes by our provincial and municipal institutions protect the rights, and health and safety of sex workers. This includes Labour Standards legislation, Health and Safety standards, as well as municipal by-laws. This will require establishing a provincial working group that directly involves sex workers and sex work advocates.
- Provides additional funding (**\$800,000**) to support organizations working with vulnerable youth to address issues of poverty and homelessness as well as groups providing services to LGBTQI youth and Aboriginal youth.
- Provide additional funding (**\$200,000**) for programs and services to non-governmental support organizations which assist sex workers to achieve a level of safety at work and to assist those who wish to leave the trade.

- The NSAPB also recognizes that many of the issues faced by sex workers extend to all women and relate to poverty, gender discrimination and other issues of social justice and human rights. Funding is allocated in other sections including additional resources for women's centres and to create quality jobs, educational opportunities and otherwise to improve the status of women in Nova Scotia.

Total investment: \$1.2 million

Notes

1 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 Madonald, *Sex Workers in the Maritimes Talk Back* (UBC Press, 2006).

2 Forthcoming HRM Roundtable Review on Violence and Public Safety

3 Nicole Saulnier, "It's not a crime in Canada to sell sex for money," *Chief Justice McLaughlin* (NB Media Co-op, January 31, 2014). <http://nbmediacoop.org/2014/01/31/it-is-not-a-crime-in-canada-to-sell-sex-for-money-chief-justice-mclachlin-supreme-court-strikes-down-prostitution-laws/>

Poverty Reduction

Background

There are various measures of low-income, proxies to estimate the numbers of people living in poverty. The Market Basket Measure (MBM) for 2011 shows that 131,000 Nova Scotians live in low income, which represents 14.3% of the population. The MBM shows how many people are not able to afford a basket of goods that reflects regional costs including, shelter, child care and transportation.¹ Using this measure, 9% of seniors cannot afford this basket of goods, and 20.7% of Nova Scotians under 18 years old are living in poverty. Poverty rates are higher for women (who are more often unpaid caregivers or earn less than men), and especially for lone mothers. According to the measure that most governments use, the Low Income Cut-Off, women faced a poverty rate of 7.7% versus 6.2% for men (in 2011).² Aboriginal people experience very high levels of poverty, with child poverty rates as high as 40%.³ Recent immigrants and racialized Canadians also face high poverty rates.⁴

Current Issues

The social support system of last resort in Nova Scotia is the Employment Support and Income Assistance (ESIA) program. Not only does it not provide enough income support, the system itself is broken. It stigmatizes; it robs recipients of their dignity.⁵ It is mired in bureaucracy and based on exclusion, on ensuring that those in need receive the minimal amount of supports required only after producing mounds of evidence. It ensures that people have to rely on charities to feed their families and meet their basic needs.

Welfare incomes include support payments from the ESIA program, and federal and provincial tax benefits for which eligibility criteria vary. Provincial tax credits include the Nova Scotia Poverty Reduction Credit⁶ and the Affordable Living Tax Credit.⁷ In addition, families with children under the age of 18 have access to the Nova Scotia Child Benefit.⁸

Everyone who is in receipt of income assistance under the ESIA program lives below the poverty line. Even when one adds all the income supports available, total welfare incomes are still far below any poverty line. For example, the maximum welfare income for a single employable recipient was only \$7,136 in 2012 — only 42.5 percent of the MBM. Welfare income for a single-parent household with one child was 67.0 percent of the MBM.⁹

Almost half of the income assistance caseload consists of people with disabilities and multiple barriers to employment.^{10,11} People with health and long term disability issues, and those with other barriers to paid employment including the lack of accessible, affordable, quality care (for a child, disabled adult or elder), continue to be the most vulnerable to living in poverty. One of the key reasons for the higher poverty rates for people with disabilities is the discrimination they face to find work and the barriers to education, especially higher education. It is also about the costs of living with disabilities including medication, services, and aids for mobility, communication or learning.¹²

It is important to note that many people living in poverty are not eligible for ESIA assistance because of the restrictive eligibility rules, low assistance rates, and limited amounts 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 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 organized and

administered currently, ensures that this cannot happen — the special needs provisions are a case in point. A telephone, a bus pass and child care are all classified as special needs under ESIA. Changes were made a few years back that have affected eligibility, making the system a little more difficult to navigate and access. These changes should be fully reversed.¹³

NSAPB Actions

The NSAPB seeks to ensure that, over several years of incremental increases, the total income supports available are at least equivalent to the Market Basket Measure threshold. Ideally, we seek to move to a **Guaranteed Annual Income**¹⁴ with fewer bureaucratic hoops and more support. Thus, the NSAPB invests \$83 million in direct transfers to individuals living in poverty. This investment comes from the reallocation of funds from the cancellation of the Your Energy Rebate¹⁵ program, which costs approximately \$110 million per year (the remainder of the cost is allocated toward energy security, energy efficiency and addressing energy poverty). Thus, we would:

- **Invest \$50 million to increase income assistance transfers by 20%. The increase will be across the board and combined into one monthly payment**, no longer distinguishing between personal allowance and shelter allowance. The distinction might have been useful if actual shelter rates in different regions were taken into consideration when the amount is determined. As it stands the shelter rate is far below most average rentals for all regions in Nova Scotia.
- **Invest \$16 million to decrease the earnings claw-back:** All applicants and recipients should have their monthly ESIA amounts calculated based on retaining earnings of \$300/month plus 50% of their earnings, increased from \$150 and 30% , for everyone except those in ‘supported employment’ programs who can keep the first \$300. A more reasonable earnings exemption helps workers to remain in or re-enter the work force. Also, earnings will be averaged over a longer period when calculating earnings exemption levels, to take into account short-term temporary work, which is important for those who cannot sustain permanent long-term employment (for example, persons with health or disability issues). In addition, when applicants apply for ESIA their eligibility will be calculated taking into consideration this earnings exemption. Currently, when an employed person applies to ESIA, all of their earnings, no matter how

low, are taken into account to determine a household's eligibility for assistance. Because ESIA eligibility levels are so low, families who are working, but not able to pay for their basic needs (food, shelter and clothing), still may not be eligible for assistance.

- **Invest \$2 million to increase the Poverty Reduction Credit.**¹⁶
- **Increases funding to the Affordable Living Tax Credit by \$9 million.**
- **Provide an additional \$6 million in funding to the Nova Scotia Child Benefit**, which would result in an additional \$150 per child, per year on average.
- Limited income supports are the focus of this section, but the NSAPB recognizes that reducing poverty requires a comprehensive approach. Poverty is always, but not just about, level of income. To this end, many of the strategic priorities of this NSAPB supports investments in public services and programs which would also help reduce or prevent poverty. Some supports are targeted to ensure that they are responsive to the diversity of needs that exist for those most vulnerable to living in poverty including disability supports. Other investments are in universal programs such as Early Learning and Child Care system. The supports for affordable housing and public transportation, and those for life-long learning to improve literacy, as well as on-the-job skills training, are also critical for preventing or helping people out of poverty.

Total investment: \$83 million (reallocated from Your Energy Rebate)

Notes

1 Statistics Canada, *MBM*, (2011). The Market Basket Measure (MBM) attempts to measure a standard of living that is a compromise between subsistence and social inclusion. See: Statistics Canada, *Income Research Paper (75F0002M) Low Income Lines, 2011–12*.

2 Statistics Canada, *LICO After Tax, 2011* (Statistics Canada, 2013).

3 David Macdonald and Daniel Wilson, *Poverty or Prosperity: Indigenous children in Canada* (Ottawa: CCPA, June 19, 2013). <http://www.policyalternatives.ca/publications/reports/poverty-or-prosperity#sthash.bGNVc2tv.dpuf>

4 Brian Murphy, Xuelin Zhang, and Claude Dionne, *Low Income in Canada: a Multi-line and Multi-index Perspective* (Statistics Canada, Income Research Paper Series, Catalogue no. 75F0002M – No. 001, 2012).

5 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* (Antig-

onish 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

6 The Poverty Reduction Credit (provided for by the Department of Community Services) consists of quarterly tax free payments (of \$62.50 each) for individuals and couples that receive income assistance, have no children and have annual adjusted income below \$12,000 may be eligible. Only one person of a married or common-law couple can receive the credit on behalf of the family. See: <http://www.novascotia.ca/coms/noteworthy/PovertyReductionCredit.html>

7 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 reduced by \$0.05 for every dollar of adjusted family income over \$30,000 and phased out at \$35,100. See: <http://www.novascotia.ca/finance/en/home/taxation/personalincometax/altc-prc.aspx>

8 The Nova Scotia Child Benefit is targeted to families with net income below \$18,000, though families with net income between \$18,000 and \$25,000 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. See: <http://www.novascotia.ca/coms/families/ChildBenefit.html>

9 Caledon Institute, *Welfare Incomes 2012*. <http://www.caledoninst.org/Publications/Detail/?ID=1031>

10 Department of Community Services, *Presentation to Building Connections Committee, Employment Support and Income Assistance Program* (p. 10, November 17, 2011).

11 Department of Community Services, *Data Request of Staff* (July 2013).

12 Canadian Council with Disabilities, *Trying to 'Make the Grade': Education, Work-Related Training* (November 1, 2011). <http://www.ccdonline.ca/en/socialpolicy/poverty-citizenship/demographic-profile/trying-to-make-the-grade>

13 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>

14 Chandra Pasma, *Basic Income Programs and Pilots, Basic Income Canada Network* (February 3, 2014). http://www.thebigpush.net/uploads/2/2/6/8/22682672/basic_income_programs_and_pilots_february_3_2014.pdf

15 This program was estimated to cost \$104 million in 2013–14. See: http://www.novascotia.ca/finance/site-finance/media/finance/budget2013/Making_Life_More_Affordable_Bulletin.pdf

16 Department of Finance, *Tax Measures: Budget 2013–14*. http://www.novascotia.ca/finance/site-finance/media/finance/budget2013/Tax_Measures_Bulletin.pdf

Housing and Homelessness

Background

Too many Nova Scotians are without homes of any kind. In 2012 in HRM, 1,860 individuals stayed in a shelter because they were absolutely homeless.¹ Others are living in homes that they cannot afford, or their homes are not safe or adequate or properly maintained.² 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.

We need to change this.

The challenges are different depending on whether you live in HRM or larger towns versus rural communities. There are more homeowners in rural Nova Scotia and many struggle to maintain their homes.³ Homelessness is often less visible in these areas.⁴ 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.⁵

Current Issues

A Housing Strategy for Nova Scotia

The May 2013 *Housing Strategy for Nova Scotia*⁶ 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 – promises 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. But to date, the promised Advisory Board has not been appointed and there is no information on how decisions will be made or who will choose the community representatives on the Board.

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.

We know, meanwhile, that federal transfers are decreasing. In return for Nova Scotia assuming full accountability for social housing in the province in 1997, the federal government funded approximately three-quarters of the cost to operate housing. But that federal share has been declining over time and in 2034, it will reach zero. In 2013, the province received approximately \$2-million less than it used to, leaving NS Housing to pick up the costs.⁷ While federal funds are decreasing, there is increasing need for affordable public housing. In 2012, 1,268 families were on waiting lists for affordable public housing in HRM;⁸ that does not include the people waiting in rural parts of the province or in Cape Breton.

Housing First

A core belief of Housing First is that people do not need to prove that they ‘deserve’ housing. Housing is a right.⁹ 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.¹⁰

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 coming five years (March 2014-March 2019).¹¹ To move people out of the shelter system and into secure housing, the Department of Community Services supports seven organizations in HRM to engage a Housing Support Worker to assist individuals and families secure and maintain housing.¹² As results exceeded expectations in the first year, the pilot was promised regular funding. It is however not a guaranteed budget item. Additionally, this initiative is not being supported in other parts of the province.

Non-profit providers of housing and services expend significant amounts of time and energy raising operating funds, pulling together capital funds for essential major repairs, applying for grants, etc. Their efforts are constantly redirected from the delivery of services to the stress of making ends meet.

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%.¹³ 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.¹⁴ 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).¹⁵

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 2011.¹⁶ 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)¹⁷ than either Ontario (2.5%)¹⁸ or Nova Scotia (3.4%).¹⁹

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)²⁰, 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 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

1 Affordable Housing Association of Nova Scotia: *Report on Housing and Homelessness in HRM: 2013* (November 2013).

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10 The Housing First model originated in New York City in 1992 when Dr. Sam Tsemberis founded Pathways to Housing to address homelessness among people with psychiatric disabilities. The model is simple: provide housing first, and then combine that with supportive services in the areas of mental and physical health, substance abuse, education and employment. For more information, see: <http://www.homelesshub.ca/housingfirst>

- 11** Canada's Economic Action Plan, *Homelessness Partnering Strategy* (February 20, 2014). <http://actionplan.gc.ca/en/initiative/homelessness-partnering-strategy>
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- 14** CMHC, *Renting in Nova Scotia*. http://www.cmhc-schl.gc.ca/en/co/reho/yogureho/fash/fash_007.cfm
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Transportation: Public, Accessible, and Affordable

Background

Nova Scotians' ability to go to work, visit family and friends, and be active in the community depends on their access to transportation. For the most part, this requires owning or having access to a private vehicle, as there is a lack of alternatives in most parts of the province. Only three regions of the province offer in-town bus services (HRM, CBRM and the Valley) and there is a private, for-profit bus company for inter-city transit. There are also a variety of volunteer and small, private options. These options leave many people without the transportation they need.

Current Issues

Public Bus Corporation

The creation of a public bus corporation was recommended for the first time in the 2011 Alternative Provincial Budget.¹ At the time, the main bus corporation, Acadian Lines, was reducing the number of routes and increase the cost of fares. Today, the situation is far more serious than when we initially made the recommendation.

In 2012 Acadia Lines closed up shop, throwing 120 people out of work and essentially eliminating inter-city bus transit across Nova Scotia.² Under pressure to ensure some level of basic service, the unelected, unaccountable Utility and Review Board allowed a new company, Maritime Bus, to take over the routes, while reducing the number of routes even further³ and increasing fares.⁴ There have also been criticisms that the service is not wheelchair-accessible.⁵

Today, the province should do what it didn't in 2012: create a public bus company that will serve the needs of Nova Scotia.

The most successful model in the country is the Saskatchewan Transit Corporation (STC). A crown corporation in Saskatchewan, set by the Tommy Douglas government decades ago that provides services to a similar population as Nova Scotia, but stretched out geographically. The company serves over 287 communities across Saskatchewan,⁶ has low rates, provides good jobs, and is part of the solution to the climate crisis. STC is experiencing substantial ridership growth trends while obtaining 93% passenger satisfaction.⁷

A public bus corporation will give Nova Scotians increased access to transportation, fair rates, accountable service, and will take all of our needs into account. A private, for-profit bus corporation only wants to make a profit, and they will leave when they stop making money.

The NSAPB invests **\$18 million** in the creation of a public bus corporation. **\$10 million** to buy existing assets, and **\$8 million** per year in an annual operating subsidy.

The NSAPB also recommends that any new services are affordable and accessible, including (and especially) for people with disabilities. However, financial support (of \$2 million) should also be targeted to the Community Transportation Assistance Program (CTAP). Launched in 2001 through Service Nova Scotia and Municipal Relations' provincial office, the CTAP was designed to foster the growth and sustainability of community-based inclusive transportation services, which have grown from four to thirteen programs over that timeframe. Known as dial-a-ride or community-based

transportation, the mission is to provide affordable and accessible transportation to rural Nova Scotians. This funding should be allocated as core-funding to cover the costs of key costs including a fulltime program manager because current per-capita funding is not sufficient.

Initial Investment in Commuter Rail

In the CCPA-NS Alternative Municipal Budget for the HRM⁸ an initial investment was proposed for the creation of a commuter-rail system in Nova Scotia. This initial investment would focus on the Halifax-Truro corridor.

The question of rail transportation has raged in Halifax for some time, with both its champions and detractors.⁹ The reality is that rail is one of the best options in terms of improving public transportation and addressing climate change. The creation of a light-rail system would also create good jobs in construction, maintenance and transit. Eventually, the system could be expanded to service other parts of the province as well.

The Halifax Regional Municipality has done some of the research, but more is required. The HRM suggests an initial investment of \$31 million.¹⁰

Around the world, governments are investing in rail for both passengers and goods transit. In the United States under President Obama, billions have been invested in commuter rail services across 31 states.¹¹ Europe, China, Japan, and Korea are well ahead of North America when it comes to high-speed rail. Canada lags behind in a serious way.

The APB makes an initial investment on behalf of the province to the creation of a light-rail system in Nova Scotia. As a major capital project, this should have involvement from all three levels of government. The commuter rail systems in Ontario, Quebec, BC and Alberta were all built with money from all three levels of government. Halifax and Nova Scotia should expect no less of a commitment from the federal government.

The NSAPB invests \$30 million to begin creating a commuter-rail system in Nova Scotia.

NSAPB Actions

- An initial investment of **\$10 million** in new spending to finance the creation of a provincial transit corporation, Transit Nova Scotia.
- An annual subsidy of 25% to 60% of total operating costs — estimated at about **\$8 million** until the service becomes established and fully accessible.

- Additional core funding to the Community Transportation Assistance Program for community-based inclusive transportation services: **\$2 million**.
- **\$30 million** to begin creating a commuter-rail system in Nova Scotia.

Total investment in Transportation: \$50 million

Notes

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- 6 Saskatchewan Transit Company, *2012 Annual Report* (Regina: STC, March 31, 2013). http://www.stcbus.com/Library/Docs/stc_annual_report_2012.pdf
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Arts, Culture, and Heritage

Background

Created in 2011, the Department of Communities, Culture, and Heritage houses a variety of important offices: Acadian Affairs, Aboriginal Affairs, African Nova Scotians and Gaelic Affairs, as well as the provincial art galleries and museums,¹ the Nova Scotia Archives, and the Nova Scotia Provincial Library.² Too often the perceived need for “fiscal restraint” meant that these responsibilities were ignored, in effect reproducing many of the injustices that the Department was formed to address. The mandate to address these injustices rests in the same department as a mandate for the arts and culture sector, a responsibility that has been chronically under-funded, resulting in a creative economy sector that has often thrived *despite government neglect* rather than *because of government investment*.

When it comes to supporting the communities within its mandate, a significant challenge faced by the Department is that it operates on the basis of very little information. For example, we lack substantive data explaining how African Nova Scotian communities have fared since.

Legislative change is only the first step necessary to correct long-standing and historical injustices. If Nova Scotia is to continue addressing priority areas, like affordable housing, education (public school and post-secondary) and health, it is vital that research be done that accounts for the specific circumstances of the African Canadian/African Nova Scotian communities. The same is true of First Nations and Nova Scotians of Acadian and Gaelic descent.

Similarly, metrics on the performance of the creative economy in Nova Scotia, and of the effectiveness of programs to assist the development of the arts and culture sector, are very difficult to find. Little of such information has been gathered, and what has been is frequently difficult to access. Consequently, it is difficult to determine the growth of the sector, its social and economic impact on Nova Scotia communities, and the effectiveness of government programs designed to support this sector. Informed public policy must be based on sound information. The government should devote resources to gathering data and making it available.

The arguments supporting the need for more research are rooted in more than morality. Making meaningful and effective change also makes economic sense; 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. This same principle also applies to the arts and culture community and to the creative industries. The better we understand these communities and industries, the more effectively they can reach out with their activities, and the more economic potential they can incubate.

It is necessary to recognize the important cultural and educational roles played by Nova Scotia's institutions for preserving and celebrating our diverse cultures, and the importance of supporting our artists. "Nova Scotia's culture sector is not just its music industry, its film industry, or its crafts sector. It is an expansive, intertwined community that includes libraries, museums, heritage properties, languages, the arts sector, creative industries, and relevant educational programming."³

Current Issues

The funding currently allocated to the Department of Communities, Culture and Heritage (\$60 million) is not adequate to address the broad mandate with the special goals and objectives of each division of the Department.⁴ For example, while First Nations funding is largely under federal jurisdiction, the provincial division of Aboriginal Affairs does have an important role to play. Aboriginal Affairs "leads negotiations related to Aboriginal and treaty rights with the Mi'kmaq of Nova Scotia and the Federal Government; coordinates and facilitates consultation between the provincial government and the Mi'kmaq of Nova Scotia; represents provincial interests in forums that address Aboriginal matters and provides strategic policy advice to government."⁵ In addition to the specific funding envelopes for these communities (a total of \$4 million), the Department provides financial support for community groups looking to undertake cultural and heritage development (\$14.4 million). This funding, for example, supports Pride celebrations with LGBTQI community partners.

In addition, funding (\$10.5 million) is provided to our provincial museums, institutions charged with both protecting and providing public access to our collective histories. The benefits these institutions provide to the children of Nova Scotia, as well as to the richness of cultural life in the province, are obvious. By maintaining a means of contact with, and understanding of, our historical experience, we are better equipped to choose a

path forward. Despite these overwhelming benefits, the province's museums are suffering from years of fiscal austerity.

Increased user fees have made access more difficult for Nova Scotians from low- and middle-income homes, and they have not compensated for government cutbacks. Many museums in Nova Scotia are in crisis, "barely maintaining their operation, others are in an ongoing cycle of reducing programs and services, and some are even facing imminent collapse."⁶ Their operations are suffering, their infrastructure needs renewing and they are struggling to find employees when current staff are underpaid and have little or no benefits. The Nova Scotia Museum's complex only supports 27 provincial museums, but there are close to four times that many small, community-based institutions.

Supporting the Creative Economy

It is now quite widely accepted that the creative economy⁷ plays a vital role not only in enriching our society, but also as a generator of economic growth. Indeed, Nova Scotia's culture sector was estimated to contribute \$950 million to the province's GDP in 2008, fully 3% of the GDP.⁸ In 2010, there were 3,740 working artists and 14,980 culture workers in Nova Scotia.⁹ Regarding arts and culture, in previous years the government has shown a willingness to recognize the value of the sector, and worked with it in passing the Status of the Artist Act,¹⁰ establishing Arts Nova Scotia, an arm's-length, independent arts council, the Creative Nova Scotia Leadership Council (CNS-LC), and Film and Creative Industries Nova Scotia. However, in terms of funding, Nova Scotia consistently ranks at the bottom fifth of all Canadian provinces; in 2010 (the last time this data was collected) the per capita annual funding was \$102.¹¹ In terms of the 2012–13 provincial budget, the cultural sector "held its own during a time of general cuts", but is in need of real dollar growth.¹²

NSAPB Actions

The NSAPB will:

- Invests \$1 million targeted to increase budgets for African NS, and Aboriginal Affairs to support their ongoing work.
- Support a multi-level government approach to collect data on the state of health of African Nova Scotians and the academic achievement of African Nova Scotian learners, led by African NS Affairs and

Community Counts in collaboration with the African Nova Scotian community and academic researchers in this area.

- Invest adequately in an African Nova Scotian Success Strategy to ensure that policy developers and strategic planners draw upon an equity lens that is fully informed by African Nova Scotian perspective.
- Support a multi-level government approach to collect data on the creative economy, including the arts and culture community and the creative industries, and on the effectiveness of programs in developing the sector.
- Increase investments to the arts, culture, and heritage sectors by increasing the budget for this Department by \$8 million this year, with a plan to target the approximately 10% funding increase in direct support, eg. for research, collections at museums, grants to non-profit organizations for cultural activities, more core funding to professional artists (not for increased government staffing), with a plan to arrive at a multi-year funding plan for strengthening these sectors.
- The NSAPB also supports these cultural communities and the arts and culture sector in other sections including its support for NSCAD, its support for affordable housing targeted to African Nova Scotians, and to developing co-op housing for artists. It also supports an inclusive education system. The NSAPB supports the creation of an early learning and child-care system as a critical component of creating a more equal society that celebrates the diversity of its people.

Total investment: \$9 million

Notes

1 The Nova Scotia Museum includes 27 museum sites. See: Nova Scotia Museum, <https://museum.novascotia.ca/>

2 From the Provincial Library website: “The Provincial Library works with Nova Scotia’s 78 public libraries, providing leadership and support to ensure libraries continue to offer services that enrich lives and communities.” See: Nova Scotia Provincial Library, <http://library.novascotia.ca/>

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4 For a thorough analysis of the programs and services and funding allocation, see: Keith McPhail, “A Glass Half-Full: the 2012–13 Budget of Nova Scotia from the Perspective of Arts, Culture and Heritage,” in *Flat-lined But Still Alive: Analyses of the Provincial and Territorial 2012–13 Budgets from the Perspective of Arts, Culture and Heritage* (Canadian Conference of the Arts / Cen-

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10 *Status of the Artist Act*, SNS 2012, c 15., last accessed March 2014, http://nslegislature.ca/legc/bills/61st_4th/3rd_read/boo1.htm

11 CCA report, IBID

12 McPhail, IBID

Early Learning and Child Care

Background

In the recent 2013 provincial election campaign, despite the efforts of child care advocates, early learning and child care (ELCC) and family policy more broadly received almost no attention. None of the political parties articulated clear or concrete plans for ELCC. The party leaders even declined to participate in a debate on early childhood education, organized by the Nova Scotia Child Care Association.¹ This seems odd given the overwhelming support for building a system of ELCC from the Early Years Advisory Council of experts and the province-wide consultation last year.² The political parties are not addressing the enormous challenges for families with young children in this province.

Current Issues

Year after year, the NSAPB outlines the problems associated with Nova Scotia's market-based, patchwork approach to child care.³ Nothing much has changed. Fees are still too high.⁴ Spaces are still scarce. Early Childhood Educators (ECEs) are still undervalued.⁵ There is still no coherent system of ELCC based on internationally recognized principles of:

- universality – equal access for all children and parents who want it
- publicly funded – direct service funding from federal and provincial/territorial government over fee subsidies and tax breaks
- non-profit – treated as a social service, just like health care and public education
- regulated – provincial/territorial licencing and monitoring of standards
- quality – services provided by 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 services that 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 of services
- self-governance and self-determination – respects the rights of Aboriginal communities⁶

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 still work outside the home,⁷ and child care shortages are still more severe in rural communities.

There has been one significant policy shift. In 2013, ELCC was relocated from the Ministry of Community Services to a new Department of Education and Early Childhood Development. This moves ELCC from a legacy of targeted welfare policy into a stronger context of universal social programming,

and should facilitate better cross-Ministry coordination. It also reflects the social and behavioural science research on the importance of public support for the early years.⁸

However, it must be kept in mind that ELCC is not only about child development. The provision of services must meet the diverse needs of children, as well as their parents who are in the paid labour force, studying and/or participating in community life. ELCC is for the whole family. And it is for women's equality. We must also heed the warnings about 'schoolification' in early years programming. The best ELCC services use the play-based approaches that early childhood educators have experience providing.

Spending on ELCC needs to be viewed as an investment. Numerous studies have demonstrated the economic benefits of public investment in ELCC. Research conclusively shows that it creates jobs, increases GDP, increases tax revenue, and addresses population decline.⁹ A 2011 report by Robert Fairholm, from the Centre for Spatial Economics, confirms that expansion in the early learning and care sector will provide **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 output in the early learning and care sector) is \$2.23. This is larger than other sectors, including 67% higher than construction and 112% higher than manufacturing. Furthermore, the employment multiplier (the number of jobs created per million dollars of initial increase in expenditure), is 46.8 jobs per million dollars.¹¹ A recent study in Manitoba also found that the economic returns were even higher in rural communities, affirming the essential role that child care can play in regional development.¹²

Overall, ELCC advances multiple policy priorities and goals: "preparing our future workforce, supporting parents to work or upgrade their skills and strengthening democratic communities."¹³ It is well worth the investment.

It is also important to note that the provincial government should not be building this system on its own. Indeed, the federal government has more to gain in terms of revenue generation from this investment than the provincial government. Moreover, the federal government has the revenue capacity to build the system. The NSPAB continues to advocate for a pan-Canadian ELCC strategy, but we cannot wait for one and we can act now.

NSAPB Actions

- **Eliminate Subsidies to For-profit Providers:** With 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. Because ELCC is a *social service*, not a business, 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 commercial child care chains.

- **Develops 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 communities and researchers), we will develop an ELCC Action Plan that identifies clear goals, targets, and timelines for developing a system.
- **Fosters 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, physical equipment and space modifications, and additional staff.
- **Pledges an Incremental Investment by first doubling the current investment:** By international standards, the minimum target for annual expenditure on ELCC should be 1% of GDP.¹⁴ Nova Scotia currently spends only about 0.37%.¹⁵ Under a planned investment approach, the NSAPB will begin to meet this target with an increase of \$42 million on ELCC for 2014–15. This would double the current provincial investment. Incremental increases are to follow in subsequent years as the ELCC Action Plan is completed and then implemented in stages.

Total investment: \$43 million

Notes

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15 Kershaw, IBID.

Public Education: Inclusive and Strong

Background

Education is a public good. A core principle of public education is that a universal, inclusive, equitable school system is vital to our collective well-being. However, public education in North America currently faces deep challenges from a corporate-driven “reform” agenda. The worst of this movement has seen public schools replaced by private, unaccountable charter schools;

teachers and their unions vilified and devalued; and the curriculum standardized and overly test-based. Simplistic quantitative measures of “success” can be the cause of serious myopia when it comes to decision-making about educational policy. News headlines about declining math scores on global standardized tests may be easily digestible for the media, but paint an incomplete picture of the complex nature of educational needs and performance in the province.

Nova Scotians have raised their expectations of the public education system. For educators to provide first-rate education for all students, consistent funding is the first building block. In just 10 years, programs have been implemented to support students interested in the trades, or in preparing intensively for university, or in issues that were once seldom dealt with in high school. To ensure that our students are treated equitably, and that they 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.

Current Issues

During the recent election campaign, the Liberal Party pledged to direct \$65 million for the promotion of literacy and numeracy amongst young students and for programs to screen for learning problems early on.¹ However, since we are unsure of whether this promise will be kept and for what it will be used, the NSAPB invests another **\$17.5 million** to reduce class sizes at all grade levels, to adequately fund educational initiatives for African Nova Scotian and Mi’kmaq learners, to improve services for students with special needs, and to hire more guidance counsellors to deal with the growing complexity of our schools.

Smaller Classes, Better Learning

Class caps for grades P-6 were promised by all three major parties in the 2013 provincial election. These caps — 20 students for grades P-2 and 25 for grades 3-6 — are commendable and should be fully implemented immediately. The Department of Education (DoE) should also reduce class sizes in the higher grades; it is not just young students who do better with more individual attention and student-teacher contact. Yet in several junior high

and high schools across the province it is not unusual for classes to have more than 35 students.

Larger junior and high school classes mean that teachers have less time to offer extra help, provide quality feedback on student work, or attend to students' individual needs.³ Class caps should also take into account classroom composition, e.g., the number of students with special needs in a classroom. Students' special needs are extremely diverse and require extra time and attention to be properly addressed. **The NSAPB allots \$3.5 million to begin implementation of a plan to hire more teachers and ensure smaller classes with defined limits across all levels of P-12 education, taking into account class composition and appropriate resources and services.**

Meeting Student Needs in a Rapidly Changing World

Beyond academic concerns, schools strive to meet the social and emotional needs of all students. Occasionally, high-profile tragic incidents in our schools bring to light the difficulties young people face in navigating their social world, be it virtually or in person. Our understanding of mental illness and mental health is more advanced and yet, while we are better equipped to spot and understand the kinds of mental-health challenges our students face, there are seldom sufficient resources on hand to do so.

Our schools' "first responders" – guidance counsellors – face immense workloads that prevent them from meeting the needs of all students. The reactive and crisis-oriented service model we now rely on is simply not good enough.³ The government should hire the 51 new guidance counsellors for Nova Scotia schools that the NDP promised. There should be at least one guidance counsellor for every 500 students in Nova Scotia's schools.⁴ **The NSAPB pledges \$4 million to hire these 51 new guidance counsellors, in addition to money allotted for extra classroom teachers and other educational budget items.**

Inclusive Education

An integral part of the current public education review⁵ must be a commitment to 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.

This means, for example, ensuring buildings are physically accessible and able to accommodate diverse groups in culturally respectful ways; having the range of supports required for learning by all students; and ensuring staff have opportunities for adequate planning time and professional development for them to respond to students' diverse needs. There is a need to increase the overall funding envelope for 'inclusive education and flexible solutions' now. **The NSAPB invests \$10 million in programs targeting educational inclusion and equity for African Nova Scotian and Mi'kmaq students as well as students with disabilities.**

In the African Nova Scotian and Mi'kmaq communities, centuries of colonialism and racism result in below-average educational success for students. Twenty years after the Black Learners Advisory Committee (BLAC) report and the Royal Commission on Aboriginal Peoples, much work remains to achieve educational equity. In Nova Scotia, Black and Aboriginal learners are much more likely than average to be suspended or expelled from school or placed on an Individualized Program Plan (IPP).⁶ The NSAPB invests toward specific programs including the Cultural Academic Enrichment Program and Regional Educators project, which provide tutoring and cultural enrichment for African Nova Scotian students; targeted hiring of African Nova Scotian and Mi'kmaq teachers, who are under-represented in the workforce; and a review of the Individualized Program Plan (IPP) process to gauge its effectiveness for students from marginalized communities. The investment must also support cultural proficiency initiatives for all educators so as to better help all students succeed. These initiatives should be led by educational organizations within the African Nova Scotian and Mi'kmaq communities, such as the Council on Mi'kmaq Education, Council on African Canadian Education and Black Educators' Association.

Finally, the NSAPB notes the pernicious effects of poverty on student learning and acknowledges that some of the most important factors that determine student success are beyond the control of the public education system. In the same way that social determinants of health affect one's capacity to lead a healthy lifestyle, economic status has great influence on children's ability to learn in school⁷ — even more than class size, teacher experience and specialization, or any other factor.⁸ In Nova Scotia 17.3% of children live in poverty.⁹ Success in education for Nova Scotia's youth is thus contingent upon addressing the very real problem of child and family poverty in province and intricately linked to other sections of the NSAPB.

NSAPB Actions

- Reinvest the \$65 million cut from the P-12 education since 2010 and invest an additional \$3.5 million to provide class-size relief.
- Invest \$10-million into programs targeted toward educational equity and inclusiveness for African Nova Scotian, Mi'kmaq students and students with disabilities.
- Invest \$4 million to hire 51 guidance counsellors.

Total investment: \$82.5-million

Notes

- 1 David Jackson, Grits promise \$65 million for education in NS, *The Chronicle Herald* (January 30, 2013). <http://thechronicleherald.ca/novascotia/584144-grits-promise-65-million-for-education-in-ns>
- 2 Nina Bascia, Reducing class size: What do we know? *Canadian Education Association* (2010). http://www.cea-ace.ca/sites/default/files/cea-2010-class-size_o.pdf
- 3 Department of Education, *Comprehensive guidance and counselling program: Student services series* (Halifax: Government of Nova Scotia).
- 4 CBC News, More Guidance Counsellors Coming to NS Schools (August 14, 2013). <http://www.cbc.ca/news/canada/nova-scotia/more-guidance-counsellors-coming-to-n-s-schools-1.1405838>
- 5 CBC, Nova Scotia Schools Getting first Full Review in 25 Years, (February 19, 2014). <http://www.cbc.ca/news/canada/nova-scotia/nova-scotia-schools-getting-first-full-review-in-25-years-1.2543886>
- 6 Victor Thiessen, *Identity, Equity and Performance: Mathematics and Reading Literacy in Nova Scotia Public Schools*. Final report (Meta Research and Communications; Quantum Communications, June 21, 2009).
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- 8 Joe Bower, Telling Time with a broken clock : The trouble with standardized testing, *Canadian Education Association* (June 2013). <http://www.cea-ace.ca/education-canada/article/telling-time-broken-clock-joe-bower>
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Post-Secondary Education: Rebuilding Canada's University Capital

Background

Nova Scotia's universities and community colleges (NSCC) play a vital role in the economy. They contribute \$1.2 billion to provincial GDP, create 18,500 jobs (direct and indirect), and generate \$220 million tax dollars for the provincial government.¹ But, behind these impressive figures are some deep and growing problems that can easily be solved if we provide more generous funding to our universities and colleges. However, the funding needs to be more strategically used as well.

As is the case throughout Canada, job growth is anemic and unemployment levels of university and college graduates are high in Nova Scotia. Our universities and colleges struggle to equip students to think critically and engage positively with the world.² Even the most research-intensive institutions in the province are flailing, because less and less of it is financed with public money in the public's interest.³ In other words, outside their direct impact, how much do our universities and colleges do other than contribute to the status quo?

We need to provide access to higher education and to ensure that the colleges and universities are helping us to deal with the challenges we face. Solving our growing environmental crisis, reviving our flagging democracy, producing accessible forms of research and innovation, all depend on investing in and transforming our institutions of higher education.

Nova Scotians know what needs to be done. 85% of Nova Scotians support reducing tuition fees, and 60% would pay more in taxes to see government funding for universities increase.⁴ Nova Scotians also understand that high tuition fees create a burdensome debt load. Many Nova Scotians didn't attend university or college because it entailed too much debt.⁵ High student debt loads also encourage outmigration.⁶ In fact, 88% of Nova Scotians are concerned that high student debt loads force graduates to leave the province for higher paying work elsewhere.⁷ In other words, most Nova Scotians agree: to keep our brightest and most highly educated people in Nova Scotia, we need to do things differently.

Current Issues

A Legacy of Underfunding and High Tuition Fees

In 2010 the NDP provincial government announced a 3-year plan to increase provincial tuition fees by 10% and decrease university funding by 10%.⁸ The tuition increase put further pressure on students already struggling with high fees. The funding cuts increased financial pressures on universities and the NSCC. Class sizes have grown, student-to-faculty ratios have risen, course offerings have narrowed, and program cuts are anticipated.⁹ Of course, the latest round of cuts merely capped-off a decline in provincial funding. On a full-time equivalent basis, provincial transfers on a per student basis fell precipitously through the mid-90s until the 2007/2008 academic year. Nova Scotia now ranks at the very bottom, only slightly above Ontario¹⁰.

Targeting the Root of the Student Debt Crisis

No government policy has targeted the roots of the student debt problem: funding cuts and rising tuition fees. The recent modest reforms made to the Nova Scotia Student Financial Assistance Program, including increases to the amount of grants and loans available to students and the introduction of a debt cap program at \$28,560 have not made enough of a difference.¹¹ However this level of debt is still a serious disincentive for many to participate, particularly those from middle and low-income backgrounds.¹²

The Graduate Retention Rebate misses the mark as well. Intended to limit out-migration by offering graduates who stay and work in-province with a \$2500 non-refundable tax credit for up to five years after they graduate, the program was terrifically under-utilized. In 2012, only two years after introducing the program, 50% of the program's funding was not used because so few graduates were either staying in-province or making use of the tax credit.¹³

Academic Freedom and the Governance of Our Institutions

Universities are not businesses. Unfortunately, governments, university administrators, and their boards of directors tend to operate universities as industrial enterprises with managerial and administrative practices borrowed from the private-sector. The voices of faculty, students and staff are sidelined. University and college boards are stacked with the captains of industry and commerce who are more mindful of the bottom line than any kind of fundamental truth. The people best equipped to make decisions about how

our universities should run are the people that work and learn in them, the ones most concerned with teaching, researching and learning.

The administrative ranks of our universities have swelled as has the amount of money paid to senior university administrators.¹⁴ In the face of tough economic times, the administrators tended build stronger links with corporate Canada, and to model their operations after industrial enterprises.

To facilitate and properly administer the process of learning and of researching, the majority of seats on governing bodies should be made-up of students, faculty, and staff, not a group of corporate representatives and like-minded administrators/bureaucrats. By empowering the people who best understand the process of teaching, learning, and researching, we can help our institutions of higher learning to achieve meaningful results.

At the same time, the government should take steps to ensure that whoever is in charge of our public-assisted colleges and universities, they, and our institutions as a whole, are required to operate in a transparent manner.

Building Nova Scotia's Science Base; Protecting Academic Freedom

An increasing amount of the science performed in Nova Scotia's universities — with public-sector money and in publicly-funded labs — subsidizes corporate balance sheets,¹⁵ with no clear benefit for our universities or for Nova Scotians.¹⁶ To spur meaningful innovation the government needs to link research dollars to requirements that hold the promise of building Nova Scotia's science to serve the public interest. While the federal government finances the lion's share of university research in Nova Scotia, (over \$102 million in 2013), the provincial government spends considerable money (over \$12 million in 2013). The flow of provincial funding is also often linked to the flow of federal funds. The impact of re-orienting provincial funding for university-based research would therefore be significant.

By tying provincial moneys to requirements that research results be immediately published in open and publicly accessible journals, and by requiring that new technologies and intellectual properties be copyrighted under creative commons licensing agreements or otherwise made freely available, the government can move more innovation into the public arena. More accessible research results drive down the costs of research and development and fuels meaningful competition. Indeed, the competition based on innovations, not corporate handouts and monopoly rents, will help link university research to sustainable economic growth in Nova Scotia.

Faculty Renewal

Tenured faculty play a critical role in the life of our universities and colleges. The security and working conditions that tenure provides ensures that our most highly trained minds are able to pursue ideas and knowledge regardless of immediate payoff. Tenure also provides faculty with the time necessary to stay at the cutting-edge of developments, to bring those ideas into the classroom, and to their community too.

Unfortunately, the number of well-paid and tenured faculty is dwindling. Between November 2006 and November 2012, Dalhousie University, lost 54 tenured faculty, roughly 8% of their tenured complement.¹⁷ As an alternative to tenured faculty, university administrators, rely increasingly upon poorly paid contract faculty, with few benefits and no job security. Many contract faculty are forced to cobble together work at more than one institution to make ends meet. With heavy workloads and large classes, contract faculty have little time to participate in the life of our institutions. Without job-security, they have no real academic freedom: they are not supported to undertake serious research nor to give individual attention to their students. Though, they are expected to do it all, and many do. The government needs to link increased funding to the replacement of tenured faculty who retire and to consistently lowering student-to-faculty ratios.

Protecting and Investing in an Autonomous NSCAD University

In September of 2011, the provincial government announced that the government had appointed Howard Windsor, to review NSCAD's finances and make recommendations regarding the institution's future. The Windsor Report opened the possibility of program closures, and urged NSCAD to explore "collaborative arrangements" with other institutions — arrangements that sound remarkably like a merger. In response, students, staff, faculty, alumni, and other supporters launched the *Nova Scotia Needs NSCAD* campaign.

In contrast, a 2010 report concluded that the government should continue funding NSCAD's facilities and space related costs. The Hogg report also states that, "in the longer term, [NSCAD's] finances could be at risk because of insufficient funding of its academic programs" adding "NSCAD is different from other universities in Nova Scotia because of its small enrolment and unique programming."¹⁸

Long term systemic problems have been further exacerbated by disastrous decisions taken by a former administration, committing to the construction of a new campus on the Halifax waterfront, while failing to secure the funding required to pay for it. The costs of paying for the operating of a

second campus, while servicing the large debt accruing from its construction, resulted in substantial annual deficits, which — in the absence of government intervention — are only likely to increase.¹⁹

NSCC

For many, attending the Nova Scotia Community College (NSCC) is the most accessible avenue for post-secondary education and skills training. The government should focus on increasing participation and capacity at the community college, and reduce tuition-fees to encourage retraining. This policy would create a steady flow of skilled workers without large student debts and improve access to university, especially for rural students, as many community college programs allow students to take the first two years of a degree in their community.

International Students

Our universities and colleges are immeasurably improved when students and faculty from different backgrounds and places interact. A multiplicity of perspectives and outlooks help us to see more, develop more breadth, and become more considered and considerate thinkers and citizens. This is why it is critical that the Government attract more students from around the world.

Of course, international students present other opportunities: for a province concerned with out-migration, the in-migration of people intent on developing their skills and talents is a potentially rich source of renewal for Nova Scotia.

It makes sense that Nova Scotia welcome international students to its shores with the same basic services it affords its own citizens, especially if it expects them to settle here and work. And yet, international students only receive medical coverage in Nova Scotia once they have lived here for 13 continuous months, and are only covered to receive medical services in the province. Providing coverage when they arrive only represents an additional cost of \$87.67 per eligible international student, or \$0.12 per Nova Scotian. This makes sense ethically, and in terms of the province's future.

Contracting Out

Universities and colleges across Canada are pressed to contract-out things like on-campus food services, maintenance and cleaning services, and sports facilities management. By contracting-out universities and colleges purportedly get access to expert management and bulk buying contracts. In short: universities and colleges are supposed to be able to save money.

In reality, what colleges and universities get is very little other than higher prices on lower quality food, industrial type management practices, and many dissatisfied students, faculty, and staff. Worse still, by contracting-out to large, often multinational corporations, operators like Sodexo, Aramark, and Global Sports Management, our publicly assisted universities and colleges wind-up funnelling resources away from local and independent operators. Local and independent retailers and restaurants generate close to three times the provincial economic impact in terms of output, wages and employment per dollar spent.²⁰ They recycle more of their earnings in the local economy – they buy from local suppliers, hire locally, respond more quickly to local demands and desires. By requiring that publicly assisted institutions “contract-in” and focus on building relationships with local and independent suppliers and operators, the government can drive local and sustainable forms of growth.

NSAPB Actions

In addition to covering inflationary costs, the NSAPB will:

- **Reduce tuition:** Invests **\$25 million** to reduce tuition fees by 10% and bring them back to 2011 levels
- **Improve University Funding Base:** Increases base funding to universities by **\$30 million** (3.5%), bringing funding levels back up to 1993 levels on a full-time equivalent basis.
- **Institute a Framework for Stable Funding:** Recommends the development of a framework working with students, faculty and staff to provide stable funding to Nova Scotia’s post-secondary institutions and further reduce tuition fees.
- **Improve Student Assistance:** redirecting **\$28 million** by cancelling the graduate retention rebate (**\$15 million**) and another the student debt cap program (**\$13 million**) to:
 - Increase the portion of Nova Scotia students’ provincial loan from 30% to 100% grant based (**cost \$15 million**)
 - Increase the value of the Nova Scotia student bursary to \$1283 for out-of-province students (**\$13 million**)
- **Improve university governance and accountability** by:

- Amending legislation to ensure all universities and colleges are administered by a unicameral body, with the majority of seats drawn from the student body, the faculty, and the staff, all via a democratic selection process
 - Implement standard financial reporting procedures for universities, and ensure that university financial documents, wherever possible, be released to the public
 - **Institute Open Access, Zero-Licensing to maximize public interest by:**
 - Introducing legislation that requires university-based researchers who receive research money from the province to immediately publish research results in open-access and public journals. Prevent the results of publicly funded research from being licensed at any cost; all patented knowledge discovered with public funding must be freely available.
 - Requiring universities and colleges which conduct commercially oriented research (even if partnered with private-sector partners), to account for the contribution from provincially funded research infrastructure (i.e. the fixed capital assets of the university purchased and maintained with provincial funding).
 - **Fully secure funding for autonomous arts education:** Invests \$1.4 million to ensure NSCAD remains autonomous and fully fund art education, while also paying off the NSCAD Port Campus Debt (\$14.4 million)
 - **Increase Access to the NSCC:** Invests \$16 million to reduce tuition fees by 50%.
 - **Invests \$150,000 to fully fund Medical Services Insurance for international students** upon their arrival.
 - Cancel and redirect funding (**\$10 million**) from the excellence in innovation fund
- Total Investment in Post-Secondary Education (net): \$76.95 million**

Notes

- 1** Gardner Pinfold, *The Economic Impact of Universities in the Atlantic Provinces: Summary of the Current View 2006 – 2008*, Prepared for: The Association of Atlantic Universities, May 2010. <http://www.atlanticuniversities.ca/AbsPage.aspx?siteid=1&lang=1&id=6>
- 2** OECD, *Skills Outlook 2013: First Results from the Survey of Adult Skills, Programme for International Assessment of Adult Literacy*.
- 3** Statistics Canada reports that in 2010, around \$2 billion dollars was invested in university-based and commercially oriented research. On that level of investment, all of the universities in Canada realized a net income of just \$13 million. In other words, corporate research partnerships that were intended to help universities become financially independent of government funding and higher tuition-fees have failed to provide any kind of substantial income support.
- 4** CFS-NS Polling Report 2013, 7 & 9.
- 5** Ibid, 12.
- 6** Melanie Greene, Dale Kirby, Monique Bourgeois, Denis Sharpe, *Matriculating Eastward: Maritime Student Migration to Newfoundland and Labrador*, Memorial University, July 2011
- 7** Ibid, 12.
- 8** Government of Nova Scotia, Memorandum of Understanding as between Government of Nova Scotia and the Nova Scotia Universities: Excellence Through Partnership 2012–13, 2013–14, 2014–15
- 9** 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).
- 10** Canadian Association of University Teachers Almanac, 2011–12 & 2013–14, available at: <http://www.caut.ca/resources/almanac>
- 11** Kennedy et al. IBID.
- 12** CFS-NS Polling Report 2013, 9
- 13** Government of Nova Scotia, “Public Accounts Statement 2010–11,
- 14** Association of Nova Scotia University Teachers, “A Culture of Entitlement”. Available at: <http://www.scribd.com/doc/105604888/ANSUT-report-A-Culture-of-Entitlement>
- 15** Funding for commercially oriented research has grown substantially across the country, as well as in Nova Scotia. See Statistics Canada survey on the Commercialization of Intellectual Property in Canadian Higher Education. Amounts published by Statistics Canada do not include spending on capital equipment and are thus likely very conservative. See also, Postser, Clair, *Canadian University Research Policy at the turn of the Century: Continuity and Change in Social Relations of Academic Research*, in *Studies in Political Economy*, Vol. 71/72 (2003)
- 16** Matthew Herder and Jennifer Dyck Brian provide a useful case-study example, in “Canada’s Stem Cell Corporation: Aggregate Concerns and the Question of Public Trust, in *Journal of Business Ethics* (2007). See also CAUT’s Report, *Open for Business On What Terms?*, <http://www.caut.ca/docs/default-source/academic-freedom/open-for-business-%28nov-2013%29.pdf?sfvrsn=4>
- 17** Dalhousie Faculty Association, *Review of University Finances*, available at: <http://dfa.ns.ca/iamdal/iamdal.html>
- 18** Department of Education, Nova Scotia College of Art and Design, Final Report of the Special Advisor (“The Hogg Report”), 2010

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 individuals' employment opportunities, income, health, and capacity to participate in society, issues that are clearly significant to quality of life. The acquisition of literacy is important to not only individuals and their families; it affects communities and the larger society. It is far less expensive, for example, to provide education and health care to a literate population¹.

Adult literacy is a sensitive issue: its absence is both a cause and a result of disadvantage and vulnerability. Today's society requires an increased level of literacy to successfully function and navigate through daily life. Digital technologies bring major changes to workplaces, health care, banking, and communications. There is an increasingly heavy reliance on technology in every aspect of modern life.

Adult learning encompasses a wide spectrum of programs to address adults' learning needs and interests. Learning initiatives include opportunities for adults, for example, 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.

All of these issues can be addressed by learning programs to adults. 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.

Adult learning is an investment in Nova Scotia's future and will bring greater prosperity.

As noted by the Composite Learning Index (2010), Nova Scotia (with the exception of Halifax) scored significantly below the national average and demonstrated reduced progress over the previous five years².

The most recent statistics, indicated by the Programme for the International Assessment of Adult Competencies (PIAAC), show that scores for Nova Scotians aged 16–24 are below the OECD average in both literacy and numeracy. On average, Nova Scotia has a higher proportion of its population who are at the lowest proficiency levels in numeracy and problem-solving skills in technology-rich environments when compared to other OECD countries.

Current Issues

Foster a Culture of Adult Learning

If Nova Scotia is to successfully develop its economy, government departments need to work together to foster a culture of learning. In 2009, Nova Scotia stated its commitment to raise awareness of the socio-economic benefits of improved literacy and essential skills and to encourage employers and industry groups to value literacy and essential skills programs³.

Nova Scotia must live up to this commitment by developing a wide range of strategies for honouring and celebrating adult learning. One mechanism is the current annual Adult Learners' Week. This must be fully endorsed. In addition, government officials and staff need to take the lead on fostering a culture of learning by participating in and actively promoting learning.

Successes need to be highlighted to ensure that others will emulate the achievements. This can be done by honouring individuals who improve their skills, by recognizing businesses and associations which offer training to the workforce, and by supporting organizations and practitioners who deliver successful programs.

Learners' voices are integral to this process. They are the best advocates for their own successes and for the programs and supports that worked for them.

Nova Scotia has effective policies and programs around literacy and essential skills. These need to be strengthened. For example, the provincial government's commitment to literacy is demonstrated primarily through the Nova Scotia School for Adult Learning (NSSAL). 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*.⁴ 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.

Better Promotion of Existing Programs

The government's excellent programs around adult learning include the School for Adult Learning, the Workplace Education Initiatives, the Record of Achievement/NS Essential and Employability Skills Framework, the Adult Learning Program, Skills on Line, and the Recognition of Prior Learning.

Most Nova Scotians are unaware of these programs. Government departments need to work together to maximize the programs' effectiveness. 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.

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 from improving their skills 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.

The Nova Scotia government needs to recognize and take on the diverse challenges associated with the literacy needs of our citizens. These 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. It is important to coordinate the diverse programs.

Elimination of Barriers to Participation

Nova Scotia needs to invest in adult learning by providing people with sufficient funds to take advantage of learning opportunities. The barriers to participation cannot be over-stated.

It is extremely important to raise awareness about the support available to improve skills. The public still seems largely unaware of even well-established programs. Working with community groups, agencies and support

groups that encounter adults with low literacy levels is one important element of a larger social awareness campaign.⁵

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

- Transportation.
- Internet access.
- Library access.
- Realistic employment outcomes. (It is not financially possible for an adult to spend 6 years upgrading to a grade 12 and then a technical diploma in order to be employed in a minimum wage job.)

In addition, there are specific barriers for different groups of learners that must be considered and we must ensure there is appropriate programming for the most vulnerable groups. Currently, the federal government's proposed replacement of Labour Market Agreements (LMAs) with the Canada Jobs Grant (CJG) program threatens the funding for these programs in particular. The LMAs are focused on applicants who are unemployed, under-employed or ineligible for EI benefits, whereas the CJG is focused on 'skills-match'. There are many concerns about the CJG, including an approach that will likely: "push marginalized citizens further down the access line for skill development and training for available jobs."⁶ In addition to maintaining the funding provided under the Labour Market Agreements and allowing the provinces control over priorities for the funding, it is important to recognize that there are still gaps and needs that will remain unmet. For example, African Canadian learners in NS and indeed in the Atlantic provinces need to come together to discuss their learning challenges. A report on the needs of adult learners in the African Canadian community makes the following recommendations,⁷ which inform the NSPAB actions in this area:

- Identify an organization in the African Canadian communities to advance the adult learning agenda for African Canadians in all Atlantic provinces.
- Develop a mentorship program for those seeking to access education as a means to re-enter the workforce.
- Establish learning centres specifically designed to address the needs of the African Canadian community and ensure they are located in diverse geographic areas to enable easy access to these opportunities.

NSAPB Actions

- Invest \$5 million to foster a learning culture in Nova Scotia by providing funds for Adult Learners' Week and for putting into practice the NSSAL regulations. Encourage the provincial departments (e.g. Labour and Advanced Education, Community Services, Justice, Tourism) to jointly promote adult learning.
- Allocate \$5 million to promote existing programs and ensure current funding levels are maintained regardless of LMA funds.
- Invest \$5 million to offer diverse programs to meet learning needs, including “career ladder” modelled programs⁸.
- Eliminates barriers to adult learning by investing \$5 million to ensure that learners are provided a living wage with a learning bonus to reduce financial barrier and create incentives to attend programs.

Total investment: \$20 million

Notes

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Health Care for All: Extending Beyond Hospital Walls

Background

Canada's public health care system is at a crossroads; the federal government has abandoned its role in health care, offloading responsibilities and costs to the provinces. The federal government has announced major cuts to funding, and scrapped the Health Council of Canada, the only national body responsible for promoting innovation and reporting on progress towards the vision laid out in the 2004 Health Accord.

Since Medicare was created 50 years ago, the needs of Canadians have extended far beyond the hospital walls. Yet, the scope of care has not followed suit.

Current Issues

Expiring Health Accord and Federal Cuts

On March 31 of this year, the 2004 Health Accord will expire. The federal government plans to cut health care funding by \$36 billion nationally from 2014–24¹. Without a new accord, there will be no national standards to ensure quality care across the country, no incentives for provinces to improve wait times, or access to care. Medicare will fragment into 14 unequal systems.

A new national health accord is key to improving health care and all parties need to take a stand against the cuts. A robust and comprehensive health care system that not only treats illness but keeps Canadians healthy requires strong federal leadership.

State of Health and Care in Nova Scotia

Shortages of health care workers and uncovered services mean patients are not receiving the treatment they need. However, the past year saw a number of initiatives that improved both the scope and quality of care in Nova Scotia:

- Expanded dental coverage to age 18.
- Created the position of Chief Dental Officer and mandates regular reporting of statistics on oral health.
- Funded sex reassignment surgery.
- Hired mental health workers and guidance counsellors in schools.
- Increased funding for home care, and opened long term care beds.

- Funded insulin pumps for youth up to age 19, and for pump supplies up to age 25.

The new government must not cut these improvements. Patients, families and advocates are eager to see how the government will build on these steps to ensure a better balance between prevention and promotion on the one hand and curative interventions on the other. Early impressions have been troubling; the Health Minister has chosen to criticize individual habits instead of addressing the roots causes of illness². It is essential that the government focus on developing policies and programs that actively increase health equity, making health more accessible for all. Furthermore, our health care system must emphasize the primary level of care with adequate referral to higher levels of care.

Nova Scotia suffers disproportionately when it comes to chronic health conditions. Rates of cancer, diabetes, asthma and other diseases are higher in our province than the national average. 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 conditions like diabetes and asthma, 40% of which are estimated to be preventable.³

By 2036, 25% of Nova Scotians will be over 65. With an aging population and high rates of chronic disease, Nova Scotians need greater levels of care provided outside of hospitals. Funding to keep the chronically ill at home and with loved ones is essential and cost effective. Yet most of these services are private and for profit at this point. Nova Scotians, when they can afford them, are paying out-of-pocket for lower quality care. Long term care is in crisis with a wait list of over 2,500 for nursing and residential homes, understaffed and under-resourced facilities, and little support for home and community care.⁴

To improve the health of Nova Scotians, keeping people out of hospitals and reducing spending, requires far greater focus on and funding for health promotion and wellness. Poverty is one of the leading determinants of health. Hunger, inadequate nutrition, and unsafe housing increase risk and severity of illness in addition to costing the system more. Over 20% of health care spending goes to diseases attributable to low income and poor housing⁵.

1 in 5 Nova Scotians develop a mental illness per year, and 1 in 7 will experience problems with drugs or alcohol.⁶ Many suffer in silence or with stigma. The 2012 provincial mental health care strategy is a good step forward, but needs more funding, and in rural areas services are severely lim-

ited. Home, community, and peer support is crucial for early detection and adequate care for people living with mental illness and addiction.

Community Health Centres are team-based with nurses, nurse practitioners, social workers, mental health workers, physicians, dieticians and others, working together to address all of a patient's needs. Community Health Centres are democratically run by the local community and the patients registered at the centre. They focus on health promotion; not just on treating patients when they are sick or injured, but also on the social determinants of health to keep people healthy in the first place.

NSAPB Actions

Invests \$17.3 million to improve Primary Care:

- Eliminate fee-for-service payments of physicians and move to Alternative Payment Plans. Fee-for-service rewards physicians for getting patients in and out of the doctor's office as quickly and as many times as possible. It provides no incentive to take on new patients.⁷ Alternative payment models encourage more comprehensive and preventive care, leading to cost savings.⁸ The cost of moving toward this model is difficult to estimate, and while it may provide cost savings in the long term, it will likely be cost neutral in the shorter term.
- Allocate additional funding of **\$12.3 million to hire 100 nurse practitioners**. Nurse practitioners can provide 80–90% of services offered by family doctors, but for almost half the salary. Hiring and integrating nurse practitioners into hospitals, health centres and long-term care facilities will increase quality and access to care around the province, and generate savings by hiring fewer physicians.
- Increase funding for and enrollment in Nurse Practitioners training programs: \$5 million.
- Engage the other Atlantic provinces and federal government to develop a plan for the creation of a midwifery training program in the region.

The NSAPB invests \$25.6 million in Continuing Care:

- Create a revamped multi-year continuing care strategy to provide a continuum of care developed through broad consultation by investing \$100,000.

- Create a dementia strategy developed as part of the overall continuing care strategy by investing \$35,000.
- Create a major facility and housing support development fund to improve residential facilities and housing options for seniors, persons with disabilities, and others in need. Facilities are in desperate need of repairs and an initial investment of \$10 million, which will be followed by \$15 million per year for the following 3 years.
- Create a provincial recruitment, retention and training fund to cover negotiations, labour adjustments, and increased staffing levels for long term care facilities and home care. The APB will establish the fund with \$15 million and increase funding by \$10 million per year for 5 years.
- Family and resident councils should be required and supported in each licenced nursing home. The APB will achieve this through an investment of \$500,000.
- Support home care workers and respect the right to collective bargaining by revoking the recent 'essential services' legislation for home care workers. 'Essential services' legislation undermines free and fair bargaining and undercuts the ability of health care workers to bring crucial issues in patient-care to the public's attention.

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. For several years, it was understood to be at 4%. The NDP government claimed it had increased it to 7%, although the Mental Health Coalition calculated it was still only at 4%.
- Continue the provincial mental health and addictions strategy but at double the initial funding provided in May 2012, an investment of \$5.2 million.
- Double the funding announcement for peer support development (\$1 million, May 2013, plus an investment of an additional \$1 million, for a combined \$2 million fund).
- Develop an integrated strategy for acquired brain injury (ABI) that focuses on education, injury prevention, and accessible comprehen-

sive services to both individuals and families affected by brain injury. Provincially there are 2,000–3,500 new brain injuries per year. The APB invests \$25,000.

- Increase community grants program to a core funding support program for community agencies to \$2 million from just \$1 million.
- Establish a fund to support workplace mental health programs to help implement the National Standard for Psychological Health and Safety launched in 2013. The APB invests \$1 million.

Invests \$40.5 million in Community Health Centres:

- Open 10 new Community Health Centres and provide support to existing facilities through an investment of \$40 million, plus \$500,000 to fund the NS Federation of CHC's.

Total investment: \$91.7 million

Notes

1 Jason Fekete, *Federal Health Cuts Will Total \$36 Billion Over Decade: Premiers* (Postmedia, July 27, 2012). <http://www.canada.com/health/Federal+health+cuts+will+total+billion+over+decade+Premiers/7000240/story.html>

2 For more information see: <http://nshealthcoalition.ca/2014/02/26/media-advisory-press-conference-calls-for-health-ministers-apology/>

3 Ron Colman, *Cost of Chronic Disease* (GPI Atlantic, 2002). http://www.gov.ns.ca/health/reports/pubs/cost_chronic_disease.pdf

4 CARP, *'Silver tsunami' requires shift in thinking* (November 15, 2013). <http://www.carp.ca/2013/11/15/silver-tsunami-requires-shift-in-thinking/>

5 Lauren Rothman, *Canada's Premiers Should Connect the Dots between Health and Poverty* (The Star, July 22, 2013). http://www.thestar.com/opinion/commentary/2013/07/22/canadas_premiers_should_connect_the_dots_between_health_and_poverty.html

6 Department of Health and Wellness, *Together We Can: The Plan to Improve Mental Health and Addictions Care for Nova Scotians*. (Halifax: Government of Nova Scotia, May 16, 2012). www.gov.ns.ca/health/mhs/reports/together_we_can.pdf

7 The Canadian Health Services Research Foundation, Mythbusters series, *Myth: Most physicians prefer fee-for-service payments* (January 1, 2010). <http://www.chsrf.ca/PublicationsAndResources/Mythbusters/ArticleView/10-01-01/13b5e8bb-e7c2-4544-8da5-b1aa5d9e38db.aspx>

8 Laura Muldoon, Margo S. Rowan, Robert Geneau, William Hogg, and David Coulson, *Models of Primary Care Service Delivery in Ontario: Why Such Diversity?* (Healthcare Management Forum, volume 19 issue 4, pages 18–23, 2006).

Justice

Background

Crime in Nova Scotia is a costly and complex social problem correlated with a variety of individual, social and cultural factors such as age, race, geography, and socio-economic status. Indeed, crime rates are dropping throughout the country, and Nova Scotia is no exception. All available data sources show a marked decline in crime rates and incidents in Nova Scotia: the Crime Severity Index for the province dropped by 6.3% from 2010 to 2011, and another 3.1% from 2011–12, following a downward trend for at least the past 5 years.¹

Traditional approaches to crime have relied on enforcement and incarceration. There are, however, persistent issues within the Justice System, such as racial overrepresentation in the prison system, repeat offence, violence against women, and emergent forms of technology-facilitated victimization which require strategic, collaborative and creative alternatives to the traditional punitive measures. In many ways, crime is a reflection of inequality in a society,² 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.

There is an increasingly loud and poignant dialogue occurring in the public sphere that questions whether or not certain laws are just (such as the Bedford case³), and how certain types of crimes and behaviours are dealt with by the criminal justice system (such as humiliation through technology). A recently-formed public interest group called Smart Justice⁴ is currently creating a collaborative environment for those discussions to take place, oriented towards unpacking these issues and problem-solving around them. This initiative, and those from other community organizations, should be supported and helped to continue their work.

There is a vast amount of empirical evidence to support the notion that increased social services to individuals at-risk of becoming (or already) 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 NSAPB prioritize investments in these programs.

Many law enforcement and public safety officials across the country are now using the HUB model. The HUB model “**provides immediate, coordinated and integrated responses through the mobilization of resources to address situations facing individuals and/or families with acutely elevated risk factors, as recognized across a range of service providers.**”⁵ The NSAPB recommends that the Nova Scotia Department of Justice set policing standards for the province that embrace and utilize the HUB model. Further, the NSAPB recommends that the province make investments in education, healthcare and community services, which are specifically related to crime prevention and public safety.

Drug Treatment Court

While crime rates are declining, incarceration rates are not: in 2011–12, adult incarceration rates went from 55 out of every 100,000 to 65 out of every 100,000. There was a decrease into 2011–12, but the rate of incarceration remained high at 63 out of every 100,000.⁶ Further, the representation of African Nova Scotians in the prison system is substantially higher than in the general population. A glaring example of this can be seen in the number of African Nova Scotians admissions to the Central Nova Correctional Facility in HRM; where only about 5% of HRM’s population is African Nova Scotian, in 2011–12, 18% of those sentenced to Central Nova, and 18% of those on remand were African Nova Scotian.⁷ The reason for this over-representation is multi-faceted, but speaks to the systemic inequalities that exist within Nova Scotia.

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 NSAPB 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 NSAPB expands the Restorative Justice Program for adult offenders in HRM this upcoming fiscal year 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

- **Invests \$500,000 in the development of best practices for implementing a HUB model approach** to policing across the province, and support police services that employ the model in community-based policing and enforcement.

- 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-based crime prevention initiatives in non-profit organizations** and in particular those serving populations that are over-represented in the criminal justice system-African Nova Scotians and First Nations. Initiatives addressing interactions of racism with social and economic factors are critical as part of prevention and lowering recidivism.

Investments in other sections of the NSAPB 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

1 Statistics Canada. *Table 252-0052: Crime severity index and weighted clearance rates, annual (index unless otherwise noted)*, <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&iid=2520052&paSer=&pattern=&stByVal=1&p1=1&p2=50&tabMode=dataTable&csid=>>

2 Judith R. Blau and Peter M. Blau, “The Cost of Inequality: Metropolitan Structure and Violent Crime,” *American Sociological Review*, Vol. 47, No. 1 (Feb., 1982), p. 114–129

3 Canada (Attorney General) v Bedford, 2013 SCC 72, < <http://scc-csc.lexum.com/scc-csc/scc-csc/en/item/13389/index.do>>

4 See <http://smartjustice.ca/>

5 *Building Partnerships to Reduce Crime*, <<http://www.saskbprc.com/index.php/what-s-working/the-hub-and-cor-model>>

6 Nova Scotia Department of Justice, *Corrections in Nova Scotia: Key Indicators*, <<http://novascotia.ca/just/publications/docs/Corrections-Key-Indicator-Report.pdf>>

7 Don Clairmont, *HRM Roundtable Review on Violence and Public Safety* [Forthcoming: 2014]

Our Environment

The Environment: Challenge, Change, and Opportunity

Background

It is clear that the environment will be a central and defining issue in regard to political, social, and economic policy for as long as anyone can foresee. Finding ways of halting climate change and attempting to 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. Unlike any issue we have ever faced, it advances with a relentlessness that increasingly brooks no delay. If we stick our collective heads in the sand we may find ourselves in an arid desert.

Tackling this issue involves fundamentally reshaping our society. Reconsidering what progress means; questioning the wisdom or even possibility of an economic system predicated on unending growth when resources are finite, and an increasing number of them are becoming limiting. The frightening dimension of what confronts us, is that if we fail in this enterprise the adverse consequences could be almost unimaginable. The flip side, is that addressing the imperatives of global warming offers us the opportunity to fundamentally re-tool the machinery of civilization and create a truly sustainable society; developing green energy, fostering sustainable agriculture, forestry, and fisheries, decentralizing and democratizing political structures, and thereby achieving in their wake, many of the social policy objectives that progressives have long sought and worked for.

Current Issues

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. However, the current government's decision to cut 1% of all departmental budgets will hurt the small departments more than others. One of the smallest departments is Environment, comprising only 0.5 per cent of the budget.

Second, as a core concern is developing affordable, secure, efficient, and renewable energy. Nova Scotia must do its part to reduce the consumption of fossil fuels and the consequent emission of greenhouse gases. We must transition as rapidly as possible to renewable energy sources, while at the same time cutting our energy consumption through conservation and efficiency measures, while ensuring that those approaches and technologies are both available and affordable to Nova Scotians of all income levels.

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, much of Nova Scotia is covered by forest, and ancestrally almost all of it was. Yet we have a long history of degrading and exploiting it to the detriment of the environment and of traditional uses of it by native and non-native populations alike. At the end of the Second World War, 40 per cent of Nova Scotia's forests consisted of old growth; now less than one percent remains.^{1,2} And the economic history of dealing with the forest as a low-grade resource to be pulped and exported is now in the process of rapid collapse. We therefore have an opportunity to fundamentally re-conceive our social, environmental, and economic models of thinking

about forests and create a new model of forest stewardship that encompasses a multitude of sustainable values.

NSAPB Actions

- Allocates \$2.6 million (plus covers inflationary costs) to increase the Department of Environment budget by 10% to ensure adequate resources for environmental protection

Notes

1 Loo, J. and Ives, N. 2003. The Acadian forest: historical condition and human impacts. *The Forestry Chronicle* 79(3): 462–472.

2 Lynds, A. 1989. Nova Scotia's old-growth forests. *Conservation* 13(2): 4–6.

Energy: Affordable, Secure, Efficient, and Renewable

Background

Nova Scotia's commitment to renewables and legislated caps on greenhouse gas emissions has set the province's electricity sector on the right course.¹ Approval of the Maritime Link may move us along the path of a more secure and environmentally sustainable energy future. However, there is much more to be done to reduce our reliance on fossil fuels while dealing with the issue of energy affordability.

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

Despite years of controversy over power rates, no comprehensive policy has emerged to address energy affordability. In response to power rate increases caused mainly by rising fossil fuel prices, some proposed policies do little or nothing to make energy more affordable, but do threaten to undermine green electricity goals. Moreover, the need to develop a green energy policy framework beyond electricity has been largely ignored. Even if achieved, current targets (40% renewable electricity and overall greenhouse gas (GHG) reductions of 10% by 2020) are inadequate in the face of

growing evidence that the world is running out of time to deal with greenhouse gas emissions. As a case in point, the Goldboro LNG project, which would increase Nova Scotia's total GHG emissions by more than 15% is proceeding through the regulatory process without public hearings.²

According to the international Intergovernmental Panel on Climate Change³ the world's proven reserves of fossil fuels far exceed the amounts that can be consumed without pushing carbon emissions past the point where a two-degree rise in the Earth's temperature may be avoided. It is estimated that over 80% of Canada's known coal, oil and gas reserves must be left in the ground to avoid catastrophic climate change.⁴ Nevertheless, the province continues to allow deep-ocean-drilling for oil and gas, and GHG-producing export projects with only a temporary moratorium on hydraulic fracturing.

Current Issues

Power rates — up nearly 50% over the last ten years — dominate public discourse on energy. The new Liberal government made two campaign promises related to energy, neither of which directly addressed energy affordability. The promise to make Nova Scotia Power pay for energy efficiency programs could have the opposite effect if it leads to a decrease in funding for programs aimed at low-income customers.

It is essential that all proposals from Efficiency NS to achieve greater efficiency be fully funded as well as programs targeted at low income households. The NSPAB increases the level of funding for Efficiency Nova Scotia in 2013 (\$14.5 million/year) by \$3 million to pay for expanded efficiency programs targeting low-income renters.

Rising power costs are likely to be recurring features in the short term as Nova Scotia makes the necessary transition from an energy system based on fossil fuels. What is required is action to protect lower-income Nova Scotians from rising costs through a Universal Service Program (USP).⁵

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 price of oil has increased even faster than power rates over the last decade. From experience with similar programs, costing is based on a 40% participation rate.

The program would replace one existing program, the \$110-million-per-year 10% sales tax rebate called the Your Energy Rebate Program, which fails to target assistance to low-income households facing the greatest energy burden. It would also reduce the need for the \$12 million Heating Assistance

Rebate Program (HARP) which offers a fixed subsidy to low income households instead of one that is based on income and costs. HARP's budget can be cut by \$6 million. Because it applies to non-electric heat and because all power and heating consumers would be losing 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.

The Liberals' other power-related promise calls for direct sales of low-impact renewable electricity to retail customers. Like the efficiency charge initiative, this will have no immediate positive impact on energy affordability. However, the Electricity Reform Act also provides for public consultation on the electricity market. The Alternative Provincial Budget for 2013 called for engaging Nova Scotians in development of a long-term energy strategy. In keeping with that initiative, consultations called for in the Electricity Reform Act should be structured to ensure the process is open, transparent and at arm's length from government. Terms of reference must include the entire spectrum of energy production and use in the province and the need to significantly reduce fossil fuel consumption.

The provincial government needs to work toward an energy system in which heat, light and transportation are all fuelled by carbon-free electricity. Current targets for renewables and greenhouse gas emissions must be re-evaluated for their adequacy in achieving at least 80% reductions in greenhouse gas emissions by 2050. The configuration of the electricity system of the future must be fully examined, taking into account the new challenges posed by severe weather and the difficulty of reconciling the public interest with private ownership of the electricity grid.⁶ Public consultations on hydraulic fracturing, which begin in 2014, should also be incorporated into the larger energy strategy exercise. Large-scale fossil fuel export projects such as Goldboro must be put on hold and also dealt with in the context of Nova Scotia's long-term energy strategy that also forefronts energy security.⁷

Nova Scotia's review of energy policy must include a thorough examination of carbon pricing. Quebec, British Columbia, and Alberta each have independent carbon pricing systems. A made-in-Nova Scotia carbon pricing system would help us reduce emissions while minimizing costs. Any examination of carbon pricing for Nova Scotia should carefully examine the potential of partnering with one or more other provinces and states in the region. New England's Regional Greenhouse Gas Initiative (RGGI) is the first

market-based regulatory program in the United States to reduce GHG emissions.⁸ Nova Scotia must work provincially while pushing for a pan-Canadian system that will actually produce the shift away from fossil fuels that is required.

NSAPB Actions

The NSAPB invests \$37 million into our energy priorities. A total of \$31 million is reallocated resources from the cancellation of Your Energy Rebate and another \$6 million from the savings that from the Heating Assistance Rebate Program. The NSAPB increases the Affordable Living Tax Credit and Poverty Reduction Tax Credits by \$11 million to offset any increases that arise from the cancellation of the energy rebate program for people living in low-income. See the poverty reduction section for details.

The investments in energy are as follows:

- \$1 million in the development of a long term energy security plan
- \$33 million to the Universal Service Program for electricity and heating fuels for low-income households
- \$3 million of additional funding for Efficiency Nova Scotia for programs targeted at low-income renters.

Total investment: \$37 million

Notes

1 For a historical discussion of energy policy in Nova Scotia, see: Richard Starr, *Power Failure?* (Halifax: Formac Publishing, 2011).

2 Government of Nova Scotia, Environment, *Goldboro LNG Project* (February 17, 2014). <http://www.novascotia.ca/nse/ea/goldboro-lng.asp>

3 Intergovernmental Panel on Climate change, *Climate Change 2013: The Physical Science Basis, Summary for Policymakers*. www.climatechange2013.org

4 Marc Lee and Brock Ellis, *Canada's Carbon Liabilities: The Implications of Stranded Assets for financial Markets and Pension Funds* (CCPA, March 26, 2013).

5 For an explanation of what this program is and how it could be implemented, see: Roger Colton, Testimony www.rpa.state.nj.us/usfintrm.pdf; see also Brian Gifford, Energy Affordability vs. Rising Electricity Rates (EAC, 2013) <http://www.ecologyaction.ca/files/images-documents/file/Energy/AffordabilityRep%20RevFeb14%20LoRes.pdf>

6 For a discussion of why bringing NS Power back into public ownership, see: Christopher Majka, *Fast Facts: Power to the People* (Halifax: CCPA-NS, 2012). <https://www.policyalternatives.ca/publications/commentary/fast-facts-power-people>

7 Larry Hughes, *Energy Security in Nova Scotia* (Halifax: CCPA-NS, 2007). <https://www.policyalternatives.ca/publications/reports/energy-security-nova-scotia>

8 Regional Greenhouse Gas Initiative. <http://www.rggi.org/>; see also Catherine Abreu, *Electricity and Nova Scotia's Future: Hurdles and Opportunities* (EAC, 2013) http://www.ecologyaction.ca/files/images-documents/file/Energy/ElectricityAndNSFuture_LoRes.pdf

Water

Background

Water governance is complex, as the resource falls under multiple jurisdictions, with private well owners, municipal governments, and the provincial government all assuming roles related to the protection, maintenance, and delivery of drinking water. The federal government has specific water management responsibilities, such as navigable waters, fisheries and oceans, water on First Nations reserves, transboundary flows and trade and commerce.

Here in Nova Scotia we have the *Water for Life: Nova Scotia's Water Resource Management Strategy*,¹ but without timelines, tangible targets, or adequate resources dedicated to implementing the strategy, it is difficult for the public to assess progress on this file. More importantly, 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 becoming eutrophied and leaking wastewater ponds from hydraulic fracturing waste continue to threaten downstream ecosystems. More concrete and significant steps are needed to implement the government's own water strategy and address these pressing concerns. Based on the UN resolutions recognizing the human right to water and sanitation, all levels of government are obligated take concrete action toward realizing this right. Therefore, the province needs to step up and provide some **real** leadership and action by allocating funding to protecting freshwater.

Federal Water and Wastewater Infrastructure Fund

The federal government introduced wastewater regulations in June of 2012.² The Federation of Canadian Municipalities estimated that the new regula-

tions could cost up to \$20 billion in upgrades over the next two decades.³ While high treatment standards of wastewater are critical to source protection, the government's failure to provide funding for these upgrades has left municipalities with P3s (private-public partnerships) as the only option for upgrading current eroding systems, or to build new facilities. Research across Canada and internationally has recognized that, while public money is often spent to design and/or build public facilities like roads, hospitals or schools, inevitably the public loses when a municipality enters into a partnership with private operators for critical public services.^{4 5} Water privatization or P3s have resulted in price increases, job losses, decreases in service quality and lack of transparency and accountability. This is not the way to go.

Wastewater treatment facilities are severely lacking in coastal communities where historically it has been acceptable to dump raw sewage into the ocean. There is also poor monitoring, enforcement and compliance with environmental regulations pertaining to on-site septic systems. This untreated sewage can lead to severe degradation of aquatic ecosystems and, in some cases, compromise access to freshwater for drinking and recreational purposes.

The NS government allocated close to \$148 million to municipal water and wastewater projects in 2010–11.⁶ Projects continue to receive funding, in particular from the Gas Tax fund which the provinces receive from the Federal government.⁷ In 2012, the Nova Scotia Minister of the Environment said this: “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.”⁸

Given current difficulties faced by municipalities to fund these critical infrastructure upgrades, the NSAPB commits to allocating additional funds to improve wastewater standards. **The NSAPB invests \$60 million to support municipalities to upgrade water and wastewater infrastructure, as the first year in a three-year commitment.**

The Nova Scotia Green Economy Act (2012), was closely related to the Environmental Goals and Sustainable Prosperity Act (EGSPA), and, in part, postponed to 2020 the deadline for municipalities to meet public drinking-water standards and wastewater treatment guidelines.⁹ How realistic are the deadlines, given the limited resources available to municipalities along with the realities of Nova Scotia's aging water and wastewater infrastructure?

The Nova Scotia government must continue lobbying the federal government to provide funding for infrastructure upgrades.

First Nations Water Rights/First Nations and Bill S-8

While drinking-water on First Nation reserves is a federal responsibility, Bill S-8, the “Safe Drinking Water for First Nations Act,”¹⁰ which came into force in June 2013, 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 estimated that \$42 million would be 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 at high risk, three were at medium risk and four were at low risk. **The province must be prepared to contribute but continue to call for the federal government to allocate adequate funds for this federal responsibility.**

Environmental Assessments

In July 2012, the Canadian Environmental Assessment Act (CEAA) was replaced with a new act that eliminated 3000 federal environmental assessments, including 151 in Nova Scotia.¹¹ A number of these impact Nova Scotia’s watersheds. **The NSAPB allocates \$2 million to conduct environmental assessments on projects that fall under provincial jurisdiction. The NSAPB also calls for the federal government to roll back the changes to the CEAA and require that any amendments to the regulation be introduced separately, not hidden in omnibus budget bills. Changes should trigger thorough assessments, including public hearings and free, prior and informed consent of First Nations.**

Water Withdrawals and Exports/Groundwater Extraction

In Nova Scotia, there are 1600 public drinking water supplies,¹² with approximately 34% coming from groundwater sources. Groundwater is also an important source of water for private wells (40% of Nova Scotians rely on private wells for their drinking water; the remaining 60% rely on surface water sources which are fed by groundwater), agriculture, industry and enterprise, and is used by most of the small non-municipal public water sys-

tems in Nova Scotia. Nova Scotia allows companies to extract water, bottle it, and sell it back to communities at an inflated price. **The NSAPB prohibits the extraction of water by private companies for profit.**

Hydraulic Fracturing

Nova Scotia is currently undertaking an independent review of hydraulic fracturing, commonly known as fracking. A public submissions process will continue into the Spring, and other elements of public consultation will be undertaken prior to the recommendations' release (expected in the fall of 2014). There are no public town hall consultations scheduled, however. The NSAPB is calling for additional monies of **\$20,000** to ensure that the public has opportunities to provide input into this discussion in informal settings at public town hall meetings (rather than submitting formal briefs).

At this point, the budget implications of onshore gas extractions are unclear. The NSAPB contends that the small potential for royalties does not outweigh potential costs to address ecological damage and public health issues associated with fracking, and therefore **the NSAPB calls on the government of Nova Scotia to ban fracking.**

NSAPB Actions

- Invests \$60 million to support municipalities to upgrade water and wastewater infrastructure, as the first year in a three-year commitment.
- Recognizes water and sanitation as a human right;
- Protects key waterways including those excluded from the new Federal Navigation Protection Act;
- Excludes water from all trade agreements;
- Prohibits public-private partnerships in order to protect the human right to water and sanitation;
- Ensures access to potable water and sanitation in all Nova Scotian communities, and legislates access to public water via taps (and sanitation via public, 24hr washrooms) in larger urban centres with appropriate levels of funding to implement the legislation;
- Eliminates industrial extraction of water for private profit (bottling plants);

- Establishes standards for water use for industrial purposes and agri-business;
- Establishes a Water Act by 2015 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. The Water Act should also contain measurable targets for water use efficiency and water conservation;
- Implements a ban on hydraulic fracturing, but during the current independent review ensure that there are opportunities for a full consultation including public town hall meetings: **\$20,000**; and
- Incorporates commons and public trust principles into all water-related legislation.

Total investment: \$60.02 million

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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 increasingly recognized as 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 more resilient provincial economy and stronger social fabric in rural and urban areas alike.

Current Issues

There are positive trends in this sector, most notably the number of farms in Nova Scotia increased 2.9% between 2006 and 2011,⁵ the only Canadian province that saw an increase. In 2012, additions to the Environmental Goals and Sustainable Prosperity Act support new entrants and the consump-

tion 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 such as the Child Benefit, Affordable Living Tax Credit, and Poverty Reduction Tax Credit also serve to alleviate income-related food insecurity in the province.⁶

Despite positive trends, the rate of food insecurity remains high, with 17.1% of Nova Scotians reporting being food insecure, the second highest in Canada after Nunavut. In addition, among the 33 major census metropolitan areas examined, food insecurity was highest in Halifax, affecting about 1 in 5 households. In 2012, 21.2% of children were living in food insecure households and 28% of households with a black or Aboriginal respondent were food insecure.⁷

Nova Scotia's Department of Agriculture provides supports for the local food and agriculture sector those must remain as budget priorities. Think-FARM⁸ 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. We have seen a threefold increase in the numbers of farmers' markets in the last decade¹⁰, as well as increases in community gardens and other community-based food initiatives. However, funding for these initiatives is piecemeal.

In addition, the Canada-European Union Comprehensive Economic Trade Agreement (CETA) threatens to undermine positive initiatives to support local producers, such as 'buy-local' policies and farmers' markets. While we still await details, it is apparent that 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. The current Best Management Practices¹² funds cover some small-scale expenses, but more funding is needed in that area.

NSAPB Actions

NSAPB addresses food security through community development by maintaining the above mentioned programs, and also 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, particularly those that relate to the revisions of the Statement of Provincial Interest to better protect agricultural land and the support for 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 agriculture (consider the ongoing work in urban agriculture hubs like Cleveland and Detroit¹⁴) — the NSAPB invests **\$200,000 for study and pilot projects**.

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

- Targeted investments in small and medium-size enterprises;
- Resources for new entrants (e.g., small one-time infrastructure grants, micro-loans);
- 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 cooperation among producers (see for example, the U.S. Department of Agriculture work on food hubs¹⁵). This would also 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., consider establishing a quota bank like the licence bank for fisheries;
- Aim the Department of Agriculture’s work by developing better cost-of production statistics.

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

- Invests **\$2 million** in the development of a universal school nutrition program (breakfast and lunch) with a focus on locally procured foods.¹⁶ Food Secure Canada estimates the full cost to be \$10 million and other levels of government will be encouraged to contribute. The first investments will be for implementation sites.
- 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.)

The NSAPB also seeks to:

- Increase cross-department and cross-government collaboration. There is a need to better integrate the work of Departments of Agriculture, Health and Wellness, Rural and Economic Development, Community Services and Education — **cost neutral**.
- Continue to develop and implement anti-poverty programs (including affordable housing) to ensure that all Nova Scotians can afford healthy food — **see other sections**.

Total investment: \$9.6 million

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Forestry

Background

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

The Big Mills – A Failing Model

Until recently, Nova Scotia had four major forestry mills: Liverpool, Hantsport, Pictou and Port Hawkesbury.

The Port Hawkesbury mill is the most advanced in its production abilities. Last year, when the company said it was closing, the province stepped in to provide a rescue package that kept the mill running at “hot idle” until a new buyer could be arranged. This cost the public about \$125 million¹ and this new private, for-profit company may not be able to stay solvent. Saving the mill was the right idea, but the implementation of the idea was still problematic.

The Liverpool mill is now closed, despite the previous government's effort to save it. Instead, the forest lands were effectively nationalized with a promise to create a community forestry initiative.

The Hantsport mill, owned by the Joudrey family, closed as demand for paper products decreased.² No public investment was offered.

The Pictou mill also recently received public money to upgrade in an effort to compete with a changing market.³

Most of the major capital investments at these mills have been made with some form of public funding. As argued elsewhere,⁴ public funding for capital projects is not necessarily a bad idea, provided a compelling business-case can be made. However, this sector constantly requires public funding. As a result, the private, for-profit companies who run the sector come to the province for a few years, extract as much profit from our forests as they are able, then close up shop and move on to the next jurisdiction. This is not a sustainable model of development.

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 TEM-BEC 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 royalties⁵. 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.⁶ 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."⁷

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.⁸

NSAPB Actions

- Invests \$2 million toward the further development of a plan for a community-run forests on the former Bowater forest lands

Total investment: \$2 million

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Our Government

The Federal Government's Impacts

Background

Many investments in our alternative provincial government would be unnecessary or less costly than as proposed here. First, if the federal government honoured the constitutional agreement regarding equalization “to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.” The federal government is exacerbating the inequalities in Canada by not allocating equalization funds and other major transfers based on needs and taxation capacity.

Second, the fiscal health of the province (level of taxation and of spending) would be greatly improved if the federal government used its much greater taxation capacity to fund needed programs while restoring its fairness. The federal government should provide funding for pan-Canadian strategies to deal with the lack of affordable housing, and the need for a quality early learning and child care system. It also should lead with and fund an energy plan linked to one on climate change, a transportation strategy and a poverty reduction plan and a new Health Accord. It should provide funding to address the serious infrastructure deficit that exists in municipalities across this country for water and wastewater management, for bridges, for roads and for public transportation. If it did so the NSAPB could reconsider its spending priorities and our taxation proposals.

Our provincial government should not, for example, have to build a system of Early Learning and Child Care on its own. Nonetheless, this system is so important that we must begin to build it now. Our children, families and communities cannot wait for a progressive federal government.

Our focus in this budget is on the provincial government, however the Alternative Federal Budget (AFB) clearly shows the difference the federal government could be making in the quality of life of all Canadians. The AFB invests to address Canadians' largest social, economic, and environmental concerns. Indeed, it would lift 855,000 Canadians out of poverty, reduce income inequality, boost the economy, and lower unemployment to 5.4%, all while addressing the needs of Canadians including child care, health care and addressing inequities for First Nations. And, still balance the budget just one year later than the federal government plan.¹

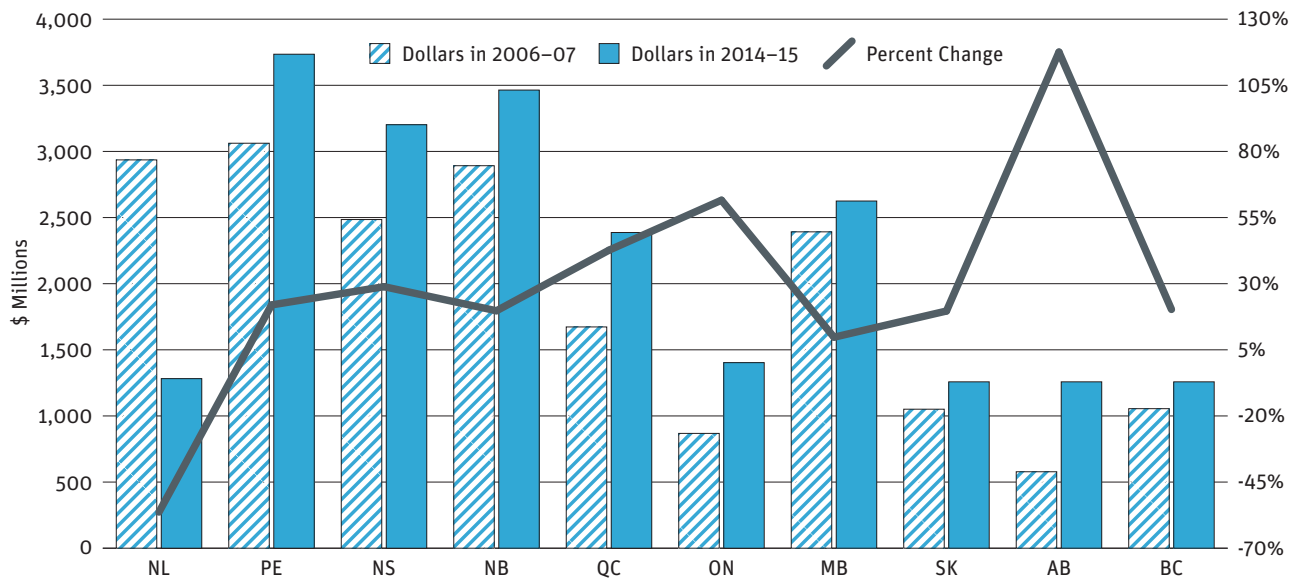
Current Issues

Changes to Federal Transfers Exacerbate Inequalities

Federal fiscal transfers have a direct effect on the provincial economy and on Nova Scotia's ability to provide high-quality services. These transfers enable provincial governments to provide public services without increasing levels of taxation to unreasonably high levels. Unfortunately, since 2007, when changes to the Canada Health Transfer (CHT), the Canada Social Transfer (CST) and to the equalization formula, were introduced by the current federal government, the promise of federalism has been continuously undermined. In spite of expectations that the federal government would negotiate with the provinces on extension of the 2004 ten-year health accord and new equalization arrangements the Harper government moved unilaterally. The new 2014–19 equalization formula continues a ceiling first imposed in 2009. The 2014 budget also reaffirmed the Harper government's decision to remove equalization factors – or associated equalization – from health transfers as of 2014–15. According to the Atlantic Provinces Economic Council, associated equalization was worth \$352 million to the Maritime Provinces in 2013–14.²

The federal government's current approach to federalism exacerbates the growing inequality that now plagues Canada. More than this, the federal government's program of austerity adds to the problem.³ For example, public sector job cuts have had a disproportionate impact on Nova Scotia and the rest of Atlantic Canada.⁴ Compounding those problems, attacks on frequent users of EI have hit Nova Scotia harder than most other provinces. The decline in EI recipients occurred despite an increase in the unemployment rate in Nova Scotia in 2013.

FIGURE 1 Change in Per Capita Allocation, Major Federal Transfers, 2006–07 and 2014–15



Source: Finance Canada, Federal Support to Provinces and Territories.

“Base Funding” or Fair Funding? The Federal Government’s Approach to Transfers

Since 2007, the federal government has pursued a program that pays huge dividends to Alberta, but which has a deleterious impact nearly everywhere else. Disguised as a fair and responsible approach to transfer payments, the government adjusted transfer payments to a common per-capita level. This approach totally ignores – and thus exacerbates – the very inequalities that equalization was designed to address. Indeed, by simply counting heads and not evaluating either needs or taxing capacity, the government’s uniform per-capita funding levels turns equalization and fiscal federalism on its head. Today, the better-off provinces – mainly Alberta – will benefit disproportionately from government transfers. Rather than level the playing field, the federal government is moving decisively to make it more lopsided.

As *Figure 1* demonstrates, the trend of directing federal transfer payments more rapidly to the better-off provinces is undeniable.

Fiscal Capacity and the Provinces

One of the reasons federal policy has a “reverse Robin Hood effect” is differences between the provinces in terms of their capacities to raise revenues (i.e. a province’s fiscal capacity).⁵ In 2007, when the federal government de-

cided to institute these changes, Alberta's fiscal capacity was 78% above the national average. By contrast, Nova Scotia's was 25% below, ahead of Manitoba (29% below), New Brunswick (33% below) and Prince Edward Island (38% below). In other words, in 2006–07, Alberta, which is to receive a 117.6% per capita increase in transfers from the federal government over the next eight year's had a fiscal capacity – before federal transfers – that was three times Prince Edward Island's and more than two times that of Nova Scotia!

Between 2006–07 and 2012–13 there were significant changes in fiscal capacity in Newfoundland and Labrador's and in Saskatchewan's resource extraction, which generated significant revenues for those provinces. Also important is the fall in Ontario's fiscal capacity, to the point it now qualifies for equalization. But the fiscal capacity of Nova Scotia and the other Maritime Provinces has hardly improved. Instead of offsetting those inequalities by adjusting equalization according to the fiscal capacity of each province, the federal government simply reproduces and adds to those inequalities. Per capita formulas may appear “equal”, but they are really just more smoke and mirrors from a federal government that is well practiced in such arts.

The Canada Health Transfer & The Canada Social Transfer

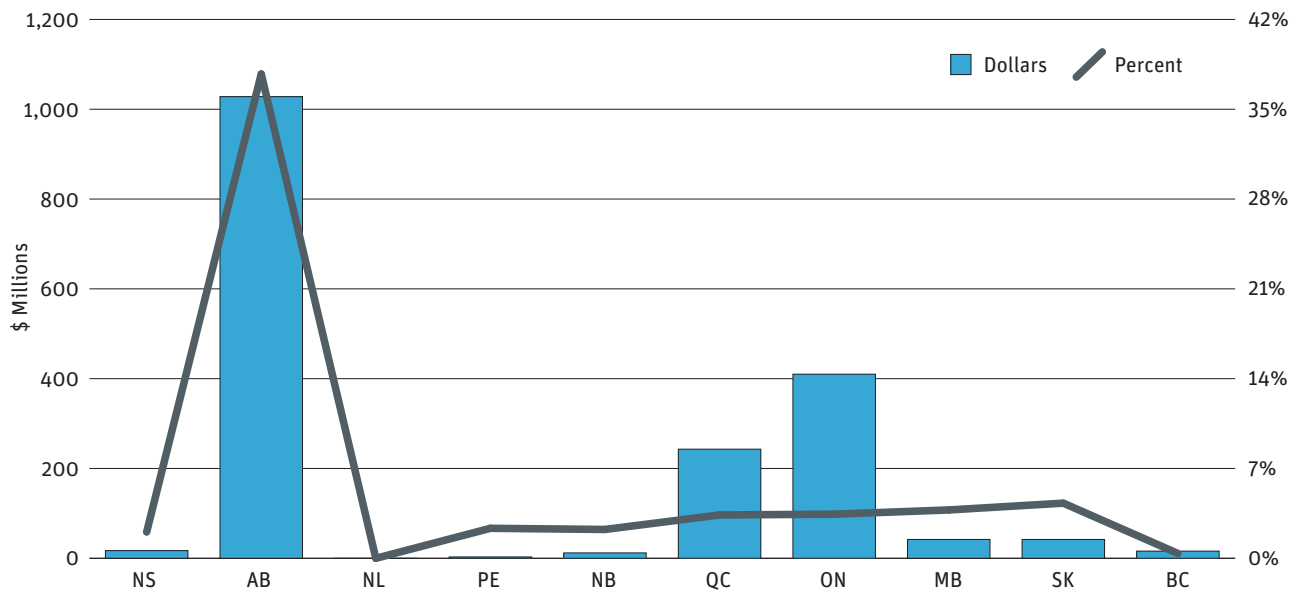
In 2014–15, Alberta's health transfer will increase by 38%; Nova Scotia's will rise by only 2%. This imbalance reflects the move to a per capita basis for the transfer, irrespective of need or fiscal capacity. The federal government also chose to finance Alberta's increase by reducing payments to other provinces. *Figure 2* depicts this; to raise Alberta from \$679 per capita to \$903 per capita Alberta will receive more than \$1 billion more than it did in 2013–14.

The consequences of these decisions are clear: while total health transfers to the provinces will increase in the coming year by 6.01%, those additional funds are neither being distributed evenly across the country nor on the basis of need. For example, while Alberta is set to receive over a billion extra dollars in 2014–15, it has the smallest population of seniors in the country.

In 2017–18 the situation will deteriorate further. In that year, the federal government indicates that increases to the health transfer will move in-line with a three-year moving average of nominal GDP, by at least 3%. 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 – about 21% in 2013–14 – will decline further.

Although very dramatic in 2014–15, the health funding imbalance continues a trend that began with the phasing in of per-capita health transfers. Since 2007, overall federal health transfers increased by 60%. Nova

FIGURE 2 Distribution of Additional Funds in the Federal Transfer for Health, 2013–14



Source: Finance Canada, Federal support to Provinces and Territories

Scotia received less than every other province; Nova Scotia’s CHT increased by 36.6%, not by the national average of 60%. Ontario was at the national average, all other provinces except Alberta were below. When the 2014–15 spike, Alberta’s increase over the period is 154.7%, an annual rise of 19.3%.

The lack of a new health accord will result in \$902 million lost in health transfers to Nova Scotia over the next decade. That is the equivalent to cutting 10% of the province’s entire nursing staff, 1319 nursing positions.

There is a similar pattern with the smaller CST, put on an equal per-capita basis in 2007–8. From 2006–07 to 2014–15 total federal transfers under the CST increased by 48.0%, with all provinces but Ontario and Alberta getting less than the national average increase. Again, Nova Scotia, received the smallest total increase. Fortunately the federal government did not fund increases to Alberta and Ontario from transfers to other provinces. It is important to note that 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.⁶ In addition, there is a lack of accountability related to this transfer with no

national standards attached except that there be no residency requirement for social assistance.

Equalization

The removal of equalization elements from health and social transfers was supposed to be offset by a richer equalization program. However, the cap the federal government unilaterally imposed on the equalization envelope, coupled with economic problems in Ontario and Quebec, meant that the Maritimes (and Manitoba) saw only modest increases in equalization compared to what the federal government promised in 2007. The cap meant that equalization receiving provinces received \$17.8 billion less between 2009–10 and 2013–14.⁷ This coming year, the equalization envelope will be about \$4 billion smaller than without the cap.

Despite the ceiling imposed in 2009, the cost to the federal government of equalization was nearly \$5 billion higher in 2014–15 than in 2006–07. However, because their fiscal capacities declined, most of the increase went to Quebec and Ontario. Although the relative fiscal capacity of the Maritime Provinces and Manitoba has hardly improved, the annualized increases to equalization payments in those provinces were even lower than the increases to both the CHT and the CST. Simply put, the government's new equalization formula did not compensate for transfer revenues lost through changes made to both the CHT and the CST.

NSAPB Recommendations

- The federal government should increase the equalization envelope by \$4 billion, thereby 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 the phased in federal carbon tax.
- The per-capita funding formula for health and social transfers must be scrapped and replaced with a formula that reduces transfers to provinces with above-average fiscal capacity and increases them to provinces with higher costs resulting from demographic factors.
- Our new government needs to demand a new comprehensive Health Accord.

- More attention needs to be brought to the Canada Social Transfer,⁸ insisting on appropriate funding levels and accountability for how the funding is being spent.

Notes

1 CCPA, *Alternative Federal Budget 2014* (Ottawa: CCPA). <https://www.policyalternatives.ca/publications/reports/alternative-federal-budget-2014>

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5 Provincial fiscal capacities is the amount of revenue that would be raised by each province through natural resources and application of average tax rates to four common tax bases

6 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

7 Report of the Council of the Federation Working Group on Fiscal Arrangements, July, 2012

8 See Canadian Association of Social Workers, <http://www.defendingsocialprograms.ca/>

Taxes That Bind Us

Background

For three decades, federal transfers to the provinces for social programs have been cut or grown slower than the inflation rate. At the same time, every federal budget surplus – produced by spending cuts – was accompanied by tax cuts. Both of these trends left our province with less money and fewer services, but greater fiscal room to occupy. This is all exacerbated with further changes to equalization and federal transfers (discussed elsewhere in this budget). It is therefore left to us to figure out how to pay for services for needs that have only increased.

If we want a real sense of community in Nova Scotia, we must include our least fortunate citizens. If we are serious about this we need to spend money – and it is only fair that we ask Nova Scotia’s more fortunate, and its most fortunate citizens to contribute a portion of their rising incomes. The

top 1% of the income distribution has seen their pre-tax incomes increase disproportionately while the distribution of taxation has shifted to their benefit. The result is a tax system that is increasingly less fair.

Current Issues

There is a disquieting trend in Canada: After decades of relative stability, income inequality — the gap between the wealthy and the poor — is increasing rapidly.¹ What is more, virtually all the income gains accrue to those at the very top of the income distribution. Average real wages (wages adjusted for inflation) have not changed in Canada for 30 years, and have decreased in Nova Scotia since the early 1990s.² Not only has the average Nova Scotian worker not received benefits from economic and productivity growth in recent decades, average workers have lost because their wages have not kept up with inflation. Instead of leading to increased real wages, virtually all of the increased wealth from productivity growth has taken the form of higher profits. At the same time, the corporate share of income has skyrocketed. This rise translates into higher incomes at the top of the distribution, where stock ownership is concentrated.³

Skewed Gains

The recent increase in income inequality in Canada does not just come from rising corporate profits, since a sizeable portion of the incomes of the top 1% also comes from salaries.⁴ Individuals at the very top have seen their incomes increase dramatically in the last three decades.

Every Canadian should share in national prosperity. There is scope for redistribution from the top to the rest of society. Given that income for high-income earners comes from various sources, targeting general income for redistribution is the best course of action.

Our governments allowed the richest Canadians to keep the lion's share of the national wealth increase in a number of ways: they disproportionately benefit as profits increase faster than wages; real wage gains have largely been realized at the top of the pay scales; and their relative share of taxes has been reduced. In addition, as the tax system has become more regressive, it has also meant that others pay more than their fair share of taxes.

One glaring example of special treatment for the wealthy is the taxation of capital gains, the gain when an asset increases in market value without any input from the owner. About half of us realize capital gains when we sell our homes. When others sell their small businesses such as farms or fish-

ing boats; these are exempt from capital gains because it is assumed they will have to replace these assets.

The major source of taxable capital gains is speculation — in land, currencies, commodities, and the stock market. While some speculation helps smooth prices, speculation often leads to extreme or harmful price fluctuations, such as the recent electronics, housing, and derivatives “bubbles”. Some made huge capital gains from these bubbles; significantly more were devastated when the bubbles burst.

The taxation for capital gains is unusually generous. If you have capital gains, you only pay tax on half your capital gains. In contrast, “taxable income” covers 100% of most forms of “income” including employment insurance, social assistance, and student scholarships.

Who benefits from this generous treatment of capital gains? McQuaig and Brooks estimate that the top 1% of Canadians saved almost \$8 billion in taxes since 2000 when the inclusion rate was lowered to 50%.⁵ In Nova Scotia, the top 1% (incomes over \$150,000) reported taxable capital gains of \$130 million 2009, out of a total of \$209 million. The 880 Nova Scotians with incomes over \$250,000 reported \$101 million in taxable capital gains! Thus, the top 1%’s share of capital gains was 63 times their weight in the population.

Begin Shifting Away from Property Tax

Another benefit of making the income tax more progressive and a larger source of government funds, will be to move away from property tax towards funding municipal services via a surcharge on income tax.

Currently, municipalities rely for more than $\frac{3}{4}$ of their revenues on property tax, 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 puts more, not less, reliance on the property tax so that the provincial government does not have to increase its revenue from the income tax. As proposed in the CCPA’s Alternative Municipal Budget for the HRM in 2012⁶, 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 facilities. This would cost the provincial government roughly \$200 million and this loss of revenues should be offset by an increase in the income tax rates of those with incomes over \$60,000, not by slashing provincial support to programs. This is one step

away from property tax and toward more services being funded by progressive income tax including municipal services. The CCPA-Ns has repeatedly proposed the establishment of a Refundable Municipal Income Tax (REMIT), a surcharge on each tax payer's provincial income tax which would be sent directly to municipalities.⁷

Rising User Fees

One example of a regressive tax is the increase in user fees, a form of taxation that has a greater negative impact on those with lower income (since the fees are fixed, they take up less of total income as income increases). Many fees increased in 2011 and again last year. Last year's increase was for almost 6% (said to equal inflationary costs for two years because fees were frozen in 2012).⁸ The continual increase in user fees is a concerning trend given its regressive nature.

The 1400 user fees in Nova Scotia⁹ bring in about \$250 million per year. Half of this revenue is from fees of the Registry of Motor Vehicles.¹⁰ Other fees include licenses and registrations for marriage, and birth, but also fees for camping, museums, hunting. The last time fees were reviewed in the province was in 2000 by the Auditor General. The Auditor General flagged many concerns about user fees that should be revisited during the newly begun tax review. "There are no government-wide policies, procedures or practices to ensure consistent and fair application of user fees."¹¹ Parking fees for hospitals, and indeed all health care facilities should be considered, reported on and fully accounted for on an ongoing basis. Many hospitals have become dependent on these fees, which are an unfair form of taxation that many people are unable to afford. These fees should be considered in light of the fact that the federal government and municipalities also charge quite a range of fees. The rising cost of fees at all levels of government is a concern raised by the Parliamentary Budget Officer as well.¹²

Inequitable Taxation

Nova Scotia has its own tax system,¹³ with provincially-set tax credits and rates, but it relies on the Federal tax system's determination of taxable income. This automatically accepts more than 20 Federal tax deductions, for instance, for RRSP and other pension contributions. The NSAPB has three reasons for objecting to the automatic use of federal deductions to determine the taxable income of a Nova Scotia resident.

First, most Nova Scotians are actually unable to take full advantage of these federal tax deductions because they have low annual incomes: those

with the most discretionary income claim the largest deductions — those with the highest incomes. In 2009, the top 45% of Nova Scotia’s tax filers claimed 93% of the Federal deductions.

Second, high income individuals also get the greatest tax advantage from any given level of deduction, because a deduction lowers the amount of income taxed at the highest rate. That is why some deductions, such as the personal exemption or charitable donations, were changed to tax credits where a fixed rate determines the value of these personal expenditures.

Third, income growth over the last twenty years has been concentrated in the top 1%, at the same time as tax changes reduced their total taxes. The NSAPB would like to restore some equity to the tax system.

Tax Rebates: Costly and Ineffective

Many tax rebates are provided in Nova Scotia. Most exempt items from the provincial tax portion of the Harmonized Sales Tax (HST). They are all problematic because they do not respond to need. Rather, tax rebates mean that the more one spends the more tax the government forgives (and the more tax everyone else has to pay, to make up for it). This kind of expenditure — one form of tax expenditures — can be costly without meeting public policy objectives to fairly solve a problem, or meet a need.

Take the energy rebate as an example.

The Energy Rebate program introduced in 2009 provides a rebate on all energy sources purchased for home use equivalent to the amount of the provincial portion of the HST (a 10% rebate). The program is far more expensive than predicted — projected to cost \$110 million 2013–14. This is definitely not the best use of limited government resources. It sidesteps problems at the root of high electricity costs and some people’s inability to pay their bills. Nothing in the rebate requires individuals to introduce better and more efficient energy systems in their homes. An across-the-board energy rebate provides savings to everyone regardless of what they can afford to pay. This program also benefits landlords who may not pass on savings to their tenants. Individual tax “savings” are not as effective as an overall strategy — for energy security or poverty reduction.

NSAPB Actions

We all pay taxes in some form. The key question is whether the taxes are fair and if the tax base is sufficient to ensure the quality of life that we all deserve. We want to ensure that more of our taxes to come from progressive in-

come tax, based on ability to pay. We want to ensure that we temper the regressive elements of taxation as well. The Nova Scotia Alternate Provincial Budget's tax proposals are designed to increase the government's capacity to finance a broad range of government services from which we all benefit. The provision of public services is a form of income and wealth redistribution in our society. We all benefit if we reduce poverty as a community and because it costs more to help people manage to scrape by in poverty than to prevent poverty and lift people out of it. Employers benefit from better skilled, better educated and healthier employees.

Improve Progressivity in Taxation by:

- **Raising the tax rate for the two top brackets one percentage point:** raising the rate one percentage point to 18.5% for those with incomes between \$93,000 and \$149,999 and raising the rate one percentage points to 23% for those making \$150,000 and over. This reflects adherence to the principle of a progressive tax system and recognises that in recent decades, growth accrued almost entirely to the top 10%. This is projected to generate an additional **\$35,353 million** in revenue.
- **Decreasing User Fees:** In addition to providing funding to account for the inflationary costs of providing government services, the NSAPB allocates **\$10 million** to decrease user fees, specifically targeted to personal fees most of which are administered by Service Nova Scotia (but not decrease fees that are related to protecting health, safety and the environment). User fees must figure into a full tax review considering consistency and fairness.
- **Begin to Phase-Out of the Municipal Flow-Through:** beginning with **\$20 million** next year and doubling until the full flow-through is phased-out, which can allow municipalities to begin shifting away from problematic property tax.

Improve equitable taxation by:

- **Fully Taxing Capital Gains:** The next candidate is the 50 percent inclusion rate for capital gains and stock option incomes. Treat these forms of income the same as the rest of us have our incomes treated — all of it should be included as taxable income on the provincial tax form. This estimated to raise **\$55.044 million** in additional revenue.

- **Shifting Federal Tax Deductions to Provincial Tax Credits:** this shift increases taxes on the top 45% of earners and raises revenues by an estimated **\$187,531 million**, while making the provincial tax system more progressive.
 - **Address Tax Expenditures’ Perversion of Policy Goals:** immediately cancel Your Energy Rebate: reallocates the cost (**\$110 million**) of this program and invests to decrease energy costs (see our proposal for a Universal Service Program for Energy), to improve Nova Scotia’s energy security, and to reduce poverty (see Poverty Reduction section). All rebates should be rescinded as part of the tax review and reinvested into programs and services.
- Additional revenue raised (net): \$357,928 million**

Notes

- ¹ Lars Osberg, *Instability Implications of Increasing Inequality*, (Ottawa: CCPA, 2012). <https://www.policyalternatives.ca/publications/reports/instability-implications-increasing-inequality>
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- ³ See the Growing Gap project, at www.growinggap.ca, for a chronicling of the various aspects and consequences of this stagnation for Canadian households.
- ⁴ Armine Yalnizyan, *The Rise of Canada’s Richest 1%* (Ottawa: CCPA). <https://www.policyalternatives.ca/publications/reports/rise-canadas-richest-1>
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Conclusion

Nova Scotia: We Have Everything We Need to Succeed

Preamble: The concluding piece in this year's alternative budget is written by Larry Haiven, who is Professor of Management, Saint Mary's University. He has been involved in the alternative budgets for at least a decade. Larry wrote this when the Alternative Budget Working Group expressed dismay over the dominant negative discourse about Nova Scotia from pundits in certain sectors of the province. It was to be a take-off of the idea 'your richer than you think,' or the Nova Scotia version 'we suck less than you think'. We had this discussion before the One NS¹ report was released, but now this article serves as a rejoinder.

There are two Nova Scotias.

One is a wonderful place, beloved of the rest of Canada, and the world. A place of economic prosperity and peace of mind. A place of challenge, happiness and fulfilment. A place that attracts tens of thousands of “come from aways” and to which exiles, like salmon swimming upstream, ache to, and do, return.

The other Nova Scotia? A place one curmudgeon wrote a whole book about entitled *Backwater*². A place peopled with undeserving poor, justifiably scolded by newspaper pundits, rebuked by Stephen Harper for its “culture of defeatism³.” A place now regularly compared with Greece⁴. If you are a masochist, just Google “Nova Scotia” and “basket case” together.

The recently-released *One Nova Scotia Report* aka Ivany report⁵ is a perfect example of this split personality disorder, praising us with one breath, chastising us with another.

Wait a minute. Let's get a grip, folks! Even by their own metrics, the detractors have weak arguments. But first let's look beyond their metrics.

According to the Canadian Centre for the Study of Living Standards, Nova Scotia ranks highest in Canada in happiness⁶. That's saying a lot, in the second happiest country in the world. But 94.1% of Nova Scotians report being satisfied or very satisfied with life. Are we a hotbed of self-delusion or do we know something about this place? In fact, recent research shows that the most accurate way to gauge how happy people are is simply to ask them⁷.

But we're not talking about a passive sense of contentment. Psychologist Carol Ryff insists that perceptions of happiness include an important element of personal fulfillment by responding to tests and trials and difficulties. She calls it "challenged thriving⁸."

Talking about happiness, Nova Scotia's Ron Colman, a founder of our own Genuine Progress Indicator,⁹ spent years advising the government of Bhutan in its "Gross National Happiness" project¹⁰, which touts happiness as more important than economic indicators. They and we are onto something.

Is Nova Scotia really an economic basket case? Economists usually measure standard of living in GDP per capita. Now GDP has its problems and GDP per capita doesn't measure how the wealth is distributed (that's another story) but it's a pretty good indicator of "well-offness." Nova Scotia weighs in at about \$36,000 (USD) per person. Let's put this in context. That's about the same as the U.S. state of Texas, and higher than Illinois, Nevada, Hawaii, New Hampshire and Pennsylvania. And it's higher than Italy, Singapore, Japan, Kuwait and Spain¹¹. Not precisely your typical backwater.

Within the Canadian family, Nova Scotia and its Atlantic siblings have indeed been the butt of scorn. Even within prosperous families, somebody gets bullied. But, as with personal income, the more fortunate like to pretend that their bounty is the result of, not luck, but hard work and righteousness even as they attribute personal character failings to those with scarcer resources. Albertans and their national politicians, for example, conveniently forget that their province was a recipient of equalization payments right to the not-so-distant discovery of oil. Did they become virtuous one day in 1947 when oil came gushing out of the ground at Leduc 1?

And what about Nova Scotia's debt, that some say makes us the Greece of Canada? Again, time to do a reality check. Greece's debt-to-GDP ratio is

157%. Nova Scotia's? 36.7% (down from 48.7% in 2000.) The provincial auditor general's recent reporting of an uptick in debt has provoked anguished cries of fiscal crisis from newspaper columnists and letter-writers. But 36.7% puts us right there with our federal government and considerably better than Ireland (117%) and Japan (211%)¹².

Canada's a country known for its physical beauty, but "Canada's Ocean Playground" is no hollow boast. With 7,400 km of coastline, Nova Scotia ranks among the highest in the world compared to its size. People from the rest of Canada, the United States and Europe have flocked to live here, permanently or for part of the year, for a century or more. They feed their imaginations with ocean vistas and turn those daydreams into products and services for the world.

National Geographic's Traveler poll touted Cape Breton Island number two travel destination in the world; Conde Nast Traveler rated it the world's most beautiful island; Fodor's Travel News called it an "island paradise." Since 1997 Celtic Colours has drawn tens of thousands of Canadian and international visitors for an orgy of cultural tourism. Yet some Nova Scotians never tire of condemning The Island.

Filmmakers, musicians, and artists of every sort have hung up their shingle here. For example, Wayne Grigsby, producer of such television hits as "North of Sixty," and the two biopics of Pierre Trudeau, moved to Chester in the 90s with his production company "Big Motion Pictures" and churns out films and TV series in this province. Other filmmakers come here to use our highly-skilled actors, directors, technical crews and facilities. The Atlantic Film Festival, now over thirty years old, is an ever-strengthening magnet in the field. The Atlantic Filmmakers Co-operative has been nurturing local film talent for forty years.

Time and again, Nova Scotia surprises us all with the alternative and the innovative.

And talking about co-operatives and innovation, Nova Scotia is the birthplace of co-operatives in English Canada, starting with Father Moses Coady and the Antigonish Movement. We have over 350 co-operatives and credit unions, with combined assets of over \$2.5 billion. Over 242,000 Nova Scotians are members (about 34% of the adult population) and they employ over 4,000 Nova Scotians.¹³ Samuel Bowles and Herbert Gintis¹⁴ wrote convincingly that humans are a "co-operative species" hard-wired to help one another and that the very future of the world will increasingly depend upon cooperation. Once more Nova Scotians are at the forefront.

All of the name-calling and hand-wringing and finger-pointing has a purpose, however: to convince Nova Scotians that we have little or nothing to be proud of and that we must ever remain in thrall to outside capital. And so it makes us afraid to get off the ideological treadmill that internally colonizes us.

Thomas Michael Power, author of *Lost Landscapes and Failed Economies: The Search for a Value of Place*¹⁵, is an economist from the University of Montana who spoke in Halifax a few years ago. Montana, like Nova Scotia, is sometimes regarded as an economic boondocks since the natural resource gusher ran dry. But in a post-industrial world, what Power calls “the extractive view” of the local economy, where outside capital invests only to rip off, is fast giving way to “the environmental” view, where self-sufficiency, a sense of place, protection of Mother Earth, and the pursuit of happiness lead the way into the future.

We can abandon the treadmills and there are alternatives as the Nova Scotia Alternative Provincial Budget 2014 clearly shows.

Notes

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13 <http://www.novascotia.coop>

14 Samuel Bowles, and Herbert Gintis, *A Co-operative Species: Human Reciprocity and Its Evolutions* (Princeton, Princeton, 2012)

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The volunteers on this year's budget included the following members of the Alternative Provincial Budget Working Group:

Catherine Abreu, Ecology Action Centre

Gabrielle Beauchemin, Canadian Federation of Students-Nova Scotia

Sobaz Benjamin, In My Own Voice

Michael Bradfield, Department of Economics (Ret), Dalhousie University

Gary Bristow

Kyle Buott, Halifax-Dartmouth & District Labour Council

Mark Butler, Ecology Action Centre

Hugo Dann

Jason Edwards, CCPA-NS Research Associate

David Etherington, Canadian Federation of Students-Nova Scotia

Carol Ferguson, CUPE Nova Scotia

Chris Ferns, Association of Nova Scotia University Teachers

Tammy Findlay, Department of Political and Canadian Studies,
Mount St. Vincent University

Brian Gifford, Nova Scotians for Tax Fairness
& Affordable Energy Coalition

Angela Giles, Council of Canadians

Larry Haiven, Department of Management, St. Mary's University

Pamela Harrison, Transition House Association of Nova Scotia

Steve Hart

Jayne Hunter, Literacy Nova Scotia

James Hutt, NS Citizens' Health Care Network

Ian Johnson, Nova Scotia Government & General Employees Union

Abad Khan

Irena Knezevic, Laurier Centre for Sustainable Food Systems

Sheri Lecker, Adsum for Women & Children

Stella Lord, Community Society to End Poverty in Nova Scotia

Marla MacLeod, Ecology Action Centre

Christopher Majka, Research Associate, CCPA-NS

Debbie McIssac, Nova Scotia Teachers Union

Kady Myers, Master's Student (CCPA-NS Practicum),
University of Victoria

Eric Newstadt, Research Associate, CCPA-NS

Sylvia Parris, Congress of Black Women, NS Chapter

James Sawler, Department of Economics, Mount St. Vincent University

Christine Saulnier, NSAPB Coordinator & Director,
Canadian Centre for Policy Alternatives-NS

Ben Sichel, Nova Scotia Teachers Union

Av Singh, Chair in Small Farm Sustainability,
Just Us! Centre for Small Farms

Nick Stark, Canadian Federation of Students-Nova Scotia

Richard Starr

Deborah Stienstra, Nancy's Chair, Mount St. Vincent University

Fiona Traynor, Dalhousie Legal Aid & Stepping Stone

Jane Warren, Nova Scotia Disability Strategy Partnership



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