

Nova Scotia Alternative Budget 2018

A Budget For the People





CCPA

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A Budget For the People

Introduction

Since 2000, the Nova Scotia office of the Canadian Centre for Policy Alternatives has produced annual alternative budgets. Alternative budgets make a persuasive case for how we can raise and allocate public funds to create a community that is socially and economically just, as well as environmentally sustainable. The Alternative Budget Working Group (see the acknowledgements for a list of members) develops a set of fiscal policy measures as part of a workable budgetary framework that takes into consideration the political, social and economic realities of the province.

The alternative budget evidence for why we need a different approach to budgeting, with different principles, objectives and goals. It highlights the short-comings of the current approach, given the state of the economy and employment, the fiscal situation and the day to day struggles of too many Nova Scotians.

The Nova Scotia Alternative Budget (NSAB) 2018 is a model or a blueprint of a budget for the people. It supports the development of inclusive and prosperous communities, where we take care of each other and our environment. Smart public investments that address inequality and insecurity not only

achieve greater fairness; they also provide more opportunities for a different kind of economic growth that is no longer exploitative, no longer sacrifices the environment, our natural resources or the quality of life of the many.

Economic Fundamentals

Despite a solid year of economic performance nationally and internationally, the Nova Scotia economy continues to stagnate. The province has only had one solid year (2010) of growth since the deep recession. Since 2011, real GDP growth has averaged less than one percent.¹ This poor performance continued in 2017, with Nova Scotia's expected real growth of 1.3%² dwarfed by the national growth rate of 2.9%.³ The 2018 forecast predicts another dismal year with real GDP growth projected to reach only 0.5%, once again well below national expectations.⁴

Nova Scotia's poor growth record is reflected in its labour market. Comparing 2017 to 2016, the average employment rate increased by 0.6 per cent representing an increase of 400 full-time jobs and 2,400 more part-time jobs, with barely an increase in labour force participation rate.⁵

While national employment continues to grow at a steady pace, there has been virtually no employment growth in Nova Scotia for a decade (notwithstanding the supposed boost from projects such as the Halifax Shipyards contract, the Maritime Link, and the Convention Centre). While the national unemployment rate has fallen below 6%, Nova Scotia's remains above 8%.⁶ This provincial average obscures the significantly higher unemployment rates outside of Halifax — 9.1% along the North Shore, for example, and 14.3% in Cape Breton. Furthermore, youth unemployment remains stubbornly high across the province at 18.2%.⁷

There are inequities in the labour market that need to be addressed as well; Black Nova Scotians have a participation rate of 65.9%, those of Aboriginal identity (off-reserve) of 65.5% compared to 71.7% for all prime working age Nova Scotians.⁸ While we don't have comparable data from the Census we also know that persons with disabilities have much lower participation rate (45% in 2011/12)⁹. Nova Scotia must do better to ensure that everyone is able to contribute to their full potential, especially given our aging population.

Given Nova Scotia's persistently weak labour market, it is no surprise that wages are struggling to keep up with inflation, with real weekly earnings rising by only 0.1% in 2017.¹⁰ Nova Scotia's average weekly wages for 2017 were the second lowest in the country.¹¹

Fiscal Background

Though many factors contribute to Nova Scotia's poor economic performance, the situation is exacerbated by the government's insistence on maintaining fiscal restraint, even as the economy operates below its potential. The government is projecting a surplus of \$139.2 million for the 2017-18 fiscal year.¹² Relative to GDP, this is estimated as the strongest budget balance in the country.¹³ Nova Scotia's projected debt-to-GDP ratio is almost 25% lower than at its height in 1999-2000, and at 35.5%, is lower than Ontario's and significantly lower than Quebec's.¹⁴ Debt servicing costs are nine cents for every dollar spent on programs, down from twenty-five cents in fiscal year 2000-01.¹⁵

Nova Scotia's fiscal position is sound; however its soundness is precarious because of the way that it has been achieved. Political decision-making in our province is bedeviled by a focus on the short-term disguised as a concern for the future generation. We are told that we cannot address the issues that really matter by investing today, if it means running deficits because we burden the next generation with exorbitant servicing charges on our debt. If, however, we consider debt to be what it is: deferred taxation, then we must ensure that we support the current generation to reach their full potential. If we do not take a different approach, the result of this short-term thinking will be even higher costs (and deficits and debts or taxes) for the next generation who will be less able to afford it, while we also sacrifice the current generation and our aging population to boot.

Given social and economic deficits in our province, it is past time for our government to end its fiscal restraint and start investing in Nova Scotia's people and its economy. Ultimately, our fiscal health depends on the health and well-being of Nova Scotians.

We cannot sacrifice people who need services today and people who need interventions to prevent problems that are more serious in the future, for an arbitrary timeline to get the budget balanced or reach a debt to GDP ratio for which there is neither evidence nor consensus.

While our government points to its surplus, Nova Scotians are holding unprecedented levels of private debt, including the need to pay for their own or their children's post-secondary education. It is extremely concerning that 1 out of every 5 Nova Scotians who declared bankruptcy last year cited health-related issues and spending as contributing factors — illness affected people's ability to work, or to pay for prescription drugs or to cover travel or accommodation costs for those who need to travel for care.¹⁶

Nova Scotians are struggling to get access to the services they need. Seniors without acute care needs are languishing in hospitals, or in underfunded long term care homes. Other seniors and Nova Scotians with chronic disabilities- related to physical, intellectual or mental health — have to rely on family and friends to provide complex care filling in serious gaps left from inadequately resourced and undervalued homecare supports and community-based options. Many Nova Scotians are living in poverty. As the authors of the *Nova Scotia Report on Child and Family Poverty* said: “Poverty hurts our children. It creates personal and social deficits that are felt within families and by society because it limits children’s ability to grow up healthy and to develop their potential towards full participation in society.”¹⁷ Poverty hurts everyone who experiences it and it hurts our province.

A zero deficit is just that, not an accomplishment that should be applauded in and of itself especially if it means sacrificing adequate health care, pensions, social care, education, and childhood development, allowing our public services to crumble, and the gaps in our safety net to widen. Given how much people struggle to make ends meet, and to access the public services they need, it is folly to run surpluses, and to restrain investment because of an unwillingness to increase the fairness of the tax system (raising more revenue) or to run deficits especially with interest rates that the government can lock in at historic low. Moreover, there are very real costs if the government continues to ignore the social deficits.

Alternative Budget Framework

Our fiscal framework for this year’s budget is constructed on the same principled, evidence-based objective of all of our alternative budgets: **the provincial budget must raise and allocate public funds to advance social, economic and environmental justice.**

The alternative budget framework centres the role of government as enabling people and communities to flourish. The approach underlining CC-PA’s alternative budgets closely resembles the current call for “inclusive growth” in which the government “provides individuals with capacity enhancing assets in the form of human and social capital, good health and active support in labour markets and build strong foundations for learning and adaptation for life and through life.”¹⁸

Our analysis shows that it is possible to make significant investments in our people and still balance the budget, by implementing our tax recom-

TABLE 1 Nova Scotia Alternative Budget

Alternative Budget (thousands)	2018-19	2019-20	2020-21
Total Net Revenue	\$ 11,317,494	\$ 11,731,659	\$12,383,533
Total Net Expenditure	\$ 11,318,493	\$ 11,723,066	\$12,346,910
Budget Balance	-\$ 1,000	\$ 8,593	\$ 36,623
Debt to GDP	34%	33%	32%

mendations for improving the fairness of the provincial income tax system, all while maintaining a healthy debt to GDP ratio.

On the revenue side, we project our tax measures to raise approximately \$370 million, we reallocate \$105 million by eliminating the “Your Energy Rebate,” add this to the government’s projected surplus of \$139 million (December Update). Added to this is projected additional revenue from an increase in the real growth rate of 1%. This revenue is used to cover inflation increases in current expenditures, with the remaining \$600 million used to achieve our goals as outlined in the next section.

Unlike previous alternative budgets, this year’s does not break down the costs or provide detailed background or analysis of budget expenditures. This year’s alternative budget fiscal framework was developed with specific taxation changes, and outlines our priorities for where investments would be made in this fiscal year. It builds on our previous fully-costed alternative budgets that readers can consult,¹⁹ and highlights how explicit goals can be achieved through budgetary choices.

Nova Scotia Alternative Budget 2018 Priorities

1. Inclusive green growth.
2. Reduce poverty.
3. Improve access to affordable housing and supports.
4. Strengthen transportation connections within and across communities across the province.
5. Build an early learning and child care system.
6. Support life-long learning.
7. Strengthen and extend universal public health care.
8. Accelerate climate action and support just transition.
9. Tax fairness.

1. Inclusive Green Growth

It continues to be morally imperative that we address injustice. There is also increasing evidence that unequal outcomes have a negative impact on the functioning of our economy and our society as a whole. Everyone wins when there is greater equality. As documented in *the Spirit Level* book, comparing only rich countries, outcomes are worse in more unequal countries including for physical health, mental health, drug abuse, education, trust and community life, violence, and child well-being. They found differences at the micro level with lower scores on math, reading and science.²⁰ In unequal societies measured by the income gap between the top and the bottom, there has been a growing lack of confidence in government's ability to respond to challenges, especially because expectations have been raised that growing the pie would automatically result in more pie for everyone. People become disaffected when they witness a system that appears to be rigged to favour certain groups and leave the rest to fight over the crumbs. Many people do lack the opportunities that others might be offered, and more troubling still is that continually facing barriers affects what people even aspire to do, let alone what they are capable of doing. Government budgets should strive to reduce inequality in income, as well as other forms of inequality, by a thorough analysis of impacts and outcomes, for example using a gender lens that considers equitable distribution of resources and services.²¹

Inclusive growth is supported when investments are made to dismantle barriers and eliminate discrimination including based on gender, race, class, and ability, which often intersect with each other and are exacerbated depending on where one lives, resulting in unequal outcomes in employment, education, income, wealth, the family, and health. We know for example that income inequality is third highest in the country and up slightly from 10 years ago.²² The gender wage gap is 20% comparing male and female earnings based on full year, full time median employment income (representing earnings of just over \$10,000 per year less) and the gender equity pay gap is almost 30% comparing average employment income.²³

There is a need to closely examine the data to ensure our policy measures address the root causes and help those who are the most disadvantaged. For example, data for Halifax shows that while women earn 72% of what men earn²⁴, visible minorities earn only 57% of what non-visible minorities earn in Halifax, and first generation visible minorities fare the worst, earning almost half of the median income.²⁵ This data is available because of the reinstatement of the long-form census, but more needs to be done to

ensure there is more disaggregated, community level data. Therefore, **the NSAB provides funding to reinstate an expanded Community Counts and to ensure there is sufficient staff to do the analysis to ensure that program outcomes benefit Nova Scotians equitably.**

There is enough data to support specific actions, however; **The alternative budget invests to strengthen and enforce measures to address pay inequity in all sectors based on an intersectional analysis. It invests to set up a Fair Wage and Decent Work Commission, and to undertake a review of labour standards to strengthen protections for all workers and to plan for a substantial increase to the minimum wage.** The alternative budget's tax measures for progressive taxation support redistribution to help offset advantages that are often the result of inherited wealth.

Intergenerational equity needs to be a priority budgetary outcome. Stop talking about the aging population in negative terms. Our government should instead lead the way in Canada to build an age-friendly province that applauds and supports those who are aging. Older Nova Scotians (outside the prime working age) do more than their fair share of lifting this province up, whether in the paid labour force, providing unpaid care or volunteering in our communities.

This Alternative Budget pledges incremental investments to ensure that all Nova Scotians retire in dignity into their own communities, by increasing funding to the services they need including home care and long-term care, and also libraries, community centres and services that support quality of life for them and their families.

Intergenerational equity is also achieved via Alternative Budget investments to create meaningful opportunities for young people, including improved access to post-secondary education without crippling debt. The Alternative Budget also invests in quality public services to retain younger families, for example, in an early learning and child care system, in p-12 education, as well as health services including midwifery, and community services from sports and recreation, to arts and culture, to museums and libraries.

The NSAB funds the implementation of an economic development strategy for the province that specifically targets youth employment, rural development and transition to a green economy using an intersectional lens to ensure an inclusive strategy. The goal is to maximize the local impact of investments in the public sector, and in procurement to support locally-owned businesses with import replacement enabling communities to be more self-sufficient.²⁶ Nova Scotia must focus on youth employment because of our need to address the labour market gaps left by an

aging population. To retain youth, Nova Scotia must address the fact that youth unemployment rate is consistently higher than the national average, and that they face underemployment, and lack of job security if they do find work.²⁷ The focus must also support youth employment for specific populations with our youngest population being Aboriginal and African Nova Scotian, which also have lower labour force participation rates.²⁸ The NSAB prioritizes investment in sustainable economic development guided by a co-ordinated strategy that brings together all stakeholders including government, organized labour, small, medium and large for-profit business, co-ops and other social enterprises, social movements, non-profits, the unemployed, municipalities, and more.

By focusing investment only on the for-profit traditional business model that benefits the few, the provincial government has failed to create a multi-faceted sustainable approach to benefit the many. We need to invest to transition to a green economy with renewable energy, maximized energy efficiency, and also to expand the sectors of our economy that are already low carbon: caregiving, teaching, social work, arts and culture, while investing to protect our water, land, and air. “Caring for one another and caring for the planet could be the economy’s fastest growing sectors.”²⁹

To achieve inclusive growth, the alternative budget invests in our people to ensure that all our community members 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. Demographic trends are undoubtedly important, but demographics are not destiny. Demographic trends are influenced by our policy choices.³⁰ One of our most important policy choices is how we choose to share our prosperity. Investments to strengthen and extend public services help level the proverbial playing field.

A budget for the people must enhance universal public services. Universal services are not one size fits all; universal public services are most effective when they are funded to ensure everyone has access to equitable services. Universal public services must be funded via progressive taxation to ensure equity; everyone pays their fair share of program costs based on their contribution to the tax base.

2. Reduce Poverty

At 21.6%, Nova Scotia has the third-highest provincial child poverty rate in the country, and the highest rate in Atlantic Canada. Child poverty rates

are highest for children under 6, with close to one in three young children living in poverty. Moreover, 39.6% of Black children live in poverty, as do over one-third (37.4%) of visible minority children living in poverty, 40.3% of immigrant children, and 25.6% of Aboriginal children.³¹ The 2016 Hunger Count Report found that Nova Scotia experienced the highest increase in numbers of people served from 2015-2016 (20.9% increase) — 30.4% of users being children.³² Those who are most vulnerable to living in poverty are persons with work-limiting disabilities;³³ single, unattached individuals (especially males); lone parent families, especially female ones; Aboriginal peoples; African Nova Scotians; other visible minorities; recent immigrants; and people with poor educational attainment.³⁴

Poverty takes a toll on people's health, and affecting their ability to cope with daily stress, let alone eat healthily and afford a decent place to live. The toll has costs; in 2010 we calculated that poverty costs this province \$2.4 billion per year, with direct cost to government of \$600 million (not including income assistance) because of higher costs to the criminal justice system and health care, lost productivity, and lower school success.³⁵

The NSAB prioritizes reducing poverty by first addressing the poverty created by the government's own income assistance support program, the last resort for people living in poverty. **The Alternative Budget invests half of the cost to reduce poverty (\$300 million), including to significantly increase income supports (with a plan to reach the market basket measure poverty line adjusted for household with additional support for persons with disabilities and those with special needs).** This investment would provide a substantial increase, at least \$100 per month, for all income assistance recipients. The Alternative Budget ends the child support clawback, allows recipients to keep the first \$500 of earned income per month, and only clawback 30% of the remaining (and the earnings exemption/retention income is also averaged over six months). **The Alternative Budget provides income supports to complement the base support with substantial increases to the poverty reduction credit (and income eligibility level), and the affordable living tax credit.** As outlined in the inclusive growth section, the NSAB seeks to support those who are working poor by strengthening labour standards for all workers and raising the minimum wage to \$15 an hour.³⁶

To reduce poverty substantively with a goal to end poverty also requires incremental investments in child care, life-long learning, housing, food security, as well as in public services and supports for everyone's health and well-being. **The NSAB invests to establish a child and youth advocacy**

office, recognizing that these offices play a crucial role in the protection and provision of services to vulnerable children and youth and that Nova Scotia is one of the few provinces without one (with 8 across Canada).³⁷

A poverty eradication plan also necessitates taking a human rights approach that seeks to address systemic discrimination and inequality by ensuring all levels of government honour their human rights obligations including our Indigenous peoples' right to self-determination.³⁸ Any plan to reduce poverty must be developed with representatives of diverse groups who experience poverty and those who work directly with those individuals, and must be fully transparent with clear outcomes and goals.

3. Improve Access to Affordable Housing and Supports

We all need housing that it is adequate, affordable and safe. Unfortunately, many people in Nova Scotia have homes they cannot afford, spending an increasing proportion of their income on rent (including heat) and have little for food. For others, their homes are not safe or adequate or properly maintained.³⁹

Housing challenges are different if you live in larger towns or small, rural communities or in Halifax. There's a higher proportion of home owners in rural Nova Scotia and more of them are struggling to repair their homes.⁴⁰ While homelessness is often less visible in rural areas, many Nova Scotians across the province are without housing of any kind. In Cape Breton, with 617 on the waiting list for public housing,⁴¹ in 2016 there were 137 people who had no home whatsoever. Poverty, addiction and substance use, family conflict and domestic abuse were identified as the main causes of homelessness; 1 in 5 first experienced homelessness as a child (under the age of 18).⁴² The homeless population had a slight over-representation of women and of First Nations individuals. It is very concerning that 19% were under the age of 24. There is a lack of shelters for women in Cape Breton.⁴³

There is a need for a continuum of housing options that respond to the diversity of needs and to invest in the root causes of homelessness, because "women's homelessness and housing needs are related to their disproportional experience of poverty, systemic discrimination, inequality based on gender or other factors, and violence against women".⁴⁴ Also, there are no options for emergency rehousing to keep families together.⁴⁵ There needs to be more funding for the Housing First approach where housing is provided immediately – directly from the street or shelter.⁴⁶ In addition, the gap between the cost of housing and people's income must be addressed to en-

sure actual affordable options. This is particularly true for persons on income assistance who receive a very low housing allowance compared to the real cost of renting an apartment.

As is made clear by the Affordable Housing Association of Nova Scotia: “Our actions to eliminate housing poverty and homelessness must be multifaceted. They must recognize all of the appropriate sectors – social, economic, health, education, justice, etc. – and must be pursued in ways that are co-operative, collaborative, comprehensive, systemic, and sustained.”⁴⁷ Alongside other investments, **the NSAB invests to ensure the current stock of affordable housing remains affordable and provides sufficient funding for repairs and upgrades. It also invests with a goal to expand the number of affordable housing options to meet the demand for those on the waiting list including those with disabilities waiting for community-based options. It invests with a plan to end homelessness and ensure that services and supports are available along the housing continuum for the diversity of families across the province. Outside of housing, investments are made to address the root causes of homelessness, such as funding expanded services for violence against women, raise the minimum wage, increase income assistance, and ultimately reduce poverty, and end systemic discrimination based on gender, as well as race.**

4. Strengthen Transportation Connections

Getting access to housing options and to job opportunities, to services and amenities is often exacerbated by the need for affordable transportation. This is especially true in rural Nova Scotia.⁴⁸ Nova Scotians’ ability to visit family and friends, and be active in the community also 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 many parts of the province.

Only certain regions of the province offer in-town bus services and there is a private, for-profit bus company for inter-city transit. There is also an impressive variety of volunteer and small, private options that have grown and been sustained by communities.⁴⁹ Despite best community efforts however, these options leave many people without the transportation they need in large part because of inadequate government funding; the Community Transportation Assistance Program provides only 25% of the funding (2013-14) to run the rural services that do exist in the province.⁵⁰

Current public expenditure on transportation in Nova Scotia is mostly road-related and thus motor vehicle focused. In 2002, the direct and indirect or invisible costs of car-dependent transportation in Nova Scotia were “more than \$6.4 billion annually”, more for transportation than for food or housing.⁵¹ Rising costs are linked to the time we spend buying, selling, and servicing them, insuring them and dealing with insurance claims; the cost of land for roads and parking; the costs of building and repairing roads, of policing them, and of keeping them clear of ice and snow.

Given the environmental and health impacts of car usage, the NSAB invests to prioritize sustainable, green alternatives with an integrated provincial transportation network and in active transportation (biking, walking). To address its transportation challenges, the NSAB sets up the Nova Scotia Transportation Corporation to implement a long-term sustainable multi-modal transportation plan with substantive capital investment as well as operating costs. The transportation plan should enable access to the centre of communities by foot or by bicycle as well as by accessible, affordable fixed-route public transit. Door-to-door accessible publicly-funded transportation should be available for those who need it. Our budget prioritizes investments enabling Nova Scotians to travel between communities using a convenient and reliable inter-community public transit system, minimizing their dependence on private automobiles.

5. Build an Early Learning and Child Care System

We applaud the government for its investment in universal preprimary; however all children must have access to quality, early learning, child care and developmental supports. The preprimary rollout does mean that in the very short term, some families may have access to free early learning programs for at least part of the day for part of the year. As it stands, families will still have to figure out child care before and after school and during any in-service days, March break, summer holidays, etc. The cost to cover the actual care hours needed by parents will still be upwards of \$5,000, cutting in half the government’s estimate of what families would save as a result of this program announcement. Of course, families with other children under the age of 12 still face finding affordable child care while our child care providers struggle to provide quality services and pay living wages to their staff. As a result, families face very high child care fees. For example fees in Halifax range from \$910 per month for infants, \$825 for toddlers, to \$823 for pre-

schoolers.⁵² In addition, the predominately female child care workforce is undervalued. Universal, public child care is an issue of women's equality.

The current patchwork of programs has lot of ifs, mayes and unknowns that have been exacerbated by the rush to implement pre-primary when challenges already existed to provide sufficient infant care and care in rural communities.⁵³ Some families may qualify for the child care subsidies program should they be deemed eligible by their caseworker, then they have to find suitable child care.⁵⁴ Even with the recent agreement for additional funding from the federal government, the additional spaces are nowhere near what is needed, and will perpetuate the targeted approach to child care that research and evidence warns against.⁵⁵ There are just over 34,000 children (aged 0–3) in Nova Scotia and only 4776 regulated and licensed spaces that covers 14% of those kids.⁵⁶ Labour market participation rates of mothers tells us that there are few families who are not having to work during their children's early years, with 71.25% of mothers with babies (up to one year old) and 80.5% of those with children aged 2–4.⁵⁷ While Nova Scotia has seen an improvement in its rating for early childhood education, the Atkinson Centre's report on Early Childhood Education still only rates Nova Scotia as an 8.5/15.⁵⁸ One of the benchmarks includes devoting at least 3% of the provincial budget to early childhood education, which would require a doubling of what is currently invested. Along with further investments from the federal government, at least \$160 million is needed to provide wrap-around, integrated services in a universal, affordable, high quality child care system accessible to all Nova Scotia families that want it.⁵⁹

Building a system, driven by quality and safety, requires a plan developed in collaboration with local communities, with funding tied to realizing that vision. It will take time to scale up to a system, to build new spaces, to train and recruit educators, but it could be done within five to seven years. **The NSAB includes a capital investment program to build new and retrofit existing spaces. It also includes funding for a workforce development strategy that includes funding for professional development, fair wages, and additional training spaces and bursaries in our university programs (with no more tuition in the NSCC). For families, there is investment to reduce fees by increasing operating grant funds to licensed nonprofit child care providers and all those that comply with evidence-based quality. The NSAB eliminates the subsidy programs and rolls the funding into the plan for the system. In addition, our budget includes funding to prioritize ensuring that the options available are inclusive of children's diverse social, cultural, linguistic, physical abilities and**

needs. The NSAB allocates funding to support self-determined planning of Indigenous services on and off First Nation reserves. NSAB priorities include funding for public accountability measures within the system including data, research, democratic participation and public reporting.

6. Support Life-Long Learning

Publicly funded education no longer plays a levelling role and must be strengthened. We need to ensure that more people can take advantage of opportunities for lifelong learning and that these public systems are democratically accountable to local communities through school boards that are given more support and autonomy. **Our budget prioritizes funding for primary to grade 12 education to bolster the classroom supports needed to ensure quality educational opportunities at every grade level for all students.** The NSAB invests sufficient funding to hire additional teachers to decrease class sizes for junior and senior high school (to a hard cap of 28), to convert all soft caps to hard caps for all grades, and to decrease the number of multi-grade classes. It also invests in additional administrative support for teachers, to increase mental health supports including to hire additional guidance counsellors and school psychologists, to hire additional speech language pathologists, EPAs, and additional English language support, as well as more funding for learning aids and to expand learning centres, and for additional classroom supplies.

For those who want to go on to higher education, rising tuition fees erode the accessibility of post-secondary education.⁶⁰ With the second highest average tuition fees in the country,⁶¹ Nova Scotians are increasingly concerned about the state of post-secondary education.⁶² Our budget for the people also invests to ensure that students can go no matter their family's current income, not based on their willingness and ability to incur debt or dependent on complicated fee determinations based on residency, or different programs of study, or the whims of a government tax credit or loan forgiveness program. **The NSAB converts all loans to grants, eliminates Nova Scotia Community College fees (cost approximately \$33.5 million), decreases university tuition fees by 10% with a goal to make it universally accessible.**⁶³ By funding the upfront costs of post-secondary education, the province can expect to reap the long-term benefits of a healthier tax base and a reduced reliance on public services which come with a more educated

population. These benefits will create a more sustainable funding model for education by fairly distributing the cost through the income tax system.

More also needs to be done for adult basic education and English language training programs with no cost options and investment to support all those who have aged out of the foster care system. Anyone enrolled in education programs should be eligible to receive income assistance including those in post-secondary education programs of their choice. It is critical that barriers to accessing programs are eliminated for adults who may have limited literacy skills, gaps in their employability skills, who may lack technical skills for specific technical jobs, or who have limited credentials despite possessing considerable skills. **The NSAB invests sufficient funding to ensure that the existing adult learning programs are extended and improved, promoted, accessible, and affordable.**

7. Strengthen and Extend Public Health Care

The Alternative Budget prioritizes investing in the health of Nova Scotians today in order to reap the benefits of a healthier population down the road. As well as getting at the social factors that critically influence people's health including income, access to education, housing, and food security, it is imperative to expand primary health care services. The current discussion of the crisis in the health care system is too focused on the fact that at least 100,000 Nova Scotians do not have a family physician.⁶⁴ The discussion must be broadened because it is our dominant focus on physician, and illness-oriented, hospital-based care that has also contributed to the problems facing the health care system. Many Nova Scotians cannot afford the prescription drugs they need, or oral health care, and cannot get access to a continuum of care services that could help prevent more serious problems. **The Alternative Budget invests to expand community health care centres, providing core-funding and to support local recruitment for physician and other health care professionals (midwives, nurse practitioners, other nursing professionals, dentists, dental hygienists, as well as other allied health professionals, social workers) to provide the range of services needed including for addiction and mental health, based on collaborative community assessment of needs. The Alternative Budget investments focus on providing care as close to home as possible including in the home, as well as in long term care, and mental health services. The Alternative Budget includes investment to respond to the identified urgent need for infrastructure repairs and maintenance (es-**

timated at \$85 million).⁶⁵ The alternative budget ties all capital infrastructure to public procurement and not public-private partnerships, which have proven to increase costs, and remove public oversight and accountability.⁶⁶

8. Accelerate Climate Action and Support Just Transition

Our government's economic development approach must also be environmentally sustainable. While our government has chosen to institute a Cap and Trade system that gives away all pollution credits at no cost to polluters, a progressive carbon tax would be more effective at supporting the just transition here in Nova Scotia, as was outlined in our NSAB 2017 budget backgrounder.⁶⁷ **The NSAB prioritizes implementing a carbon tax and using the revenue (\$154 million in the first year alone) to reduce energy consumption through conservation and efficiency measures, with ambitious goals to reduce emissions, improve health, address energy poverty, improve energy security, and ensure supports are in place for a just transition to renewable energy and good jobs in a green economy.** While insufficient on its own, carbon pricing represents an important policy tool through which environmentally destructive and carbon-intensive activities become increasingly expensive, helping to foster a transition in production and consumption behaviour.

NSAB uses the carbon pricing revenue to ensure that Nova Scotia shifts as rapidly as possible to renewable energy sources, while cutting our energy consumption through conservation and efficiency measures. **The NSAB supports funding jobs and opportunities for this transition that are designed to ensure workers in carbon intensive industries are reskilled, and that we also systematically integrate goals to eliminate racial and gender inequality into our transition plan. The NSAB funds impact assessment of any new renewable, clean energy to ensure it is broad and explicitly addresses community benefits including that any new energy system must be democratically run/locally controlled including by the workers, pay living wages and keep much-needed revenue in communities. Along with prioritizing support for Indigenous peoples, the NSAB supports all those communities currently dealing with energy poverty, and the heavy health impacts that have disproportionately impacted them and African Nova Scotians through a legacy of environmental racism in this province.**⁶⁸

In order to tackle climate change, we need to address income inequality which is a contributing factor. We applaud the government's commitment

to funding major retrofits for low income homeowners and its recent funding of a pilot for low income rental properties. It is counter to these advancements to continue to provide an energy rebate; **the NSAB eliminates the tax rebate for energy consumption, 48% of which goes to support those households with incomes of \$82,000 and more.**⁶⁹ Encouraging energy consumption by those who have the ability to pay for it is actually contrary to what our core objective should be at this point. The energy rebate costs us \$105 million in foregone revenue — let's reinvest and support initiatives for those who are struggling to afford the energy they need, and are not able to pay to improve energy efficiency. Nobody, in any season, should ever have their power disconnected because they can't pay for it. As we previously described it, the NSAB supports a universal service program.⁷⁰

Our climate change policies need to be developed with ambitious goals for 100% renewable energy, and complemented by an environmental plan with funding, regulations and policies that protect our forests, our fishing, our water and our land, while supporting food security, and a more localized and ecologically-based agricultural system. It is imperative that the province no longer extracts any fossil fuel whether offshore drilling, LNGs, mining coal, or fracking. Even based on narrow economic arguments there is little gain from these projects with the benefits overestimated and underestimated costs,⁷¹ given high risks and lower return on investment and job creation than renewable energy. Transforming our forestry practices from primarily clearcutting to primarily uneven age forest management for example will produce more value added products in the long run while helping us sequester more carbon. Carbon sequestration improvements have potential to help pay for the transition.

9. Tax Fairness

Nova Scotians should be meaningfully consulted about public services and how we can fairly pay for them. Our discussion on taxation is too often narrowly focused without sufficient data about the changes in the tax system overtime and who actually pays what amount of taxes when all taxes, deductions, and credits are taken into account. **The NSAB includes funding to convene a Fair Tax Commission whose mandate is to ensure that Nova Scotia uses its fiscal capacity to address the urgent problems facing Nova Scotia.**

The NSAB makes changes to the tax system that immediately address some of the unfairness. The most significant change is to shift

federal tax deductions and non-refundable credits to provincial refundable tax credits (raising \$239 million). As it stands the non-refundable credits and deductions are of zero value to those who don't pay sufficient tax and provide great advantage to the richest. **The NSAB also requires the most fortunate among us to pay more with 1% increases to the two top brackets (raising \$54 million) and fully taxing most capital gains (raising \$78 million).** Our tax proposals include a small cut with a plan to eliminate the municipal flow-through of property tax revenue, thus enabling municipalities to keep this revenue for local priorities, as a first step to moving away from relying so heavily on property tax revenue, with a commitment to ensure that funding is more equalized.

Conclusion

Nova Scotians are stronger together. When we collaborate and co-operate, we can achieve great things. This is more than a cliché or a truism: it is a matter of economic and social necessity. If we want our province to be a place where people want and are able to build lives and families, we must combine our resources and join together to build a neighbourhood with room for everyone. The Nova Scotia Alternative Budget shows how we can use fiscal policy to strengthen our communities, protect the most vulnerable among us, and ensure that Nova Scotia has a just and sustainable future.

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

We can lay the foundation we need for a province where everyone can not only survive, but also thrive. We can reduce poverty, build an inclusive labour market and address inequities. We can work together to ensure that the children in our province get what they need and the care they deserve in their early years, have access to quality, publicly funded education as they grow, and can take advantage of opportunities to continue learning and developing as adults. A just, healthy, and sustainable society has a price, but it is worth the investment, and the time to invest is now.

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