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| Nouvelle-Écosse | 57e  | 1re  | Discours du Budget | 1 Juin 1999 | Donald R. Downe | Minister of Finance | Nova Scotia's Liberal Party |

Mr. Speaker, I rise today to present a budget that will carry Nova Scotia into the next century, a century where, more than ever, our young people will need the resources to learn new skills; a century where our seniors will live longer and have new priorities in health care; a century where our economy will be built on the efforts of our workers and our entrepreneurs. So, at a time like this, it makes sense to stop for a moment to think about not only where we are but where we want to be.

In Nova Scotia today, I see people who know we are on the threshold of new prosperity, people who look to the world and say, we can compete; people who see new industries in energy and information technology and know we can lead; people who can look to their children and think what a great, bright future they will have.

Mr. Speaker, I also see people who are in despair. They look at the world and fear for their jobs. They look and see new technology and simply say, I cannot learn. They look to their children and worry about their future. We must address these concerns and, as a Liberal Government, we will.

The task of this government is to let our confident entrepreneurs, our citizens and our educators achieve their dreams. We must celebrate their progress and their achievements, but we must also replace fear with hope. Our education system must offer opportunities for our young people to realize their full potential. Our social policies must offer people a way to manage the change in their own lives, to turn disadvantage into advantages. Our economic policies must encourage people to be creative and take a chance on new ideas. This then, Mr. Speaker, is our vision for the future, but our vision includes one more vital element, a strong and sustainable health care system for the 21st Century.

A system that deserves the confidence of every Nova Scotian; a caring system where one telephone call will bring quality, long-term help for our seniors; a community system with a clinic to be able to mend the broken arms of adventurous young boys and girls; an efficient system where your doctor can call up your test results in the time it takes you to walk from the waiting room to her office; a healthy system where preventing illness is just as important as curing a disease; a balanced system where the right care is delivered at the right place by the right provider at the right time.

Mr. Speaker, I see a dependable, accountable and sustainable system that is, and will be, universally acceptable and available to all Nova Scotians wherever they may live in this province.

Mr. Speaker, this is the right time to build this system. After years of federal cuts, Ottawa is finally putting money back into the national health care system, but it is not enough. So we, as Nova Scotians, must do more ourselves. Now is the time. As we get older, our health care needs change. As the baby boom generation ages, we will have unprecedented increases in need. We must start now by putting the right health care system in place for today and tomorrow.

To achieve this, Mr. Speaker, we are announcing today a significant investment in our health care system. We are wiping the slate clean for hospitals and health boards. We are providing the funds to meet the changing needs of the people of this province and we are making preventing illness a priority. A healthy, well-educated people is a fundamental requirement to a healthy society. We believe it is the foundation of a healthy economy and a healthy future.

Mr. Speaker, for many Nova Scotians the prosperity of the next century has literally already arrived. Our forest industries are adding value. Wood is being turned into furniture. Our agriculture and seafood industries are also specializing in high-value-added products. Our manufacturers are producing more and literally selling them around the world. Our information technology sector continues to expand rapidly. Of course, our tourism and hospitality industries continue to break new records. All of this reflects a growing economy in the Province of Nova Scotia.

The most recent statistics show a remarkable picture. In April of this year, the unemployment rate stood at 9.2 per cent. The last time we had a month with a lower rate was in 1976; that was 23 years ago. This number underpins the very real optimism in many parts of this province. People see their children coming home to work for the first time, their neighbours succeeding; and their friends starting new businesses.

What is driving this growth? One important element is the private sector investment. Every year, the private sector invests billions of dollars into our economy. These new investment dollars modernize existing operations and, yes, increase productivity and create jobs. They also reflect real economic expansion as new businesses start up and existing businesses grow.

Mr. Speaker, I want to note that our economy grew last year much as we had expected. We believe the final numbers that will be released this fall will show the growth rate in the Province of Nova Scotia was at 3.3 per cent for 1998. That is above the national average, and we are forecasting that this year Nova Scotia will again surpass the national average. Our forecast this year calls for a 2.9 per cent growth rate in 1999.

Mr. Speaker, one major reason for this stellar performance, of course, is the Sable Offshore Energy Project. This two year project is on budget and on time. Gas starts flowing in a few months from today, in November of this year. No longer a promise or a hope, but a reality in the Province of Nova Scotia in November of this year.

Mr. Speaker, to achieve this target, 3,000 Nova Scotians will be working directly on this project this summer, and another 2,000 jobs have been created indirectly. That is performance, that is leadership, and that is economic opportunity.

Mr. Speaker, this is only the beginning. Sable also puts in place the infrastructure to make other reserves of natural gas easier to develop. All of us were extremely pleased and proud when our Premier stood up in Houston to announce the fact that the private sector is prepared to invest nearly $600 million committed for exploration spending over the next five years. That is an investment not only in natural gas, but an investment in our Premier and our government and our Province of Nova Scotia.

Mr. Speaker, as I said, this is confidence. Confidence in Nova Scotia; confidence in the royalty regime; and confidence in the royalty regime that this government has created. The impact of Sable goes well beyond this one project. As we saw at an offshore conference in Houston recently, Nova Scotia and Nova Scotians now have an international profile. That story sold and went literally around the world, and the profile of this province has gone up. We only dreamed a few years ago that we would have such a profile on an international basis. Our companies are now becoming partners with internationally experienced firms.

This will result in more Nova Scotian content in future projects. This will result in Nova Scotian bids for projects literally around the world, and we can say that we were able to build them right here in the Province of Nova Scotia.

Mr. Speaker, this is the positive side of the economy and one that we should all be very proud of, but we also have to be aware that economic growth is not even all over this province. Some parts of this province, outside the Halifax area, are doing extremely well. Port Hawkesbury, Trenton, Bridgewater, Wolfville and Cornwallis, to name a few but, for the most part, we have two economies in Nova Scotia: one inside metro Halifax, and one outside.

More than half the new jobs created this last year were created in metropolitan Halifax. That region represents one-third of the population. Unemployment in the Halifax area is about 7 per cent, well below the national average. In Canso, in Parrsboro, in Dominion, in Glace Bay, and in many other parts of this province, the unemployment rate is double that or more.

Mr. Speaker, an economy so divided creates very difficult problems and challenges for society. The population, history, and geography of Halifax has given great opportunities for this community. Building on that opportunity, our people here have created prosperity. We cannot equalize prosperity throughout the province but, I can assure you, we can equalize opportunity and we are proposing to do that in this budget.

In a few moments, I will explain how this budget will help do that. But, first Mr. Speaker, I want to turn to the fiscal challenges of 1998-99. It was not an easy year. Last summer the world economy hit a pocket of turbulence. An economic slowdown in Asia that spread over to Russia and was later felt in South America. Lower world demand led to lower prices for commodities which was literally felt around the world. Foreign exchange markets assumed lower prices would lead to a weak Canadian economy. That assumption then led to a tremendous, unprecedented drop in the value of the Canadian dollar.

With the fall in the dollar came a rise in the cost of servicing our foreign debt. Some people panicked, some people said, the world is coming to an end, the crisis is here. They wanted immediate if somewhat Draconian action. We rejected that option and set our course for the long term. We placed our confidence in Canada and yes, the Canadian economy.

In the short term we looked at some administrative belt-tightening. We trimmed spending and as it turned out we were right, we were successful. Seven departments and most of the Public Service votes ended this year with a surplus. By year end, the dollar recovered a fair bit. Time proved our decisions were correct.

Another challenge we faced over the course of the year was a significant swing in revenue estimates. About 80 per cent of our revenue sources are now based on economic modelling rather than simple accounting. That data mainly comes from Ottawa and is often adjusted later on. In times of economic stability across the province, this is really not an issue. In times of sudden unanticipated economic changes, the model gets thrown out of step with actual events on a national basis. In the long run we are working with the federal government to help us anticipate such swings, or at least smooth them out. We also have to be responsible in our revenue forecasts. Indeed, Nova Scotia is the only province in this country to hold up our revenue assumptions to the scrutiny of the Auditor General.

The other major challenge we faced in 1998-99 was the rising demand for health care. Outside of this area, we were able to hold the program spending within 1 per cent of target. As a result, when the revenue increases did arrive, we were able to balance the budget and eventually forecast a $22.6 million surplus for the year ending 1998-99.

We must recognize that this state of affairs with regard to the health concerns of this province cannot continue to go on the way they have. We must act because at the current rate of growth of health care, expenditures would grow faster than any revenue target or projection anyone could think of. In fact, they would grow at a rate of 11 per cent and would represent $2.7 billion of the budget in less than five years.

Added to that, an aging population will require even more help from the health care system in the future. By the year 2012-13 a far greater proportion of our population will be at 65 years of age and older. There is no question across this province of the fact that the kind of health care needed for the changing older population is more acute and deserves more attention. Now is the time to address this issue. Now is the time for action and a lasting answer to the health care concerns of the people of this province.

Mr. Speaker, I want to say very clearly that we have examined many alternatives. We looked at stretching our resources. We looked at cutting every service but health and education literally to the bone. We looked at trying to find investment dollars inside the present budgets.

The easy choice was to stand pat here today with a budget that ignores the real health care challenges of tomorrow. Such action while perhaps politically expedient to some would be devastating and a disservice to the people of this province and we will not do that.

People are speaking clearly on this issue. I hear it every day. My Cabinet colleagues, my caucus colleagues hear it every day. People tell us, very clearly, that they want significant investment in health care. They want investment in new medical equipment. They want us to manage the system more efficiently. They want more nurses. They want a more responsive health care system that better meets the needs of all Nova Scotians.

So, Mr. Speaker, we have a challenge and yes, we have an opportunity. Investing in health care today will mean a dependable, sustainable system, today and for generations to come. To turn away from this challenge is to jeopardize Nova Scotia's health care system and literally to put at risk the health of every Nova Scotian. Knowing this, how can anyone deny a commitment for new investment in health care in the Province of Nova Scotia?

With this budget, Mr. Speaker, I am proud to say that this government is taking a bold and new investment initiative - we are taking a bold step where so many people would never want to travel because they are too weak to address the real challenges and the future challenges of this province - one that will put a solid in a lasting foundation under the entire health care system.

This initiative that we are announcing today, Mr. Speaker, will, one, give our hospitals and our regional health boards a clean slate by removing their debt. Number two, it will provide funding that ensures our hospitals and our health boards meet their commitments and three, allow strategic and targetted investments in health services in communities right across our province. These strategic investments are at the heart of this budget.

Today, we are announcing creation of a $600 million Health Investment Fund, Mr. Speaker. For Nova Scotia, this is the largest single new investment in health care since the inception of Medicare literally three decades ago. This measure holds the key to better health care for all Nova Scotians. It is separate and apart from the $1.7 billion budget administered by the Department of Health.

This three year program will improve the quality of care for Nova Scotians by strengthening primary and continuing care and, Mr. Speaker, this is crucial. By strengthening primary and continuing care, we will relieve the burden on our acute-care hospital system. This investment means Nova Scotians who need hospital care will have easier, better and faster access. The whole system will be more responsive to the true needs of Nova Scotians.

Briefly, Mr. Speaker, let me put this investment in terms that are easy to understand. It means more nurses for our hospitals, nursing homes, and home care system. It means more emphasis on prevention of illness and promotion of healthy lifestyles. It means a single access point - one phone call - for people who need home care or a nursing home bed. It means more money for training. It means better tracking of costs and better decisions by our health care managers that all of us would agree need to be done.

Better management decisions are critical to the success of the health initiative. By investing in the tools to manage health care properly, Mr. Speaker, Nova Scotians realize we can deliver a better health care system. We also know that better management will lead to health care costs that are affordable in the future for all of us to be able to live within our means.

All of this will take some time. So the Health Investment Fund will also provide a limited amount of money for hospitals and health board operating budgets over the next two years while they put the new plans in place. What we are recognizing is that we need to finish building the new home for health care system, literally, before we move in.

Mr. Speaker, our plan announced today means debts already incurred by our hospitals and health boards are assumed by our province. All health costs in Nova Scotia are now consolidated on the books of the province. Our hospitals and regional boards can now move forward with confidence that the appropriate funding levels are in place. We will also begin discussions with our boards on appropriate safeguards to prevent future debts.

Investments from the Health Investment Fund will be transparent to all Nova Scotians, Mr. Speaker. We will provide report cards on health performances to this House and to all Nova Scotians each and every year so they know exactly what is going on in health care.

Mr. Speaker, criteria for investment decisions will be clearly laid out in regulations and legislation. There will be a report card, as I said, each and every year. It will tell Nova Scotians exactly where the money is being spent and the results of that investment. What it is going to show, not only what we are planning to do with health care, but what health care will look like for them in the future. We want Nova Scotians to realize where we are going with health care and what it will look like so that they have a sense of security and a sense that the direction is the right direction for them and their tax dollars that are investing in our decision making for health care.

Communities will empowered to determine their own health care priorities and the principles established in the 1994 report by the Blueprint Committee on Health will be the guiding way, Mr. Speaker.

Mr. Speaker, these investments will be made in a prudent fashion. Our Health Investment Fund will operate like a mortgage. It will not permanently increase the debt of the Province of Nova Scotia. We are going one step further. Legislation will be introduced to ensure that every penny borrowed to invest in medical equipment, in nurses' training or better management systems, will be paid back. No government will be able to simply refinance this special borrowing. They must pay it back and we will.

Mr. Speaker, this is an absolute priority for our government and in this regard I am announcing several important measures that will ensure that we will repay the $600 million Health Investment Fund as soon as possible. First, beginning fiscal 1999-2000, we will require that the budget surpluses will be used solely for debt reduction. Tax cuts may be budgeted for but budget surpluses will be treated as an appropriation and a benefit to paying down the Health Investment Fund.

Secondly, we require all the net royalties from Sable gas to be directed to the debt repayment. This alone, Mr. Speaker, amounts to over one-half the required payments by the year 2012-13. Once the health investment funds are paid off, the net royalty payment will continue to be used to reduce the debt as previously announced by our administration.

Thirdly, we will introduce legislation to require a schedule of principal repayments to be included in any budget starting in the year 2003-04. This repayment schedule will take into account the impact of expected Sable royalties and any budgetary surplus to that date and then set in motion a repayment schedule to allow for a complete pay down of the Health Investment Fund as quickly as possible and no later than the year 2012-13.

Each of these measures to repay the health investments is designed to ensure that we remain on a path of financial as well as social responsibility. That has been the hallmark of our Liberal Government. That is the hallmark that we plan to keep.

Mr. Speaker, currently we have a growth rate in health care spending of 11.3 per cent annually. Without this investment, the cost of our health care system would quickly exceed our ability to pay. At this current rate of growth, within five years the system would cost an estimated $2.7 billion. In other words, we currently spend about $200,000 an hour, every hour of every day, of every day of every week, of every week of every month, of every month in a year. At the current rate of growth, that funding would go to in excess of $300,000 every hour of every day, of every week of every month, 365 days a year. We all realize the effect that would have on the ability to service the people of this province. There would be no money left to deal with any other issue except health care, possibly education and debt servicing.

We faced a choice. We dealt with that problem head-on today and will end up with a health care system that, at the end of the day, we will be able to afford. We cannot postpone this decision, Mr. Speaker. We only have a few years before our aging population puts another wave of pressure on health care and continues to grow. We must slow the escalation of costs. We must have a system that is truly sustainable.

By investing wisely today, we can improve health care and slow down the escalation of costs. We have chosen this path because we believe it is the right path, the only path for Nova Scotia and Nova Scotians today. We are, Mr. Speaker, prepared to defend this decision in any forum, at any time, anywhere in the Province of Nova Scotia.

Further details of the operation of these health initiatives and the Health Investment Fund will be provided by my colleague the Minister of Health, the Honourable James Smith, over the next few days. I know he started that today and more information will be made available to all Nova Scotians to truly understand.

Mr. Speaker, I also want to spend a few minutes on the main health care budget. This government understands that health care in Nova Scotia depends on the dedicated, professional people who deliver the health care system. It is our responsibility, first and foremost, to ensure that they have the tools to do their job. We have increased the basic health budget by $107 million for 1999-2000 compared to last year's budget estimate.

Nurses and doctors are the front line of the health care delivery system. This budget addresses the fundamental concerns of those professionals. In fact, I met with some of them this morning. This budget recognizes that the current and pending shortage of nurses in our health care system is real. Indeed, many of the community and continuing care programs we see will mean expanding roles for nurses right across this province.

Today, Mr. Speaker, I am pleased to announce an additional 400 full-time nursing positions in the system. Up to 200 of these positions will be converted from casual to full time within five months. Another 200 positions are new; 100 of those will be created immediately. They will accommodate new graduates and nurses currently in the system who wish to convert to full-time employment. We are committing a total of $10 million for nursing initiatives this year.

Mr. Speaker, this government has forged a new relationship with doctors. As a measure of this success, we look no further than the doctor recruitment record. We reversed the decline in doctor numbers in this province. You will see the report this week. Doctors have been found for 26 of the 29 underserviced identified areas in 1997. Nova Scotia has a better per capita ratio of both family doctors and specialists than the national average.

Mr. Speaker, this budget includes funding for cancer detection programs, for the recruitment and the retention of specialists and for better public information within the health care system. It includes more funding for medical research, for home care, for nurses, for doctors and long-term care workers in the Province of Nova Scotia.

Mr. Speaker, by increasing the budget of the Department of Health and through the additional resources of the Health Investment Fund, our government has made its absolute commitment and made it absolutely clear that our absolute commitment to health care and the well-being of Nova Scotia is real, it is legitimate, it is not just talk, it is action, and we care about that.

Mr. Speaker, another measure of the integrity of a government, a government that cares about the future, is our government's commitment to our families and to our children. Providing good education for our children is really fundamental. It is fundamental to succeed and to have economic prosperity, it is the foundation of a healthy, educated community. Last year we made a promise on how those commitments would be met. Today I am able to inform the House, we have delivered on our commitment to our children and to our families.

Last year, we committed $82 million more for the public school system. This year's budget will again add to that; in fact, we are budgeting an additional $38.8 million more for the public school system. We promised more money to reduce class sizes. This budget offers an additional $300,000 over last year to help school boards reduce class sizes. We explained and told the municipalities their contributions to future educational funding growth would be limited to 10 per cent, and we delivered on that.

Mr. Speaker, in last year's budget, we promised a significant start on a new school construction program. New schools mean new centres for learning, healthier buildings and more economically run operations. I am pleased to say that a total of 55 new schools will be opened across this province by the year 2005-2006. As well, a total of $25.1 million is earmarked for renovations and additions to existing schools and equipment.

School boards will also see a change in a portion of the funding formula, so that students across this province will have access to the same high-quality programs. With a portion of their funding based on program requirements rather than simple student enrolment only, smaller boards will be better able to offer their students the programs they need to be ready for the great opportunities that this province has before it.

Programs for our young people are improving. A $2 million investment is being earmarked for textbooks, learning resources and professional development for teachers. This investment will support new courses in areas such as mathematics, language arts, science and entrepreneurship. We are also rapidly putting more new technology into junior and senior high schools. Within one year, 6,000 new computers will be delivered to 181 schools throughout Nova Scotia.

Mr. Speaker, we believe each child deserves every chance for success. To help us with that objective, $2 million is being added to the programs and services for students with special needs. Our commitment to our children goes beyond their public education system. Many parents in this province are well positioned to help their children, but many are not. We have a responsibility to close that gap, to equalize the opportunity for learning. The first step is to improve family resources.

We believe families across this province want employment income, not social assistance. Too often though, the system works against taking a job. You gain self-esteem when you have a job - we all understand and know that - but too often you lose your support. The National Child Benefit Program provides benefits to families with low incomes, regardless of where they receive their cheques. The second year of the National Child Benefit Program will see a total reinvestment for Nova Scotia increase to $20.4 million. We will also provide more funding for our Healthy Child Development Initiatives. These initiatives enhance early intervention programs.

This budget provides the funds to open new facilities and services for children and youth who have behavioural or emotional problems. We want to provide opportunities for our children close to home. The Ralph Allen Centre is open in Dartmouth and the new facility in Dayspring, Lunenburg County, will be officially opened next month. Services and facilities are also planned for Cape Breton and Stellarton. Through these initiatives, children will be able to stay close to home, where they have families and friends.

Now that these regional placement options are in place, we will proceed with the secure treatment facility planned for Truro. We will proclaim the remaining sections of the Children and Family Services Act. Nova Scotian children with special needs can be served here. It may also help bring some children with special behavioural problems back home, and many of us know of people in that situation.

In 1999-2000, we will see significant changes in our foster care programs with the introduction of a new training model. This will allow for different levels of payments for foster parents. We will be adding at least 20 new staff across the province to the child welfare system. These people will focus on child protection, placement and prevention.

This budget almost doubles the funding for women's centres across the Province of Nova Scotia. The extra funding recognizes the important contribution they make to deliver services to women and their children. Services that include crisis intervention and problem solving; support assistance for self-help and support groups; and development programs such as literacy and skills upgrading.

Our government is proud of its track record in giving those in need a hand up, not a handout. We have introduced a series of measures that have effectively eliminated the provincial income tax for many low-income families in this province. This measure was enhanced when we introduced the harmonized sales tax system in 1997. At that time, we introduced a companion program for those who made so little that they paid insufficient tax to receive a credit. This measure was called the Direct Assistance Program and for the past two years, people literally had to apply for it. That will continue for 1999 but, Mr. Speaker, I am pleased to announce that this requirement will soon be removed and starting in the spring of the year 2000, those who qualify will automatically receive the help simply by filling out the income tax form. This revised HST credit should be a benefit for many more Nova Scotians than currently have ever taken that program up.

Mr. Speaker, that program was initially targeted for some 70,000 Nova Scotians. We had about 16,000 to 17,000 take it up. This new initiative will not only meet the 70,000 that we believe are out there in the system, but even more people will be able to fit into that system. We project that program, in the year 2000, will cost $12 million and that is putting $12 million into the hands and the pockets of families that can hardly afford to live in the Province of Nova Scotia. We are proud of that initiative and our Premier is proud and our government is proud that we are doing the right thing.

Mr. Speaker, who we are and what we can do are largely based upon the influence of our families and our communities. My father has often told me that you are a product of your environment. If everyone in this House would stop for a minute and reflect on that, they would probably agree, you are a product of your environment. The lessons and values we learn in our childhood form the foundation of our future. Our government believes it is crucial to strengthen the community values of shared voluntary effort and cooperation. One way to be able to do this is by giving greater recognition to our rural emergency volunteers, the people who are the backbone of the community volunteer effort, the volunteer firefighters of the Province of Nova Scotia.

Mr. Speaker, no one exhibits a greater sense of caring, community pride, and a potential heroism than volunteer firefighters. First on the scene, it is their job to turn fire and similar emergencies away from the path of possible tragedy. Today, I am pleased to announce province-wide recognition related to the critical part of their job. Effective July 1, 1999, renewal for motor vehicle registration by properly accredited firefighter volunteers will be done at no cost to them.

Mr. Speaker, I want to thank the Minister of Labour for working with the industry so hard over the last while. Today I met the president, the chairman of the firefighters, and thanked him for the leadership and the effort that was made in making that a reality.

Mr. Speaker, I also want to mention two areas where we have been able to build upon existing provincial tax rebate programs. Another critical organization and crucial organization in our rural communities is our voluntary Emergency Measures Organizations. The strength of those organizations and the dedication of their volunteers were amply demonstrated when we had the aftermath of Swissair Flight 111. Today I am pleased to announce that effective April 1, 1999, those groups will qualify for the same provincial tax rebate currently available for volunteer fire departments when it comes to the purchase of new vehicles.

Across this province, our veterans play an important role in community life. Their contribution to this country is universally recognized in the many veteran war memorials. Our government believes it is only right that this province provide some assistance and repairs to those monuments. Therefore, I am pleased to announced that effective April 1, 1999, repairs to veteran war memorials will qualify for the same provincial tax rebate treatment currently extended to heritage properties.

Mr. Speaker, the strength of our coastal communities depends upon people having a secure livelihood. Many fishing communities prosper because they have a variety of seafood sources. But others depended upon groundfish and are not so fortunate. Equally unfortunate are those near retirement who cannot easily learn a new trade. For them, we are helping to provide a bridge to retirement. This budget provides $5 million towards the federal-provincial Fisheries Early Retirement Program.

Mr. Speaker, last year the province made a major commitment toward municipal-provincial financial fairness. The commitment means municipal payments for social services will be phased out over the next number of years. We said we were going to move to a single-tiered system. It was our Liberal Government that said we wanted to move to a system that was fair across the board, from one end of this province to another. I am pleased today to announce an additional $8.8 million living up to the commitment of universal care across the province for that.

Mr. Speaker, I am also pleased to announce that under the Department of Housing and Municipal Affairs, the budget also includes funds for improved access for public facilities for persons with disabilities. More details of that, I am sure, will be rolled out over the next couple of days.

Mr. Speaker, I now want to return to the subject of the economy. I come from rural Nova Scotia and am very proud of it. People in my area understand the importance of our natural resource sectors like forestry, agriculture, the fishery and others. They understand the importance they play in the economy of this province. I am pleased to say that this budget has supported their efforts. I am pleased to announce an additional $1 million in a silviculture program for the Province of Nova Scotia, bringing a total of $4 million.

Mr. Speaker, in our agricultural sector, we all realize in this House over the last year or two the serious crisis that the agricultural community was going through with regard to the drought and the crisis in the hog industry and the problems in the beef sector. This budget reconfirms its $7.5 million investment in the agricultural community to sustain agriculture in the long run.

Mr. Speaker, our commitment for research and development in the aquaculture industry is shown in the budget as well. Today, I am pleased to say, the long-awaited aquaculture facilities at the Agricultural College should be completed this fall.

Mr. Speaker, the difficulties in Cape Breton deserve special mention. The coal industry on the Island is facing a major crisis. Our government is determined to help the people of industrial Cape Breton through these troubled times. We are working with Ottawa on a four year $80 million community economic development fund. The direction of this money will come from the people in the community itself. It represents a very significant source of hope for people in that community who are looking for hope for the future. It will also ensure a source of funds to help lever some of the other initiatives that I am about to announce.

Mr. Speaker, our government has encouraged economic growth through the use of the tax system. Over the past few years, tax credits have represented an investment of $71.8 million by the government in the form of foregone tax revenues to industry in this province. The most significant is the manufacturing and processing investment tax credit, but the equity tax credit, the small business tax holiday, the film industry tax credit have also helped many small businesses raise the necessary capital to improve reinvestment in the Province of Nova Scotia and yes, creating jobs.

Mr. Speaker, all the measures that I have just discussed work to strengthen critical industries, especially those in rural Nova Scotia, but more is needed. I believe that a strong rural economy means a strong provincial economy. We know that growth outside Halifax has a positive impact on our capital city as well. More people working from one end of this province to another means the commercial, retail, entertainment and business support services in Halifax will do better. Our policy is to give rural businesses additional development opportunities.

To assist in their economic growth, we believe the area outside the urban Halifax region needs an edge. Outside metro, enterprises need a financial advantage to overcome population and distance to market. This budget provides that advantage through the creation of the Enterprise Zones.

The concept of the Enterprise Zones builds on generally available programs to raise capital and encourage production in designated areas. It is designed to assist small businesses raise capital for investment and growth. Enhanced tax advantages under the following programs will be offered to the Enterprise Zones: the equity tax credit, the tax holiday for small business, the film industry tax credit and our labour-sponsored venture capital funds.

Mr. Speaker, this means new benefits for business growth. We are extending the current small business corporate tax holiday from three years to five years for businesses starting up in the Enterprise Zone. The film and video productions inside the Enterprise Zone will qualify for a 37.5 per cent tax credit on labour costs rather than the normal 32.5 per cent in the province. Investors using the equity tax credit for small businesses located inside the Enterprise Zone will receive a 35 per cent credit instead of the 30 per cent credit currently offered.

The Enterprise Zone is initially defined as areas in Nova Scotia, except the urban area of the Halifax Regional Municipality; basically, Halifax, Dartmouth, Sackville and Bedford. Regulations will also allow us to define parts of HRM and if the unemployment in that part has above-average unemployment, we will deal with it, Mr. Speaker, we will address it.

As a result of these initiatives, high unemployment areas such as Cape Breton, Yarmouth, Amherst and Shelburne, will all have better opportunities to attract investment dollars. Greater equity investment will enable those businesses to leverage those dollars for additional conventional loans. Mr. Speaker, we expect more business growth and more jobs to be a result of this initiative.

Mr. Speaker, it is not enough to simply support the existing economies of this province. Everyone understands that we are entering a new era. Our open borders, the knowledge economy, our resource wealth, are creating opportunities that we have not seen since the 1800's. The opportunities, for example, of working and raising a family here in Nova Scotia, rather than having to move away, as our young people have done for generations and generations. We were known as the brain drain capital, Atlantic Canada. It is time to change that course, it is time to put that course on the right course and that is, of course, to allow our families to have opportunities right here in the Province of Nova Scotia, and tell our children to come home.

To give our young people these choices, we will need to redouble our efforts in skill development and training. We must improve the ability of our community college system to match the talents of our young people with the jobs of tomorrow. Already our community college is recognized nationally for ground-breaking new programs and partnerships with the private sector. They literally work together in developing programs and options for people to be able to succeed in our province. Our government values its key role in economic development, and we have honoured our previous commitment to preserve and enhance the college's current operations with a $5.3 million increase in funding; that is an 11 per cent growth in the community college budget for the Province of Nova Scotia.

However, the demand for new training outstrips the ability of the community college to offer seats to Nova Scotians who are eager to join the workforce, whether in the field of digital animation or new jobs in the gas industry.

Today, this government is announcing a three stage plan to expand the capacity of the college and address its infrastructure needs. First, we will support the growth of an exciting new part of the community college - its virtual campus for apprenticeship training - by providing new investments of $250,000 in the budget. Literally what we are able to do is offer individuals, whether they are in the workplace or at home on their computer, the ability to access the community college and end up with a degree or a course of their making.

Secondly, in high-demand programs with immediate strategic benefits to the economy, the government will invest additional funds to modify classrooms and labs, and run extra shifts that will create new spaces for Nova Scotia students this fall. These measures will address some immediate pressures, but this government is also committed to the long-term vision for the college.

Today, I am pleased to announced that we are asking the board of governors of the college to consult with the stakeholders and bring forward a plan that will increase the total number of seats by 50 per cent over the next four years for our community colleges. We are committing $100,000 in funding to create this plan and we are asking that it be brought forward by the end of this fiscal year. We are determined to build a community college for the new century, one that will open new doors and opportunities for Nova Scotians, especially our young people.

Mr. Speaker, in 1998-99, our government made a commitment to increase our investment in universities by $24 million over the next three years. Our budget today keeps that promise. As a result, we expect any tuition increases to be kept to a minimum, and the university's contributions to the economic development of this province will continue to rise. Much progress has already been made in making that a reality.

The growth of our computer industry is now blurring the boundaries of another growth industry of this province. Film and video production in Nova Scotia is expanding rapidly. The industry has reached its present state with help from our Film Industry Tax Credit. Today I am pleased to announce that this credit will be extended for another year. I will also introduce amendments to the tax credit, so that it may continue to be used by large Nova Scotia-based production companies. We plan to consult widely in the coming months on how to continue to support this industry in the most up-to-date, effective, and competitive way.

For an example, we are finding that more and more often our film and video companies are branching out. They record their images and stories in a digital form. The end result is often a computer screen rather than a movie screen. The delivery system in no longer a projector but, instead, a CD-ROM or a file downloaded from the Internet. Technology is redefining the medium, so we are redefining the message. Effective April 1, 1999, we will allow firms combining traditional media and digital output a 15 per cent tax credit on salaries and wages paid to employees of qualified corporations in the Province of Nova Scotia.

We already have a tremendously creative community in the arts, music and writing in this province. In Halifax and in Sydney the multimedia industry is finding its wings. We already have a strong base of computer education. This tax measure will help pull all these elements together to encourage new businesses to grow here and literally serve the world.

Mr. Speaker, I want to mention another aspect of economic development and support in our general tax rate. This government is committed to responsible tax reduction. I am pleased to confirm, effective July 1, 1999, Nova Scotians will see the impact of an annual $20 million reduction in provincial personal income taxes across the board as we follow the recent federal initiative.

Mr. Speaker, this effectively represents a 2 per cent reduction in provincial income tax. This decision decreases a flow of provincial income tax cuts from 1997. In over a two-year period, Nova Scotians have seen this provincial income tax reduced in the Province of Nova Scotia to a total of $60 million. That is $60 million more in the pockets of Nova Scotians, to be able to go out and spend on goods and services and be able to reinvest in the Province of Nova Scotia. We are proud of our responsible record on taxation, and we are continuing to do more as time goes on.

Effective this fiscal year, we will also end the Transitional Tax on motor vehicle purchases, as we already announced. All these measures encourage consumer spending and economic growth by leaving more money in the hands of taxpayers, and that is exactly what we should be doing as a government in the Province of Nova Scotia and in this country.

Mr. Speaker, we have a well-established track record on taking a balanced approach. In 1993, nothing was in balance; everything was in the red. The hospitals and the schools were in debt. The provincial budget was borrowing money to pay the interest on the money it had borrowed the previous year. And the roads, although built with good intentions, they were also built with IOUs.

Consistently we made the necessary changes to go forward. First, we balanced the day-to-day spending, that came in 1995. Then we moved the standard higher. We raised the bar and balanced the entire budget on current and capital. All the budgeted spending, from road construction to Civil Service wages, have been in balance since 1997. Now is the time to move the bar again. It is time to set a new goal. It is time to reach full balance across the public sector in Nova Scotia.

I laid out our plan to increase fiscal responsibility a year ago in our document entitled Financial Accountability: A Blueprint for Success. This document anticipated our assumption of responsibility for the full health care sector. We acknowledge financial responsibility for the finances for our health and our health boards, the four non-designated hospitals including the QE II, as well as our Crown Corporations, and our departments and agencies.

Today, we are reaffirming our commitment to fiscal responsibility. Yes, we must invest significantly in Nova Scotians' health care system, and yes, that investment requires us to finance it outside the current revenues, but that financial decision is justified because we must bring greater long-term financial accountability, predictability and sustainability to the health care system in the Province of Nova Scotia.

In addition, we are committed to repaying the dollars borrowed for this special investment by no later than the year 2012-13. Even when the need is urgent, we are not prepared to throw away the fruits of our hard-won battles.

Mr. Speaker, in every department and agency of government, except Health and Education, the budget has been basically kept to the line. Increases in other department estimates reflect only long overdue wage increases to the Public Service and very few new programs specifically mentioned in this speech. In fact, the budget explicitly requires us to find significant program reductions or productivity gains in our operations.

The people of Nova Scotia would insist that we look at every corner of government for every dollar to see where we can save. We started that process last year. A team of senior deputy ministers and officials in my department looked at many areas for saving. In this year we will build on the work that we already started. Programs will be reviewed to see if they still serve the original purpose and our payments for travel and accommodations are higher than they should be, Mr. Speaker. We are working across the public sector to get better value for our travel dollars inside and outside of the province.

Other areas for cost reduction includes printing, telecommunications costs, including the use of cellular phones and the purchase of office supplies. We are also launching a long-term review of our office space rental, government warehouses and vehicle purchases. Surplus buildings, machinery and equipment will be liquidated. In each case, our message is clear. Nova Scotians work hard to earn their living. People are prepared to pay their taxes and allow us to invest, on their behalf, to create a better future. But in return, Mr. Speaker, the government must respect the trust we are given by managing those tax dollars wisely.

Mr. Speaker, in concluding my remarks today, I want to offer the following observation. Today, we are on the threshold of a new century but our values are timeless. Throughout history, society has been measured by how well they serve their people, whether creativity and learning flourished, whether wealth increased broadly, whether a practical society has respect for the resources of our land and air and whether they tolerated and even encouraged dissenting opinions and values and whether their children are born with the prospect of a long and healthy future.

Today, we must ask our children, will they say that we passed those tests? A confident and creative people achieve good futures. I believe the budget before this House today gives our people the tools to do just that. Our young people are better to realize their full potential.

Our communities, our entrepreneurs have better ways to make opportunities become realities. All of us can have the confidence that our health care system is dependable and secure as we go forward in the 21st Century.

Mr. Speaker, more than anything, this budget is about investment, investing in Nova Scotia and yes, investing in Nova Scotians. This is the right budget for our province and for our people. It is right now and it is right in the future. I ask all Nova Scotians to support the choices our government have made to build and continue to build a promise for the future of the Province of Nova Scotia. Thank you very much.