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| Nouvelle-Écosse | 58e | 3e | Discours du Budget | 3 Avril 2003 | Neil J. LeBlanc | Minister of Finance | Progressive Conservative Party of Nova Scotia |

**Introduction**

Monsieur le President [Mr. Speaker], when Nova Scotians tune in to the supper hour news tonight, or pick up their morning newspaper tomorrow, I hope they will understand one thing: This is their budget.

This is not some obscure fiscal treatise about balance sheets. This is about people. What we do here has impact on their lives, and their futures.

This is about Nova Scotians who work hard to feed, clothe, and house their families. They pay their taxes and contribute to their communities.

It's about children who have a right to grow up happy and healthy and, when they are ready, to find all the opportunity in the world, right here at home.

It's about Nova Scotians, ill or well, who are concerned about health care.

Mr. Speaker, this budget is for Nova Scotians who believe we can control our own destiny and, with that belief, have greater confidence in our future.

This budget is for Nova Scotians who have weathered the years of deficits and cutbacks wondering when, if ever, it would all end.

If the past has taught us anything, it is that government's first responsibility is to spend every tax dollar wisely. Taxpayers expect and deserve no less. We may not always succeed, but this government always tries.

Today in Nova Scotia, carefully controlled spending is no longer a symptom of financial weakness. It is an enduring commitment to our increasing financial strength.

One year ago, I had the privilege of presenting a budget that was balanced. It was, and is, all-in budget. There were no off-book boondoggles or Crown corporations bleeding red ink on hidden balance sheets.

Today, I can report we are forecasting a budgetary surplus for the 2002-2003 fiscal year, the year just ended, of $14.5 million. Every dime goes against the debt.

Program spending was just 1 per cent over the estimate presented a year ago. Mr. Speaker, that is controlled spending. That is financial performance. That record says this government met and will continue to meet its first responsibility. To spend every tax dollar wisely.

**Tabling budget documents**

Monsieur le Président, j'ai l'honneur de soumettre aux membres de cette grande assemblée et à la population de la Nouvelle-Écosse, le budget pour l'année financière 2003-2004.

[Mr. Speaker, I have the honour to present the 2003-2004 budget, estimates, and supporting documents to you, to this legislature, and to the people of Nova Scotia.]

This is an active government. I recommend to all members the Government Business Plan and Crown corporations' business plans, which I will now lay on the table.

I also beg leave to table the estimates and supplementary estimates for the year ahead. Additional budgetary detail is also provided in a series of budget background papers and bulletins.

Taken together, Mr. Speaker, these volumes detail the revenues and the spending plans of the province for fiscal 2003-2004. In the interest of time-if not as an act of mercy - I will not draw attention to each of those programs and plans.

I know that somewhere down the line, I will be chastised for failing to mention some vital sector or important aspect of Nova Scotian life. But honestly, Mr. Speaker, budget speeches have grown too long. Today, I intend to buck that trend and focus on the big picture.

**What the numbers say**

Monsieur le Président, vous avez devant vous un budget équilibré. [Mr. Speaker, the 2003-2004 budget is balanced.] It anticipates a surplus of $2.8 million. That surplus is based on revenues totalling $5.63 billion, an increase of $297 million over last year's budget estimate. The lion's share of that increase - $234 million - comes from provincial sources. That growth in own-source revenue is a clear indication of steady economic growth.

I should add, Mr. Speaker, that tax reductions totalling some $96 million have been netted against that revenue estimate.

The government is extending the Large Corporations Capital Tax for another two years, to March 31, 2006. This tax applies to about 1,040 of the largest of Nova Scotia's 24,000 corporations. It is expected to generate about $53 million in revenue this year.

Mr. Speaker, growth in provincial source revenues far exceeds the increase in revenue from the federal government. Budget-to-budget estimates show a $62.5-million increase in revenues from federal sources. The only source of new federal funding is the first Ministers Agreement on Health Care.

On behalf of Nova Scotians, I welcome the federal government back as a partner-albeit a minority partner-in health-care funding. We have missed them.

In 2002, Nova Scotia experienced real economic growth of 3.1 per cent, closely following the national growth rate, which was 3.4 per cent. Employment grew by 1.2 per cent, and unemployment remained at 9.7 per cent. Nova Scotians' personal income levels grew at a rate of 3.5 per cent, a half of point better than the 3 per cent rate of inflation.

For the year ahead, in line with most other economic forecasters, we are projecting steady GDP and employment growth, of 2.9 per cent and 1.8 per cent respectively.

On the spending side, Mr. Speaker, the province's priorities remain consistent with those we set on day one. The health of Nova Scotians. The education of our children. And the strength of our economy.

Our goal is healthier, more prosperous Nova Scotians, living in an increasingly self-reliant province.

Our spending decisions reflect those priorities and advance that goal.

Year over year, spending to support the health and health care of Nova Scotians will increase by $140 million. Our investment in the education and training of our children and young people has increased by $55 million.

**Capital program: Investing in economic infrastructure**

In 2003-2004 the province will invest more than $106 million in new highway construction and bridge replacements, a $16-million year-over-year increase.

Investment is the appropriate word, Mr. Speaker. For a decade or more, the vital public works of this province were allowed to fall into disrepair. Roads, bridges, and ferries are essential elements of our economic infrastructure.

But whether it's to get goods to market or the children to the doctor, Nova Scotians need reliable roads. It's the province's responsibility to provide those roads. We are meeting that responsibility.

Four years ago when this government came to office we faced two, equally debilitating, deficits. The fiscal deficit was eliminated last year and remains at bay with this second successive balanced budget. I fear, Mr. Speaker, that it will take longer to eliminate the infrastructure deficit - to put all the roads and schools in shape - but we're on the right track.

The Nova Scotia Community College is an increasingly important part of Nova Scotia's economic infrastructure. This year the province has committed $9 million to begin an ambitious program of facility improvements and new campus construction at various college sites across Nova Scotia. Next year, an additional $29 million is earmarked for college expansion, which will take seven years and cost $123 million to complete.

Mr. Speaker, under this government opportunities have steadily increased for Nova Scotians to train for good jobs in industries where the jobs are plentiful. We added 800 seats to our community college system. With this expansion, those opportunities will increase for an additional 2,500 students. More young Nova Scotians, and some not so young, will be trained to take advantage of real prospects here at home.

After years of neglect, too many of our younger students, our children, still go off to schools that are inadequate or outdated. We have made great strides in just three years, but still have a way to go before parents in every community can rest assured that their children are in a quality facility.

Des dépenses en capital totalisant près de 62 millions seront dirigées vers la construction de nouvelles écoles. 18,5 millions de plus serviront à la rénovation des écoles existantes. Ceci représente huit nouvelles écoles et quarante-cinq projets de rénovations.

[Our 2003-2004 capital program includes almost $62 million for new public schools and another $18.5 million for school additions and alterations. That investment means eight new schools and 45 upgraded schools.]

**Debt management**

To the critics of government's capital borrowing program, I offer no apologies, but rather an invitation. Take a drive to visit some of Nova Scotia's older schools. When you come back, and while you're getting the shocks fixed on your car, tell me again why we shouldn't borrow money for better roads and schools.

Mr. Speaker, the government is providing the tools people need to make the most of their lives. We are doing that within the confines of the province's ability to pay. All capital purchases are amortized, in keeping with generally accepted accounting principles.

Our surplus is applied to our debt. So too are the proceeds from the sale of Crown assets, like Sysco and Nova Scotia Resources Limited. Under this government, the province's ability to manage its debt has improved. The debt to GDP ratio has fallen from more than 46 per cent to less than 42 per cent. Under this government, foreign currency exposure has been reduced from more than 50 per cent to less than 20 per cent. We are no longer at the mercy of foreign bankers and international money traders.

That, Mr. Speaker, is debt management.

Yes, it could be, and it will become, more aggressive, as balanced budgets add up and our financial position gets stronger.

But under this government, debt payments will not come at the expense of Nova Scotians' safety on our highways nor at the expense of children who have every right to attend healthy schools.

Nor will those payments come at the expense of our ability to compete for jobs, investment, and home-grown talent. Debt payments won't come at the expense of our future.

**Lower taxes: Keep the momentum going**

If the first responsibility of government is to spend the taxpayers' money wisely, surely the second is to take no more than is necessary to meet the needs of the people.

The province's strengthening fiscal position provides an opportunity for government to lower taxes.

Mr. Speaker, lower taxes will enhance the competitive position of our province relative to other jurisdictions. Lower taxes will keep the momentum in our growing economy. Lower personal taxes will spur consumer spending, while lower business taxes will rev up the engine of economic growth.

Beginning this year and in each of the next three years, Nova Scotia will raise the annual business limit, under which the small business tax rate applies, by $25,000.

When fully implemented, this measure will save qualifying businesses up to $11,000 a year. In the first year, 2003, we will raise the income threshold from $200,000 to $225,000, saving qualifying businesses up to $2,750. By 2006, the threshold will be $300,000. These increases match those announced by the federal government earlier this year.

That measure alone means $1.5 million to small businesses this year, and it will total more than $11 million over the four years.

While lower taxes are an incentive to growth, new investment is the gas that fuels the economic engine. In order to enhance access to capital for Nova Scotian businesses, and to provide Nova Scotians with an ongoing outlet to invest in their own province, our Equity Tax Credit will be extended to December 31, 2006.

The credit has been significantly enhanced to draw more capital. The investment limit will be increased to $50,000 from $30,000, and investment will continue to attract a 30 per cent non-refundable provincial tax credit. The program and its hybrid, the Community Economic Development Investment Fund (CEDIF), have, since 1994, helped more than 300 businesses get started, raising more than $54 million from 5,000 investors.

Mr. Speaker, lower taxes and tax credits for small business make good public policy. Lower taxes for individual taxpayers and their families is that and more. It is an expression of confidence in the future of our province.

Health care in Nova Scotia is dependable and accessible. Our investment in education is providing young Nova Scotians with the solid foundation they need for success. Our budget is balanced. The time for tax relief has arrived.

Today, I am announcing a reduction in Nova Scotia personal income taxes. Effective January 1, 2004, tax rates for all provincial income tax payers will be lowered by approximately 10 per cent. The rate reduction will be greatest at the lower income levels. For example, a family of four earning $30,000 per year will see an 11.4 per cent tax savings. A family of four earning $ 70,000 will realize savings of 9.3 per cent.

Overall, the reduction in provincial income tax rates will save Nova Scotian taxpayers $147 million - 10 per cent of the province's income tax revenue - in the full 2004 tax year.

As a result of this tax reduction, Mr. Speaker, some 3,500 Nova Scotians at the low end of the income scale will no longer pay provincial income taxes at all.

Nova Scotia will have a more competitive tax environment and the lowest statutory tax rates in Atlantic Canada. Across Canada, only three provinces will have a lower marginal rate for high-income earners, and only two provinces will have a lower marginal rate for low-income earners.

In addition, Mr. Speaker, the province will provide a $155 Nova Scotia Taxpayer Refund to all Nova Scotians who pay provincial income taxes. The refund is based on an estimate of total tax relief that would have been provided through the tax system between July 1 and December 31.

This method of tax reduction will get tax relief into the hands of Nova Scotians as quickly as possible. As many as 438,000 Nova Scotians will receive this refund. It will put 68 million tax dollars directly back in the hands of Nova Scotians and into the Nova Scotian economy.

Mr. Speaker, every Nova Scotian taxpayer will benefit equally - with a one-time payment of $155 - regardless of income or taxes paid. This is equitable tax relief.

Most taxpayers will receive the refund in June or early July of this year.

The Conference Board of Canada has already stated that tax relief in the second half of 2003 is expected to boost consumer spending. This method of tax relief - a direct refund to taxpayers - will amplify the impact.

Balanced budgets and lower taxes fulfil key commitments we made to Nova Scotians in 1999. We met those commitments, not out of stubbornness, nor even out of the pure motive of being true to our word. We met those commitments because they are right for Nova Scotia.

The economy is growing. Let's keep it growing. Our future, our children's future, is not assured by better health care. It is not assured by balanced budgets. Although both of those things make our future more secure.

Our future is only assured when Nova Scotia has an economy that offers opportunity to everyone. Lower taxes alone won't get us there. But they are part of the picture.

**Investment and promotion**

Lower taxes and investments in economic infrastructure are among the best ways government can support economic growth, but they are not the only ways.

This government has, from its first day in office, focused on easing the paper and regulatory burden imposed on our economy. Government's on-line business services have grown by leaps and bounds. Needlessly complicated licensing and application processes have been simplified.

And where we find innovation and creativity, our government will make direct investments. We are committing $8 million to the Nova Scotia first Fund, where experience shows every provincial dollar invested can be expected to lever another $10 in additional investment. The Nova Scotia first Fund and InNOVAcorp have been instrumental in turning innovative ideas and creative concepts into commercial success stories.

Monsieur le Président, l'an prochain, notre province sera l'hôte du Congres mondial acadien. 2004 marque aussi le 400e anniversaire de l'arrivée des Français en Nouvelle-Ecosse et l'établissement d'une première colonie en Amérique du Nord.

Des dizaines de milliers de visiteurs sont attendus durant le CMA pour célébrer ce moment historique. Plusieurs seront de descendance acadienne et arriveront de partout en Amérique du Nord et de l'Europe. Nous avons appuyé et nous continuons toujours d'appuyer ce grand évènement. Cette année, nous avons affecté plus d'un million à la promotion, à l'organisation et aux opérations du CMA.

[Mr. Speaker, next year, our province will host the World Acadian Congress. 2004 also marks the 400th anniversary of the arrival of the first European settlers in Nova Scotia, French settlers.

The congress will attract tens of thousands of visitors, many of Acadian descent and heritage, from all across North America and Europe. The government will support this historic event in many ways. This budget dedicates more than $1 million to assist in its promotion, organization, and other features.]

We have allocated another $750,000 to a potentially far-reaching initiative, called Brand Nova Scotia. Due in part to the success of our tourism advertising efforts, Nova Scotia is viewed internationally as a largely rural, tranquil seaside community, with friendly folks and festivals galore. Nova Scotia is all that and more. The Brand Nova Scotia campaign will paint a more complete picture of Nova Scotia, as a centre of commerce, business, innovation, and academic excellence. A great place to work and live. There is a national and international business audience that needs to see that picture.

**Education for prosperity**

Mr. Speaker, in today's knowledge-based global economy, prosperity follows education. To some extent this has always been true. For decades, reliable statistics have indicated that on average, income earned is directly proportional to education attained.

Higher education must remain accessible to all young Nova Scotians so inclined and so gifted. Career and skills training must be expanded to meet demand. And public school education, where the foundation is laid for a lifetime of citizenship and contribution, must be relevant and invigorating.

Nova Scotia's universities play a vital role in the life of the province. Not only do they educate the leaders of tomorrow, but they contribute a billion dollars a year to the economy of Nova Scotia, employ 17,000 people, and are responsible for more than 60 per cent of the research and development so essential to our economic future.

We recently added $6 million to universities' funding, bringing their total grant to $207 million. This additional funding, paid in 2002-2003 will be part of the base in determining university funding levels in 2004-2005.

To provide debt relief to students who need it most, the province has committed $5.1 million. Some 9,500 Nova Scotians could see their student debt reduced as a result. The program is specifically designed for expansion in future years. All told, Mr. Speaker, this government will increase its investment in our universities and university students by more than $11 million.

Mr. Speaker, helping Nova Scotians get the right skills for jobs that are, or will be, available has become a significant effort of government. The expansion of the Nova Scotia Community College proves that.

We are enhancing partnerships with business and industry to provide more Nova Scotians with opportunities to learn new skills and land better jobs. A total of $1.5 million in new investments have been earmarked for these skills development programs.

As well, opportunities will be expanded for apprenticeship training, delivered in a more timely manner. Fees for a range of apprenticeship training services have been increased, to provide $326,000 in additional funding to support this valuable program.

Mr. Speaker, the province is increasing its investment in public edu­cation this year by $43 million. There is no more important investment Nova Scotians can make than in the future of their children.

Teachers will be able to spend more time with children in the early, most impressionable school years. Two-and-a-half million dollars will be allocated to reduce class sizes. As detailed in Learning for Life, the government's plan to help children succeed in school and reach their full potential, we will dedicate additional resources, including more resource teachers, to help children with special needs.

Enhanced testing and assessments and a renewed concentration on the essentials of learning - reading, writing, and mathematics - are added benefits of a growing investment in our classrooms.

Education resources are primarily for the benefit of the young. But, as a government we recognized early on that expanding learning opportunities for adults was important at a time when traditional jobs were disappearing, and more knowledge jobs were emerging.

We founded the Nova Scotia School for Adult Learning, and it was an immediate success. Some 4,000 Nova Scotians have benefitted from this program. This year we are investing an additional $700,000, bringing the total budget for adult learning to more than $5 million. This increased investment will open enrolment, and opportunities, to many more Nova Scotians.

**Quality care and healthier Nova Scotians**

Mr. Speaker, by their own account, no public service is of greater importance or concern to Nova Scotians than health care.

This budget allocates an additional $140 million to health programs. The Department of Health's budget is now more than 2 billion, 111 million dollars.

The budget of the new Office of Health Promotion, just entering its first year of operation, is approaching $15 million.

The establishment of a ministry of health promotion is a significant event in the history of Nova Scotia. Like most, our health-care system has increasingly become an illness and injury treatment system. The creation of the ministry and office of health promotion changes that.

Since the government announced the Office of Health Promotion, critics have said, "Great idea, throw more money at it."

Well, Mr. Speaker, that's not how this government operates, and Nova Scotians are glad of it. We love good ideas, but we fund solid business plans that clearly demonstrate the benefits to the people of Nova Scotia.

Health promotion includes all the resources of the former Sport and Recreation Commission and a transfer of resources, including $7.4 million, from the Department of Health. To that, government has added $600,000 to develop new or enhance existing pro­grams. New investments of $250,000 will be used to increase our very significant commitment to tobacco control.

Mr. Speaker, the government recognizes and acknowledges both the great sacrifice and contribution that family caregivers make in our society. Tax relief does not ease the pain, but it should help ease the financial burden many Nova Scotians experience when they care for family members who are sick or injured. Effective this year, the tax relief available to caregivers has been increased 75 per cent, from $223 to $408.

Mr. Speaker, the government has embarked on a broad range of initiatives to ensure and improve Nova Scotians' access to care and to ensure the delivery of dependable, well-planned health services right across the province.

Of the $44-million budget-to-budget increase in insured program services, $29 million will secure and enhance access to physician services. A $9.7-million increase in the Pharmacare budget will keep prescriptions affordable for seniors, by capping co-pay and holding premiums at last year's level.

The home care and care coordination budget has increased $5.3 million, to $127 million. This increase will secure and extend home care services to more Nova Scotians, further reducing wait lists.

Mr. Speaker, the government's commitment to improved long-term care, and to a better deal for seniors in care, is absolute.

An additional $18 million has been added, bringing the total long-term care expenditure to $222.5 million; $8.5 million of that increase will reduce the financial contribution private-pay residents of nursing homes make for their care.

Mr. Speaker, the jury is now in. District health authorities are a marked improvement over the unruly and unwieldy regional health boards of four years ago.

Nova Scotians are telling us that the quality of care, the quality of service, and the quality of management in our hospitals are simply better than they were. And they will keep getting better.

Overall, funding to district health authorities will increase by $43 million this year, to more than $1 billion.

District health authorities, and the hospitals they operate, are now assured of annual funding increases of at least 7 per cent. In 2003-2004, that means $19.6 million.

Multi-year funding will help DHAs plan program and service improvements over a three-year horizon. The resulting efficiencies will be passed along in terms of better care for patients.

Some $5 million in additional funding has been provided to DHAs for programs that will improve access and shorten wait lists at hos­pitals across Nova Scotia. An additional $5 million will improve access and shorten wait lists for cardiac care at the QEII, which serves patients from across the province.

The health department's budget-now more than 44 per cent of all program spending-also includes funding

• to establish standards in the treatment of mental health and improve mental health services for children ($4 million)

• to provide eight additional seats at Dalhousie Medical School ($451,000)

• to increase the number of nurse training seats at St. EX. and UCCB ($1.4 million)

• to expand medical technology ($ 7.2 million)

• and to purchase much-needed medical equipment ($15 million).

Capital investments will total $30 million and will include IWK renovations, phase II of the Yarmouth Regional Hospital, the Cobequid Multi-Service centre, and a facility to house a new MRI at the Cape Breton Health Complex.

Mr. Speaker, the health care Nova Scotians need and depend on is in better shape today than it has been for years. It is more dependable, more accessible, and more secure. As the government moves forward, based on the principles and plans highlighted in the document Your Health Matters, both our health-care system and the health of Nova Scotians will continue to improve.

**Toward self-reliance**

For too many years, provincial social assistance and municipal welfare were viewed solely as a way to support people who could not support themselves. And granted, for some in our society, that was and remains the case.

However, our government chose to also look at social assistance as a tool-to help people for a time and then, with other supports in place, allow them to move on. Since 1999, more than 9,000 Nova Scotians have benefitted from that opportunity. With ongoing support, like Pharmacare, child care, or income supplements, they moved beyond support, to greater self-reliance and the personal satisfaction that can bring.

Income assistance payments are actually declining, year over year, due to a reduction in the caseloads. Meanwhile, the government continues to strengthen return-to-work initiatives.

This year we will add $3.7 million to child-care and early learning initiatives. Some of this investment will be used to open child-care resource and referral centres and to introduce an early language and learning program in more communities.

Very soon, Mr. Speaker, the Wood Street Secure Care Facility in Truro will open for young clients who are experiencing severe difficulties, frequently as a result of neglect or abuse. Soon we will be able to give these young people the care they need and deserve, here at home, rather than send them out of province.

Mr. Speaker, there is no more fundamental tenet of a free society than equality before the law. To continue to ensure that Nova Scotians in need have access to legal counsel, the province has increased funding to legal aid services by $3 million.

**Stronger, smarter, healthier, more prosperous**

Mr. Speaker, today makes the fifth time in fewer than four years this House has afforded me the great privilege of presenting a budget. All indications are that this will be my last.

I hope my colleagues on both sides will permit me a brief personal digression. Ce fut un honneur et un privilège pour moi de siéger à l'Assemblée législative de la Nouvelle-Écosse comme représentant d'Argyle et de la communauté acadienne.

[It has been an honour to serve in this place, to serve Nova Scotians, and to serve with all members in this Legislature.]

I thank my caucus colleagues for their understanding and support. I thank my Cabinet colleagues for their guidance and solidarity. Together, I believe we have achieved many things.

Most of all, I want to thank my Premier and my leader, for the trust he has shown in me, and for his unwavering friendship.

I came to this place hoping to make a contribution to my province. Maybe to make a difference, a better future, for my own children and for the children of others.

I believe the course set by this government, the course followed in this budget, will do that.

Mr. Speaker, in the days ahead there will be much debate in this House, and elsewhere, on the path this budget takes. But let us be clear on our destination.

This budget is the product of a government that is confident about the future. That shares the vision of a growing number of Nova Scotians. This province can continue to grow-stronger, smarter, healthier, and more prosperous. financially, we are stronger - with successive balanced budgets. We have, and will continue to focus our investment in education where it belongs, helping young Nova Scotians achieve and succeed.

More dollars have been directed to front-line health care, to nurses and doctors, and to providing stable, predictable funding to hospitals.

With a balanced budget and growing investments in health, education, and our economic infrastructure, it is time to lower taxes for Nova Scotians.

Every tax-paying Nova Scotian made a contribution to the financial recovery of this province, and every tax-paying Nova Scotian deserves to share in the rewards that come from that accomplishment.

But more than that. Our generation's greatest legacy to the next should be a province that holds all the promise, all the opportunity, that too many young Nova Scotians still look for somewhere down the road.

As I have said before, the future of this province rests in the hands and minds of working Nova Scotians. When those hands hold a few more dollars, our future is that much brighter.

Lower taxes, sound economic infrastructure, a growing investment in education, healthier Nova Scotians, confidence in our future. That is the direction of this government, and that is the direction of this budget.

Thank you.

Merci