

Budget

2017–2018

Opportunities for Growth



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Budget 2017–2018: Budget Address
Finance and Treasury Board
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Investing in a stronger Nova Scotia

I would like to begin by acknowledging that we are in Mi'kma'ki, the traditional territory of the Mi'kmaq people.

It is a privilege to present to this House, and to Nova Scotians, the budget for 2017–2018.

This is the first budget of our government's second mandate. We stand here today with the first back-to-back majorities in nearly 30 years. We are here, as government, because Nova Scotians want to continue to work with us to build a stronger province. Not just for families today, but for future generations. It starts with our own fiscal health. We have laid out a clear, reasonable, and sustainable fiscal plan. We have stuck to that plan, and we are making progress.

Today, I am honoured to table this government's second balanced budget, which is projecting a surplus of \$131.6 million, with a positive net position of \$21.3 million.

This comes only two months after I presented to Nova Scotians our financial results for last year, 2016–2017. These annual public accounts showed the year ended with a surplus of \$149.6 million.

That means back-to-back balanced budgets for the first time in nearly a decade.

We have been able to achieve this by controlling expenses and focusing on the priorities of Nova Scotians. We have made key investments in communities across the province, but we have also made some difficult, but necessary, decisions to live within our means.

The results are clear. Last year's surplus allowed us to make a payment on our debt. Nova Scotia has not been in a position to reduce the debt since 2011. It was fiscally responsible, and it eases the burden on future generations.

Our net debt-to-GDP (Gross Domestic Product) was reduced to 36.3 per cent. This budget estimates a further reduction to 35.5 per cent. We are trending in the right direction to meet the One Nova Scotia goal of reducing net debt-to-GDP to 30 per cent by 2024.

Today, we are in a stronger position to continue to invest in and to expand new opportunities for economic growth, to support existing businesses, and to provide services in healthcare and education and for those who need them most. That is what Nova Scotians expect, and it is what they deserve.

As Minister of Finance and Treasury Board, I am committed to working with my colleagues to continue on this road to restore the fiscal health of our province. We know this will allow us to make investments so that all Nova Scotians can benefit.

In the spring, we presented a budget that included new investments in infrastructure, in youth and young families, in new ideas for a better economy, and in healthier and stronger communities. We are committed to these investments, and we are building on them. My colleagues and I have had the privilege of talking with many people in our communities, hearing their priorities and their ideas to move this province forward.

We listened. The budget I am presenting today reflects what we tabled in April, and it also reflects what we have heard since that time.

This budget includes an additional \$19 million in investments, specifically in healthcare, education, and economic development.

Healthy People & Communities

Mr. Speaker, healthcare continues to be our largest priority and our largest area of investment. We estimate spending \$4.2 billion on healthcare this year.

In addition to the initiatives we announced in the spring, we are adding more resources to improve services and programs that matter most to families across this province.

Nova Scotians want the healthcare system to work for them, to be available when and where they need it most. They want more timely access to primary care, to family doctors. They want shorter wait times for surgeries. And, they want better access to mental health services.

This budget invests in each of these areas.

Patient-Focused Healthcare

Patient-focused healthcare starts with care at the community level: primary healthcare. This budget invests \$9.6 million more than last year to ensure more people across the province have better access to primary healthcare through collaborative teams.

Work is well underway to recruit additional health providers for new teams and to strengthen existing primary care teams around the province.

With those expanded teams in place, Nova Scotians will have more timely access to a family doctor, a nurse practitioner, or another collaborative healthcare team member, such as a family practice nurse, mental health clinician, social worker, or dietician.

Each year since our first budget in 2014, we have increased funding so that more people on a wait list could have orthopedic surgery. This continued effort has resulted in 2,000 more surgeries. Even with this progress, people continue to wait for far too long.

In the spring, we announced a budget increase of \$3.7 million to perform even more surgeries and to provide access to new pre-habilitation services.

This budget takes a greater step forward, adding \$2.7 million to that plan. With a total annual increase of \$6.4 million this year, the health authority will hire more surgeons, more anesthesiologists and other healthcare professionals at the province's four orthopedic assessment centres.

This will allow more patients to get their surgeries faster and will help us move closer to the national wait time benchmark here in Nova Scotia. We will increase funding in future years to support this effort.

Mr. Speaker, doctors are central to the delivery of primary care and to specialized services in our communities and hospitals. Every jurisdiction needs them and is aggressively recruiting them.

Part of our recruitment plan includes our partnership with the Dalhousie Medical School and the many doctors and healthcare teams who supervise residents and doctors-in-training.

In the spring, we committed to adding 10 new seats in the Dalhousie Family Medicine Residency Program, an increase of 28 per cent, bringing the total number of seats to 46 in this program.

We will also fund 10 spaces for a new practice-ready assessment program for doctors who were trained internationally and who want to practice in Nova Scotia.

Our partners — Dalhousie Medical School and the Nova Scotia Health Authority — are making progress on both of these initiatives.

Nova Scotians asked us to do even more. This year we will work with the Dalhousie Faculty of Medicine to develop a new clerkship program for third-year medical students for communities in Cape Breton. This will allow the school to be ready to accept and place four medical students in Cape Breton in September 2018. These students will provide community-based care under the supervision of local doctors for 48 weeks. What a great way to provide on-the-job training and to assist local doctors in meeting their patients' needs.

These are among the important steps we are taking to support healthy people and healthy communities for generations to come.

Our commitment to improving healthcare services and infrastructure spans the entire province.

The QEII redevelopment project is a good example.

Work to plan, design, and construct new facilities to support hundreds of health services has already started.

Construction recently began to expand surgical services at the Dartmouth General Hospital. Renovations have started at Hants Community Hospital in Windsor to create a second operating room. A site has been chosen for a new community outpatient centre in Bayers Lake. It will serve the patients who live outside of Metro Halifax and who must now travel to the city's downtown. This new facility will not replace services provided on the peninsula.

Mr. Speaker, nearly every Nova Scotia family has been touched by cancer. There continues to be advances in treatments, yet the financial burden can be overwhelming for some.

Government is committing more than \$2 million per year over the next three years that will provide financial relief and peace of mind to Nova Scotians requiring take-home cancer therapies. We will work with Cancer Care Nova Scotia to fully develop the program to ensure no one pays more than 4 per cent of their net income for cancer medications taken at home. At the same time, we will work with our colleagues in the other Atlantic provinces on a longer-term solution.

Better Access to Mental Health Care

Mr. Speaker, one in five Nova Scotians lives with mental illness. The impact on our families, in our communities, and in our work places is very real.

Knowing where to turn for help should not be complicated. This year, we will support the creation of a new provincial central intake system that will make it easier for people to access mental health supports.

Through community mental health grants we are supporting organizations like the Strongest Families Institute, a not-for-profit organization that helps families dealing with everything from behavioural issues of their young children to teenage anxiety.

For those who need more than community supports, perhaps in need of urgent care, we have also committed to expand and enhance crisis services and the services many people access through their local emergency departments. The next step is to ensure patients get the follow-up they need, whether it be from mental health specialists, primary healthcare providers or other community supports.

During the last campaign, Nova Scotians spoke clearly that mental health was a priority for them. We will hire more clinicians, put more support in underserved areas, and cut wait times for mental healthcare.

Experts tell us just how important it is to start treatment for mental illness early. We will invest \$12.9 million more over the next four years in youth mental health and addictions services — \$1.8 million this year, followed by an increase to \$3.7 million in each of the next three years.

This funding will mean more mental health professionals in our communities, particularly in rural and underserved areas. It will allow us to better support the unique needs of at-risk youth, young people in Cape Breton, and those in our First Nations communities. This commitment also includes more funding for Kids Help Phone for more services that are growing in demand and in use.

Mr. Speaker, opioid use and misuse is a growing concern across Canada. We know there are many Nova Scotians using opioids and looking for treatment options. We hear it from the front lines and from the families.

Because of what we have heard, we have more than doubled the funding that will be made available to fight opioid addiction.

This budget will provide \$1.36 million to support the Opioid Use and Overdose Framework launched earlier this year. In part, this funding will eliminate the current wait list for opioid use disorder treatment. This will include opening 250 new spaces for treatment.

Education for a Stronger Nova Scotia

An investment in education is an investment in future generations of Nova Scotians. Mr. Speaker, this year we estimate spending \$1.3 billion in education and early childhood development.

This fall begins the first year of a four-year roll out of our pre-primary program, providing free, full-day programming for four-year-olds. We are only the third province in Canada to offer this important, life-changing program. We know that only 25 per cent of preschool-aged children now benefit from a regulated child care experience. Our pre-primary program provides parents with another option.

The early years of a child's life are critical for their development. Research tells us that four-year-olds who have access to such a program perform better in school and lead happier and healthier lives. Primary class teachers in our schools tell us the same.

That is the strong start our children deserve.

Early education expert Margaret McCain has said our Nova Scotia plan will be an important foundation for a lifetime of learning. She has said early education is tied to other important goals including improving educational outcomes, reducing illiteracy and poverty, and making the province a place where young families want to come and stay.

Other experts from around our country are praising this model of early childhood education.

José da Costa, an education professor at the University of Alberta, has said the Nova Scotia model is providing a strong foundation on which to build more advanced learning and skills throughout elementary, junior high school, and senior high school.

Jessica Wolstenholme, from Sydney Mines, Cape Breton, is a mother of four, with three children in the early learning centres program. She has said the program helped her children grow socially. She has also said how wonderful it is for children to be introduced to the school setting in a play-based way that is not as structured as school.

When Minister Delorey tabled a budget this past spring, we promised an investment of \$3.7 million in pre-primary. Now, our investment this year has grown to \$4.45 million so we could launch more classes in more communities than we originally planned — at least 52 classes in 45 sites throughout the province.

For the first time, more families will have access to this program. It will help their children while saving them thousands of dollars annually in child care costs.

We will not stop until every four-year-old in the province has access to this program.

Mr. Speaker, no child should start their school day hungry. Statistics tell us that learning takes place at a greater rate when children start their day with a nutritious breakfast. An additional \$1.1 million for the school breakfast program this year will help Nourish Nova Scotia expand and enhance the existing program to provide a healthy breakfast for every student in the province.

We are investing \$1.1 million to expand the Reading Recovery Program to 73 more schools; \$1 million to double the investment to teach coding in our classrooms; and \$1.4 million to hire more school psychologists and speech language pathologists. The Commission on Inclusive Education is examining the model of inclusion and has released an interim report. Together we are seeking to achieve transformative change for the benefit of our students.

We heard from Nova Scotians that our students need better access to mental health care services and we are listening.

Our budget contains \$1.8 million to connect more children and youth with community and mental health supports, for a total investment in SchoolsPlus of \$8.2 million. Expanding this program means more mental health clinicians will be hired, and other investments will bring more guidance counsellors into the system and cut wait lists for psychological assessments. This is one more step in our plan to make SchoolsPlus available in every school across the province by 2019.

Mr. Speaker, these investments are in addition to the \$10 million we have available to respond to the recommendations of the Council to Improve Classroom Conditions. From their work, we have already expanded provincewide class caps to grade 12.

New Ideas for a Better Economy

Nova Scotians expect us to pursue new ideas and to grow our economy so that more people can benefit from success. Our economic plan leverages our ocean advantage, builds on our proximity to international markets, recognizes our leadership in post-secondary education, and supports new ideas for traditional and emerging sectors. Our plan starts with our greatest asset, our people.

Youth & Jobs

Our young people and new citizens are our best competitive advantage. They bring energy and new ideas to our economy. We want more of them to land their first jobs here and start new businesses right here in Nova Scotia.

This budget will increase our investment in Graduate to Opportunity, or G-T-O. This program has helped 200 Nova Scotia employers hire more than 350 new graduates since it was introduced in 2015. This year we will add \$1.7 million to G-T-O, bringing our total annual investment to \$4.9 million. Introducing this program to more Nova Scotia employers has the potential to support up to 1,200 new jobs over the next four years.

With another \$1.7 million, we will create a new program, called Innovate to Opportunity. Similar to G-T-O, this new program will provide a wage subsidy to employers. However, this program will encourage employers to hire recent graduates from masters and PhD programs for research and innovation focused jobs.

Many Nova Scotia businesses need more people with specialized skills and technical trades. Starting this fall, government began covering the cost of tuition for apprentices returning to the classroom for their technical training. With up to 2,200 apprentices taking their training each year, this \$1.3 million annual investment provides them with important financial relief as they continue their education and training.

In addition, this budget will provide \$2 million to expand the Apprenticeship START Program. It will support 700 positions across the province. This program supports small and medium-sized businesses in hiring apprentices from underrepresented groups or in rural areas.

Keeping Young People Here

Mr. Speaker, we want to create more reasons for our young people to stay.

Nova Scotia has one of the best student assistance programs in the country. This year, we will build on that by extending loan forgiveness eligibility to five years, up from four years. This can fully eliminate a young person's entire provincial student loan, worth up to \$40,000.

This budget also introduces a new First-time Homebuyer's Assistance Program to encourage those with modest incomes to lay down roots here. Getting that first home is a milestone for many young families.

We also want to continue pressing ahead to attract new citizens to our province. More immigrants can help bring important skills and opportunities to our communities and to our economy. We will continue to partner with the federal government to increase provincial immigrant programs, including the Atlantic Immigration Pilot.

When the right conditions are in place, newcomers are better able to settle into their new communities and workplaces, and start their lives here. Government is a willing and able partner.

Recently, I learned about Tareq Al-Qaraghuli, a recent immigrant from Iraq who had over 25 years of trades experience.

He was among a group of new immigrants who came to the province with varying degrees of experience in the trades. Working with the Nova Scotia Apprenticeship Agency and Immigrant Services Association of Nova Scotia, this group was assessed for their language skills and provided with occupational and safety training. They were matched with employers for a 12-week on-the-job skills assessment, for which the employers received a wage subsidy.

Now, 11 of the 15 who started the program have become registered apprentices and are working toward their Red Seal certification.

Tareq is a registered apprentice with Davies Plumbing and Heating Ltd. in Lantz, Nova Scotia. He has said he is happy to be able to work as a plumber again, a trade that has been in his family for generations. Frank Davies, president of Davies Plumbing and Heating, has said he considers Tareq to be among the best on his team, and that other apprentices are learning from him.

As part of his apprenticeship journey, Tareq is enrolled in his level 1 technical training at the Nova Scotia Community College, which is now tuition free because of our budget investment this year.

Tareq and the other new Nova Scotian apprentices are working, contributing to their communities, to this province, and to the diverse culture that makes Nova Scotia a vibrant place to live.

This is a great example of the success that can come when community and government come together. They are proud and appreciative.

Another new group of 25 newcomers will go through the same program this year.

New Ideas for Economic Growth

Success in the private sector will mean more jobs for our young people and greater benefits for Nova Scotians. That is why we will make strategic investments to support economic growth in this province.

Nova Scotia's fish and seafood sector provides quality jobs and economic opportunities for our people and for our coastal communities. The value of our seafood exports is growing, having reached \$1.8 billion last year. We will work tirelessly to ensure our fishery remains strong, prosperous, and sustainable for generations.

Our investment in this budget goes beyond what we promised for the industry in the spring.

Nova Scotia will support the Atlantic Fisheries Fund announced in March by the federal Department of Fisheries and Oceans. This fund will focus on growing opportunities and increasing market value for high quality fish and seafood products from Atlantic Canada.

As a cost-sharing program, Nova Scotia's contribution this year will be \$2.5 million. With federal and provincial contributions from New Brunswick, Prince Edward Island, and Newfoundland and Labrador, the total value of the fund will exceed \$400 million over seven years. This is an historic investment in innovation, infrastructure, and science in this important sector.

The Centre for Ocean Ventures and Entrepreneurship (COVE) will house ocean business start-ups and small and medium enterprises. It is a site for ocean technology innovation and commercialization. It is on schedule to open in spring 2018, and this budget will provide \$10.7 million for its capital and operational funding this year.

Mr. Speaker, 2017 is becoming another banner year for tourism. So far this year, Nova Scotia has seen an increase of 95,000 visitors compared to 2016 for a total of 1.25 million. The preliminary estimate of tourism revenues through July 2017 is \$1.4 billion, up from \$1.3 billion last year.

We have our sights set high for even more growth, as we work toward \$4 billion in tourism revenues by 2024.

We can only achieve this goal by attracting more first-time visitors and enhancing what we can offer them when they get here. This year, we will create a \$2 million fund that will be used to help revitalize the province's iconic tourism sites. We will increase Nova Scotia's tourism marketing in China and explore opportunities to expand air access to bring more people to Nova Scotia.

If we want a strong and thriving ocean sector, tourism industry and economy, we need to protect the environment it depends on.

Mr. Speaker, Nova Scotia is a recognized national leader in fighting climate change. We have introduced renewable energy sources to the grid, such as wind and hydro power, and we have made significant investments in energy efficiency programming. We are supporting further innovation in other renewable projects and technologies. Over the next year, we will develop a cap and trade program that will achieve even further greenhouse gas reductions, while protecting the pocketbooks of Nova Scotians.

Further, our budget will build on the important work we have already started to support business growth. This includes expanding rural internet access, continuing with our ambitious highway plan, introducing business navigators, reducing red tape, and reducing taxes for small business.

Small business owners are looking for ways to grow and to give back to their communities. To help them, we will reduce their taxes by \$14.1 million. We will do this by increasing the small business tax threshold to \$500,000 from \$350,000. This means small businesses can earn \$150,000 more income and still be taxed at the lower tax rate of 3 per cent.

In the past two years, government has cut red tape to help restaurants, local wineries, farmers, apprentices, and many businesses in other sectors. We have set a target to further reduce red tape by \$25 million, and have been meeting with business owners to get new ideas. This input will be added to the work already underway to achieve that target, which will help support business start-up and growth.

We will also help our businesses pursue more opportunities in new and strategic markets.

A new investment of \$1.3 million will help increase export and trade opportunities for businesses, including a new Export Accelerator Program as part of the Atlantic Growth Strategy. We will double the Small Business Development Program and we will continue to fund sector development programs for our agricultural, forestry, aquaculture, and seafood industries.

Through our province's first comprehensive Culture Action Plan we are also investing \$2.5 million to support our artists, musicians, publishers and other creative workers to drive exports and grow our creative economy.

More Opportunity for All Nova Scotians

Our positive fiscal position creates more opportunity for all Nova Scotians. We are investing more in our youth, in our families, and in our communities.

In 2014, we said we would start reforming our tax system once we could afford it. Now that we are at that point, we are cutting income taxes by increasing the tax-free basic personal amount by up to \$3,000 for those with taxable incomes under \$75,000.

Mr. Speaker, once this tax measure is in place on January 1st, 2018, more than 500,000 Nova Scotians will save \$85 million a year. What's most important is that more than 60,000 people will no longer pay any provincial tax at all. That is a 28 per cent increase and it means 283,000 people will not have to pay provincial tax. This is more money staying in the pockets of recent graduates, low income and retired Nova Scotians, single parents, working families, and small business owners.

This would not have been possible without the work of all Nova Scotians as we work towards restoring our financial health. The hard work of Nova Scotians is producing real benefits for them and their families.

This budget will also help the more than 600 Nova Scotia foster families meet more of the day-to-day needs of the children in their care. They will receive higher babysitting rates and per diems, and their reimbursement for travel expenses will move to an automatic payment system.

This government has made home care a priority. By increasing funding and taking a new approach, people will have ready access to home support services. This budget will continue investing in home care and it will expand the caregiver benefit program reaching 1,600 more people. This will mean more than 3,000 Nova Scotia families can receive this benefit.

Today, we can fund more resources and supports for families with children with autism. We will build on the success of the Early Intensive Behavioural Intervention Program by investing an additional \$800,000 to help Autism Nova Scotia in its work with families. The funding will be used to implement the Social ABCs Program, which will provide supports to children who have not yet entered the EIBI program. This funding will also support families through the regional autism resource centres around the province.

Mr. Speaker, we continue to look for ways to help the individuals and families across our province who live in poverty. A \$2 million investment this year will kick start a four-year, \$20 million plan that will identify and implement new approaches to help address this important issue.

Housing is another priority area for Nova Scotians, and we will invest in more affordable housing options and programming, in partnership with the federal government. This year, \$38 million will help create new affordable housing units, including new small options homes, offer more in rent supplements, and fund home repair and adaptation programs to assist low-income home owners. We will also fund projects that will make more buildings accessible to people with disabilities.

This budget will support SHIFT, our action plan for an aging population. New initiatives stemming from this action plan will support older adults so they can stay involved and connected in their communities.

As well, the budget for the Seniors Pharmacare Program will increase by \$7.9 million. This will help meet the growing demands on the program. Government has made no changes to the co-payments or to the premiums this year, and we are also committing to no increases next year, too.

This fall, more people will be able to receive help with the cost of their home heating bills. Government is increasing the income thresholds for the Heating Assistance Rebate Program for individuals and families. These changes will allow an additional 5,000 households across the province to be eligible for support.

Mr. Speaker, this budget will support a range of programs that help women-at-risk.

This government made important strides with the development of our province's first Sexual Violence Prevention Strategy. We will continue to work with community leaders and agencies to address the problems of sexual violence with an ongoing commitment of \$1.1 million.

We are increasing resources to Nova Scotia Legal Aid, hiring two sexual assault prosecutors, and investing more to strengthen enforcement of court-ordered spousal and child support payments owed to families.

With support from the federal government, this year we are building new second-stage housing units in Cumberland County to support women and children fleeing domestic violence. Additionally, a four-unit second-stage housing option will be built in the Halifax region, specifically in support of Indigenous women and their children.

We will expand the domestic violence court to the Halifax region and make permanent the domestic violence court first piloted in Sydney.

In helping to address indigenous issues within the justice system, government is moving forward with a new Aboriginal Justice Strategy, which will include a culturally-sensitive wellness court in Wagmatcook.

As the National Inquiry into Missing and Murdered Indigenous Women and Girls gets underway, government will ensure support is available to assist individuals who become involved in the process. Three community outreach specialists who have experience in dealing with trauma will be hired to provide cultural support to these families and community members who may need it.

Conclusion

Mr. Speaker, today I present a budget that reflects what we have heard from Nova Scotians, their values and their priorities. It invests in our businesses, and in creating the conditions for economic growth and success.

The fiscal health of our province has improved. We are on a path to achieving ongoing financial sustainability. This has allowed us to continue to support economic growth, preserve financial capacity, make strategic investments, and provide the services and supports Nova Scotians expect and deserve. I am proud to be part of a government that has demonstrated it cares.

Mr. Speaker, we want all Nova Scotians to see themselves as part of the success of this great province.