



Balanced Budget

2013-14

Budget Address



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Fiscal year 2013-2014

The Honourable Maureen MacDonald

Minister of Finance



Back to Balance

Mr. Speaker, it is a privilege to rise in this House to deliver this government's 2013–2014 budget. It is a budget that fulfills the government's commitment to bring Nova Scotia's finances back to balance.

Because of that fact, this budget will be scrutinized more closely than others in recent memory. It will be scrutinized closely precisely because it represents a new way of doing things. Too often we have seen governments declare budgets balanced, only to realize after the voters had their say that the budget was not really balanced at all. Or that the choices made to show this temporary result were not sustainable, or realistic, ones.

It is in that context that I am very proud to say the revenue forecasts contained in the 2013–2014 budget have received an unqualified opinion from the Office of the Auditor General—something no Nova Scotian government has achieved in more than a decade.

Clearly we are on the right track.

But for Nova Scotia to keep living within its means, the province and her government must continue the steps taken over the past four years to reallocate spending to important front-line services and improvements. Government must continue to ensure spending decisions reflect common sense, the will of Nova Scotians, and remain focused on a better future.

Instead of being the province to turn in the worst economic performance in the country over the past 20 years, Nova Scotia's economy is now starting to turn the corner toward a brighter future.

Vital public services are secure and improving. Nova Scotians are going forward with greater confidence.

We must not turn back.

Nova Scotia's first NDP government came to office during the worst global recession since the great depression, further constrained by a legacy from those who preceded us in government—a legacy of haphazard financial management and the absence of any well-considered plan to grow the economy.

Almost immediately upon taking office, Premier Dexter asked Deloitte to take a hard look at the province's finances. They found that without significant change, Nova Scotia had a projected deficit of \$1.3 billion annually by 2012–2013 and that net debt would rise from \$12.3 billion in 2009–2010 to \$16.75 billion in 2012–2013.

An independent expert panel of distinguished economists—Elizabeth Beale, Tim O'Neill, Lars Osberg, and Donald Savoie—advised us how to dig out of the financial mess we had inherited. They said:

It is the panel's view that the government of Nova Scotia should pursue both tax increases and spending cuts and promote an economic growth agenda to deal with the province's deteriorating financial position. The government should not attempt to eliminate the deficit by 2010–2011, but adopt a more gradual fiscal strategy to avoid slowing the economic recovery and destabilizing needed public services.

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They told us that we couldn't get back to balance and turn the corner on 20 years of the slowest economic growth in Canada unless we had a comprehensive approach. They advised adopting an approach with three elements.

We needed to increase revenue, reduce government spending, and grow the economy while protecting public services.

Previous governments have placed balanced budgets before this House. None, in recent years, has done so without unacceptable cuts to essential public services, as was the case in the 1990s, or the good fortune of revenue windfalls from the offshore as occurred in the last decade.

While ours is a government that prefers to look forward, the lessons of the recent past are important for Nova Scotians to recall. Many will remember the last Liberal government—the government that responded to reduced federal transfers by imposing across-the-board cuts to all government departments and entities. They unilaterally broke negotiated contracts, closed hospital beds, laid off nurses, built toll highways, instituted user fees on vital health services, cut our children's provincial dental program, and took away inflation protection for the most vulnerable Nova Scotians.

As a province, we continue to live with the outcomes of these hare-brained decisions to this very day.

More people will remember the recent Conservative government, that undisciplined lot who pretended to be sound fiscal managers but overspent their budget by nearly \$1 billion during their last 3 years in office. They produced budgets with half-a-billion-dollar spending increases with little to show for it. Instead of using that revenue to invest in people by helping permanently upgrade their skills, they purchased kiddie ATVs. Rather than supporting the diversification of one-industry towns across rural Nova Scotia, they squandered record offshore revenues in a failed attempt to buy their way back to power.

This government has worked hard not to repeat the mistakes of our predecessors ... and they've certainly given us a lot to learn from.

With the help of many, our government has brought Nova Scotia back to balance while maintaining and often improving services for families, businesses, and individuals. We balanced the budget while investing in the fundamentals of a modern, resilient, and globally competitive economy. We got back to balance and stayed true to our fundamental values: to respect the province's workers, to care for the most vulnerable, and to make life better and more affordable for today's families.

In less than four years, Nova Scotia has changed direction, away from the looming billion-dollar deficits and low-paying jobs left by the Tories, away from the wage rollbacks and standing-room-only hospital waiting rooms left by the Liberals.

Mr. Speaker, let's look at where we are today, how we got here, and most importantly where we are going.

The budget is back in balance, and Nova Scotians are getting better care sooner; schools are putting kids and learning first; and good, high-paying jobs are coming here with more to follow. Students have access to post-secondary education and training at a predictable price and the support of a student aid program that is second to none in Canada. When they graduate, there are tax incentives to stay in Nova Scotia and take on the challenge of a widening spectrum of opportunity. This budget makes it more affordable for students in need to pursue the education and training they require to build a life in Nova Scotia.

We are back to balance despite three years of modest revenue growth—not through hoping and wishing. We are back to balance because we asked the experts; developed a multi-year plan; and we stuck to that plan.

We are back to balance because we recognized the collective wisdom of all Nova Scotians and their desire to get the province back on solid financial footing without compromising vital services.

In presenting the 2013–2014 budget I feel a genuine sense of achievement, along with a sense of hope and optimism for our province. We are starting to turn the corner to a more prosperous future.

Better Care Sooner

Mr. Speaker, there is no service, no program, and no support system that Canadians value more than public health care.

In the last election, we heard loud and clear from Nova Scotians that they wanted better care, and they wanted it sooner.

My sincere thanks go to Dr. John Ross, a trusted advisor, who believed passionately that our health-care system could be dramatically improved by the creation of Collaborative Emergency Centres.

He listened to Nova Scotians. And the government listened, too.

Today, Collaborative Emergency Centres are open around the clock in seven communities. Same-day or next-day medical appointments are now a phone call away for families who just a few years ago faced long drives and even longer waits. And soon the benefits of CECs will be available to more Nova Scotians in more communities.

Our commitment to providing better care sooner continues.

Thanks in large measure to the work of the District Health Authorities who stood shoulder-to-shoulder with the government as we curbed administration, and to physicians who delayed wage increases and health-care workers who settled for a 1 per cent pay increase, Nova Scotia is turning the corner from the time when health-care problems were deemed to be unsolvable and health-care costs uncontrollable.

These leaders saw our financial pressures as a challenge to innovate and deliver better care.

Ensuring that patient care is protected while checking the increasing cost of health care is essential to getting health care on sustainable footing.

Funding has been allocated to advance major initiatives, including Together We Can, the Mental Health and Addictions strategy; Thrive!, a wellness strategy with special emphasis on children; and the Physicians Resource Plan.

This year, District Health Authorities and the IWK have been allocated operating budgets relatively equal to those of 2012–2013. The government recognizes that this will present challenges, and the Department of Health and Wellness will work with DHAs and the IWK to finalize plans to manage their operations without an adverse impact on patients.

In the past, health budgets have been allowed to grow at an unsustainable pace. Despite those increases, there was no appreciable improvement in the health or wellness of Nova Scotians. While the cost of medical services continues to grow, the government is confident in the abilities and leadership of DHAs and the IWK to continue to find innovative ways to offer their full range of services.

It is at the core of our values as a government to take every step we can to support our youngest and most vulnerable citizens. In this budget, we are supporting a number of new initiatives that do just that.

Beginning this year, the province will offer improved support for children and young adults with Type 1 diabetes.

I am very pleased to say, Mr. Speaker, that some of the new funding will be used to provide insulin pumps to individuals 19 years of age and

younger, and supplies for insulin pumps to individuals under 25 years of age. The pumps will provide more stable management of the disease and reduce the risk of complications.

This year we will also expand dental coverage for children—finally reversing the drastic cuts made to this program by the Liberals when they were in office. Starting in 2013–2014, we are increasing the age for children to receive basic dental care for free, from 10 to 13. This is a significant improvement in health-care coverage for children, and will make Nova Scotia’s Oral Health Program one of the most accessible dental coverage programs in the country.

The budget includes the necessary funds to make a major expansion in newborn screening. The changes will extend screening to include cystic fibrosis, sickle cell anemia, and eight additional conditions, with an investment of \$1.3 million. Early detection can improve treatment and the quality of life for these children and their families.

Last year, the government completed Nova Scotia’s first ever mental health and addictions strategy, called Together We Can. In 2013–2014, we will allocate an additional \$2.5 million to begin the long-overdue implementation of quality health care for Nova Scotians suffering from mental health issues and addictions.

To help children and adolescents get the services they need, \$1.4 million has been budgeted to provide more mental health clinicians in schools. All Nova Scotians will have 24/7 access to mental health crisis intervention by calling the Mental Health Crisis Line.

The IWK is one of Canada’s most respected hospitals for children and women.

It is taking a new and better approach to helping children, youth, and their families access mental health care and addictions services.

In the last two years, the IWK has been a leader in North America in implementing a new way to get children faster and more appropriate access to the care they need, when they need it.

This budget provides funding to build on this transition, and to help streamline services for families and children in need of mental health care.

Despite the IWK’s leadership, there are areas where it has not had the ability to deliver services available in every other children’s hospital in Canada, like programming for youth with eating disorders. Too often children and youth with serious eating disorders have had to be sent out of province to receive care.

This budget sets that situation right, by providing funding to help the IWK and Capital District Health Authority design a joint Eating Disorders program: the first of its kind for in Nova Scotia, and the kind of collaborative innovation that ensures our health-care system continues to lead the way in Canada.

To provide treatment closer to home for Nova Scotians with addictions, funding has been allocated that will allow 200 clients of the Mud Creek treatment facility in Wolfville to move to district health clinics in the Annapolis Valley, Colchester-East Hants, and the Capital District.

Since its election, this government has focused consistently on improving health care and other services to senior citizens. This year, the government is allocating \$4.5 million to ensure that seniors will continue to pay less for generic drugs and will be protected against increases in Pharmacare premiums and copayments.

Further investments in home-care program funding will help seniors acquire the community support they need to stay in their home. This includes help with transportation, meal preparation, errands, and yard work. This \$2 million in increased funding will bring the government's two-year investment in home care to \$24 million.

Nova Scotia will partner with other provinces to reduce the price of six common generic drugs used by many Nova Scotians, and will provide wheelchairs to eligible low-income seniors.

Kids and Learning First

Mr. Speaker, a solid education gives our children the confidence they need to be ready for the future. Mastering the basics in areas such as reading and math are fundamental skills all students need for the workforce of the future.

In Nova Scotia we have an exceptional public education system filled with talented, committed teachers, parents and support staff. But we also have challenges: declining enrolment, costly infrastructure needs, weak test results, and growing costs have plagued the system for years.

Public education expert Dr. Ben Levin advised us how to capitalize on the strengths and opportunities within the system.

In response to his report, the province developed a multi-year plan. Now in its second year, Kids and Learning First is improving the future success of our children through a greater focus on the early years, the basics, and safer, better schools. The plan means more teachers, increased support for special education, and smaller class sizes.

This government is also taking steps to ensure that schools maintain their place at the heart of our communities, with the benefit of the best advice Nova Scotians and those involved in community-building across the province have to offer.

This year the province will invest \$10,762 per student—the highest investment in a generation. Class sizes for grades primary to three will remain capped at 25 students, providing the right learning environment to nurture our youngest students. These investments will mean that about 170 new teachers will be hired.

Adequate special education programming and qualified staff are the only way to ensure that students at risk and those with special needs receive the support they need to thrive. With the funding provided in this budget, 25 new program support staff, psychologists, and speech-language pathologists will be hired, and 15 new teacher assistants added.

Additional resources will expand the ability of teachers to assess the developmental health of their students in critical areas like physical well-being, emotional maturity, social skills, and language.

To create a safer environment for students who are victims of bullying, Nova Scotia's first anti-bullying plan, Speak Up, will be put into action, with an initial allocation of \$400,000 this fiscal year.

Mathematics has become a critical competency for many of the good jobs today and more of those that are coming in the future. To help students succeed in math, we are taking common-sense steps to improve the curriculum—like making math a full-year course in High School—and will soon bring forward a further set of changes for our youngest students.

This is not, Mr. Speaker, about a quick fix aimed at ensuring next year's math scores marginally exceed the last set of test scores. It's about setting these students up for life, with the right skills to succeed in the future. And we all recognize that a good grasp of math is essential to the future for every one of our students.

That's why we are taking the right steps to change the way our students are taught math, changes that are long overdue, changes that will pay off for them all in the long run.

In the year ahead, the number of schools offering skilled trades will double and a new course, Manufacturing Trades 11, to help prepare students for upcoming shipbuilding jobs will be introduced. The highly successful Options and Opportunities initiative that helps young people consider career options will be available in grade 9 through Discovering Opportunities. The number of students in rural areas and small communities who can take advantage of courses through the online virtual classroom will triple with an additional investment of \$252,000.

Schools play a vital role in their communities, particularly in rural Nova Scotia where the school is often the focal point. To give children and their families more opportunities for after-school recreational, educational, and cultural programs, the Community Use of Schools Grant will again be available.

In addition, the SchoolsPlus program will be expanded to include four more schools, giving more families, students, and seniors the ability to access services and activities at central locations, as funding increases for this program by another \$500,000 this year bringing our total investment to \$2.5 million.

New, better, and safer schools will be built in Amherst, New Glasgow, south Dartmouth, Bible Hill, Bedford, and Liverpool.

More than \$56 million will be invested in improvements to modernize schools in dozens of communities across the province. In the Halifax Regional School Board, funds will be invested to allow schools to save money and reduce greenhouse gases by 20 per cent.

The early years are critical years in establishing patterns that lead to a happy, healthy, successful life. In the coming year, the government will invest \$1.2 million to establish children's centres so families can access support services for their young children and help them make a successful transition to elementary school.

Mr. Speaker, when this government was elected, Nova Scotia had one of the worst post-secondary student assistance programs in Canada.

Today, we have one of the best, if not the best, and it is getting better. This year we are making further improvements in student aid where it is most needed—an improvement in the loan-to-grant ratio to 60/40, and an increase in the maximum weekly student allowance to \$180. In addition to this investment of \$4.6 million, the cost of post-secondary education to Nova Scotian students will be maintained at or below the national average.

The government will continue to invest up to \$25 million over three years in a post-secondary innovation fund. That funding is available to help universities collaborate and create efficiencies.

This year, the province is sponsoring an Innovation Summit, in an effort to commercialize university and college-based research and discoveries more quickly and to do it in Nova Scotia. Nova Scotia needs to capitalize and exploit its best ideas for the benefit of Nova Scotians.

Making life better for families

This government and this premier have a plan to make life better for families.

I'm sure all members will indulge me as I recall the many years the now-Premier and our caucus spent fighting on behalf of seniors and their families, so that they no longer had to pay the costs of medical expenses in long-term care. This was a long-needed change in how our province respects seniors, and ensures that they are treated with the dignity they so rightly deserve after years of building the society and economy of our province.

And in the last four years we have taken even greater steps to help seniors.

During the last two years, provincial income tax has been returned to seniors who receive the Guaranteed Income Supplement. In 2010 and 2011, seniors received over \$15 million in refunds. In 2013–2014, they will receive another \$8 million. This rebate means that on average, \$450 is put back into the hands of Nova Scotian seniors who need it most.

And I am very pleased to say, Mr. Speaker, that this budget builds further on that vital step forward to help seniors.

As of January 1, 2014, we will increase the number of our low-income seniors who will no longer pay provincial income taxes. 25,000 Nova Scotia seniors will receive this benefit.

In addition, this year the government will increase the maximum property tax rebate available to seniors by \$200. This increase will help approximately 4,000 seniors to remain in their own homes and communities.

Mr. Speaker, Nova Scotia's public housing policy was certainly well-intentioned, but it has unquestionably contributed to unanticipated and unwanted consequences, predominantly stigmatizing and marginalizing residents.

It is time for a fundamental change. In the year ahead, a new housing strategy for Nova Scotia will be launched. This strategy, with an initial investment of \$3 million, will literally open doors for our most vulnerable citizens and make home ownership possible for families of modest income. It will integrate low-income Nova Scotians in neighbourhoods and communities where they and their children have a better chance to succeed.

Mr. Speaker, this government has from the beginning tried to find ways to help the most vulnerable members of our society.

This year, we will increase the personal allowance rates for income assistance beneficiaries by a further seven per cent. With this increase, personal use allowances have gone up by \$47 a month—or 22 per cent—over the past four years.

In difficult financial and economic times it can be a particular challenge, but it is incumbent upon us to take whatever steps we can to make life a little more affordable for those who need it most.

Often need is greatest in times of emergency and natural disasters.

These situations require better planning than previous governments were willing to support. Beginning this year, the province will provide \$3 million per year to work with vulnerable communities to better understand flooding and reduce the risk of damage.

This represents a new beginning in the partnership between the province, municipalities, first responders, and emergency relief agencies to ensure a greater level of preparation for, and protection from, natural disasters.

Secure public services

Public services in Nova Scotia must be financially sustainable. Getting them there has required, and will continue to require, firm resolve.

District Health Authorities have demonstrated outstanding leadership in this area by reducing administrative and support services costs. We have already seen financial savings from their efforts and the reduction of administrative positions, including six vice-president positions. These savings can and will be redirected to front-line patient care.

We will take this approach from the health-care sector and expand it across the public sector. Later this session we will bring forward the details of a new approach toward better-coordinated and merged services—an approach that will save Nova Scotians money and ensure continued strong delivery and support of our public services.

To quote my predecessor in this portfolio, the Honourable Member for Halifax-Fairview, who deserves much credit for where we are today, “The decisions we make are rooted in common sense. While some will be tough, they will always be fair.”

After the most extensive budget consultations in provincial history, the honourable member also said that the government’s fiscal plan is built on the collective wisdom of Nova Scotians and reflects their values and priorities.

Mr. Speaker, the values and priorities of Nova Scotians continue to guide our every decision.

As the Premier recently said, economic prosperity is vital to Nova Scotia's future. But this government understands that its real value, the reason it really matters, lies in the fact that it provides the capacity to propel social prosperity and to make life better for all Nova Scotians.

During these recessionary years, this government has walked a fine line. We had to spend judiciously as well as strategically, and be very mindful of not contributing to a deepening or more prolonged downturn. That's why we invested, along with our federal and municipal partners, in key infrastructure projects like roads and the new Nova Centre, that have kept skilled workers on the job and here at home.

When we began this journey, Nova Scotia was on an unsustainable path to a \$1.3 billion deficit. Over the past four years, government has realigned, reorganized, and modernized.

Departmental spending grew at an average annual rate of 6.6 per cent between fiscal 2000–2001 and fiscal 2009–2010. Over the last four years the average annual growth in spending has been held to 0.9 per cent and there will be a 1.6 per cent decline in fiscal 2013–2014.

In spite of very challenging economic circumstances, I'm proud that our government has been able to balance the budget while balancing the needs of families and small businesses, the needs of students and seniors, and the needs of patients and taxpayers.

We have improved access to health care while slowing its increasing cost. Since we took office the health-care budget has grown by about 3 per cent annually, compared to an average of 7 per cent a year over the previous decade.

School boards rolled up their sleeves, too, and tackled their own budgets to better reflect the reality of declining enrolment.

And universities worked with us to gain control over ballooning costs, always with an eye to providing high-quality, first-rate education.

Introducing a balanced budget is a turning point for Nova Scotians.

We are on a stronger financial foundation than we were four years ago, and we are balanced earlier than many other jurisdictions in Canada. Our debt-to-GDP ratio—a key measure of economic health—is close to 35 per cent and stable.

Nova Scotia will be one of only four provinces to table balanced budgets for the coming year.

Turning the corner to economic success

Mr. Speaker, for two decades, Nova Scotia had the worst economic performance in Canada. Today, we are starting to turn the corner.

After 20 years at the very back of the pack of Canadian provinces, Mr. Speaker, Nova Scotians can feel hopeful and optimistic about their future and that of their province.

Mr. Speaker, in just two years, the economic plan jobsHere is taking hold.

In Sydney Harbour, Mr. Speaker, lies the gateway to new economic opportunity for that city and region. The Deputy Premier was a great champion of ensuring that we made an investment that attracted the support of other levels of government to dredge the harbour, and as a result the region stands ready to turn its natural assets to long-term advantage for its citizens.

This kind of economic infrastructure is dependent on having solid, reliable government-maintained infrastructure to get the products to market.

Our government is ready to begin discussions with the federal government about the successor to the Build Canada Fund so that, beginning in 2014, communities that have pressing infrastructure needs and a plan to address them, like the one brought forward by the Cape Breton Regional Municipality, can get to work—and put more Nova Scotians to work in the process.

The National Shipbuilding Procurement contract is the biggest ever landed by a Nova Scotian company. The benefits will reach every community where workers are ready and able to compete, and it will mean an estimated 11,500 jobs are created.

Supporting this game-changing opportunity is one of the greatest investments ever made by the Government of Nova Scotia—for every \$6 loaned in support of this contract, the province is able to earn \$100. More importantly, Mr. Speaker, families can stay here, more schools across Nova Scotia will have students and teachers, more grocery stores and hairdressers will have increased business—for thirty years.

That is what jobsHere is all about—helping Nova Scotian companies and workers prepare for good jobs with a future.

And that future will surely look different than the past in many areas of the province. As a government we stand ready to support and invest in opportunities to help local economies thrive—whether by committing funds to the right ferry service to serve Southwest Nova Scotia from Yarmouth, creating the building blocks to sustain the forestry of the future in communities like Liverpool and Port Hawkesbury, or working with world-leading LED Roadway Lighting to create a home-grown manufacturing success in Amherst.

Mr. Speaker, more than 400 companies and 10,000 workers have benefited from jobsHere programs.

That is what economic growth is all about. That is what makes life better for families.

Tax measures

Four years ago, the panel of economic experts told us that we also needed to increase revenue. We made the difficult decision to raise the HST two percentage points to 15 per cent and brought in a fifth tax bracket for high-income Nova Scotians.

Tax increases are neither easy nor popular, but they were necessary. Next year, as promised, Nova Scotians will see the tangible results of our improved finances with a phased-in reduction of the HST.

The HST will be rolled back by one percentage point in 2014 and another percentage point in 2015.

In raising taxes, our government was guided by fairness, which demands that those least able to pay are protected. This year our Affordable Living and Poverty Reduction Tax rebates will provide \$74 million in relief to low-income families and individuals. Since July 2010, the Affordable Living Tax Credit has put \$178 million back in the pockets of families, and 14,000 Nova Scotians most in need have received up to \$250 each year through the Poverty Reduction Credit.

And fairness must be the hallmark of any progressive taxation system.

To that end, we will maintain the fifth tax bracket for the highest-income Nova Scotians—on taxable income of \$150,000 a year or more—recognizing that from those who earn the most, more can reasonably be expected.

Unlike previous governments, which made the decision to impose the HST on families by taxing the essentials of life, this province's first NDP government stood up for families.

For families purchasing children's clothing, children's footwear, and children's diapers, as well as books and home energy, over \$380 million has been rebated since 2009–2010. This budget will continue helping families make ends meet by providing almost \$132 million in HST rebates.

Mr. Speaker, the budget that honourable members have before them today, the budget that they will examine and debate in the days ahead, furthers this government's commitment to make life better for families, to ensure the health-care system offers better care sooner, to create good jobs, and to extend to every Nova Scotian the opportunity to participate fully in the economic and social life of the province.

Tax measures for 2013–2014 are designed to grow more competitive small businesses; help low-income Nova Scotians and seniors; keep young people and new graduates in Nova Scotia; help families put down roots with the purchase their first home; grow job opportunities in film and digital media; and promote better health.

On January 1, 2014, this government will reduce tax rates for small businesses for the fourth year in a row.

The rate of corporate income tax for small businesses will be 3 per cent. Since we came to office, we have reduced taxes on small business by 40 per cent, returning savings of almost \$78 million for small businesses from Port Mouton to New Minas, from Amherst to Whitney Pier.

Annual savings to small businesses will exceed \$33 million once this fourth consecutive tax reduction is implemented. Eligible small businesses can claim the reduced rate on their first \$350,000 of taxable income.

In this budget, the government is continuing our commitment to support recent graduates, through an additional \$6 million investment in the Graduate Retention Rebate Program. University students who graduated in and after 2009 can reduce their provincial income taxes, starting the year they graduate and in each of the next five years. In the year ahead, we will examine the criteria to qualify for this rebate to ensure that it is reaching first-time graduates and those who need it most.

Mr. Speaker, 28,000 Nova Scotians work in arts and culture industries, contributing almost \$1.2 billion to our economy. The province is working with the industry to help provide the support needed to create more opportunities for these talented Nova Scotians.

This budget continues the government's support for the Film Industry Tax Credit. Since enhancements to this credit were announced in 2010, the film industry has received more than \$62 million in tax benefits. It will receive another \$24 million in 2013–2014 to foster continued growth and employment opportunities. Producers are encouraged to hire locally because they can claim between 50 and 60 per cent of eligible Nova Scotian labour costs. The Digital Media Tax Credit will continue in 2013. The province will continue to work with creative industry partners on how to best serve their sector.

The 2013–2014 budget increases the provincial tax on tobacco. Effective at midnight tonight, the provincial tobacco tax will increase by two cents on each cigarette and on each gram of fine-cut tobacco. Increasing the cost of tobacco is a deterrent for first time smokers, particularly youth.

Small business growth

Mr. Speaker, over time governments have developed and launched new programs to support small business. I have no doubt that these programs were well-intentioned but as these programs proliferated, governments seemed to forget who they were for—small business. Most small businesses have neither the time nor the resources to comb through lists of programs and pages of eligibility criteria to see which ones might be for them.

We are changing all that.

Dr. Donald Savoie, in his astute report to this government, said, “The Nova Scotia government should set out to become the most business-friendly jurisdiction in Canada in terms of accessing government programs and services.” We have taken up the challenge, and are turning the corner toward that goal.

In the coming year, we will reduce red tape for small business, ensuring that business owners can find and access the help they need to grow and succeed.

Instead of wading through a complex list of nearly 40 programs, owners of small businesses will have five doors as clear entry points to the same range of programs and services. With better one-on-one support, more frequent site visits, and shorter approval times, government will better respond to the needs of small business.

Mr. Speaker, in 2009 the economy was suffering and a new Nova Scotia government recognized how important it was to keep jobs in communities. We developed the best-planned capital program in years and created an estimated 6,300 jobs across the province.

This budget includes \$248.4 million to build and maintain roads and other transportation infrastructure; \$38.4 million to improve information technology in public services like hospitals and schools; and \$156.2 million to invest in new public facilities and land purchase.

Mr. Speaker, Nova Scotia’s traditional industries are vital to our way of life and to the economy of the province. Nova Scotia is the only province in Canada experiencing growth in both the number of farms and in farm gate receipts. We want to keep that going.

By relocating offices to Truro/Bible Hill, Cornwallis, and Shelburne, government will better serve farmers and fishermen. In addition, we will invest at least \$250,000 to promote Buy Local food efforts through Select Nova Scotia.

Nova Scotia’s Crown Land holdings increased substantially in the past year, when we acquired 550,000 acres in western Nova Scotia—the Bowater lands. We will be consulting extensively with communities, including the Mi’kmaq

people, regarding the uses and preservation of this land. The Department of Natural Resources has budgeted \$750,000 to ensure appropriate stewardship of this land, and an additional \$2.4 million this year to continue implementation of the forestry strategy.

Turning the Corner

Nova Scotians and this government have successfully faced down four difficult, post-recessionary years. There have been some bumps along the way, but collectively we have a lot to show for our efforts.

More Nova Scotian workers than ever are improving their skills, training for and getting better jobs. In fact, in 2012, more Nova Scotians were working than ever before in our history.

Each year more emergency rooms are staying open. That trend will increase as the government's physician coverage program matures and our physician resource plan moves forward. This budget includes \$3 million to increase the pool of doctors to fill shifts in rural ERs and to improve emergency care through new emergency department standards, paramedic coverage, and medical oversight in CECs.

Last year, the government engaged with Nova Scotians and front-line care providers to develop the province's first comprehensive plan to improve the lives of those who struggle with mental health issues and addictions. How previous governments could look away while an estimated one in five Nova Scotians suffered is beyond comprehension. Action to put the plan to work has begun, and additional funding is in this budget to help those who were ignored for too long.

Seniors have more affordable care options than ever before. Since this government came to office there are almost 1,800 new or renovated long-term care beds. Home-care services have significantly expanded and improved.

In fact, this government has taken unprecedented steps to help seniors, and is again this year expanding the number who will no longer pay provincial taxes.

These are tangible actions to make life better and a little more affordable for seniors and their families.

This government has a long view, Mr. Speaker. Making life better and more affordable for families is not a quick-fix, stop-gap measure. It's not a one-time cheque for \$155 dropped in your mailbox. It's not borrowing \$600 million and pretending it's not a deficit.

Nowhere is a long-term view more important than in planning for Nova Scotia's energy future. This government's energy plan offers 35 years of secure supply and price stability. It offers clean local power production at competitive rates. It will ensure the lowest, fairest, tax-free electricity rates for Nova Scotians.

Some attempt to convince Nova Scotians that there are better options. But none has been offered that comes close to the benefits Nova Scotians will derive from this government's support of the Maritime Link and our Community Feed-in Tariff program promoting home-grown energy.

Mr. Speaker, over four years we've made huge strides as a government and as a province. It's progress we can build on that will make life better for families—the reason I got into this business in the first place.

We have a premier with experience, a plan, and a vision to lead our province forward. He cares about families, fights for fairness, and believes we can make life here better.

Our back-to-balance plan was rooted in the collective wisdom of Nova Scotians and respected economic experts. We listened to their advice and stuck to our plan.

That is why this budget is balanced.

I want to thank him, all members of this house, and indeed all Nova Scotians for playing a role in getting this great province back to balance and for putting us on the path toward a more prosperous future.

We must continue to look for ways to ensure that our economy turns the corner so our young people can stay and build a life here, Nova Scotians can return home from away, our most vulnerable are protected, and business can thrive.

Together, we have climbed a steep hill.

Together, we will start seeing the hard work pay off. We are beginning to turn the corner.

We cannot turn back.

Thank you, Mr. Speaker.

