



Introduction

I rise in the House of Assembly to present the Province of Nova Scotia's 2007–2008 budget.

Mr. Speaker, this is a good budget for Nova Scotia.

It is a budget that is focused on today and tomorrow.

It is an effective plan—one that advances the Premier's vision for the New Nova Scotia:

- one that will create winning conditions through a globally competitive business climate, workforce, and connections
- one where we can seize new economic opportunity by being a leader in information technology, research and development, innovation, and in the clean and green economy, and
- one that will support Nova Scotians in their efforts to become healthier and more active, in safe and accessible communities, neighbourhoods, and workplaces

Mr. Speaker, the budget is disciplined and it is strategic. We have contained costs.

At the same time, we are making significant investments in this province and its people that will create opportunities for many years to come.



Debt Reduction Is Top Priority

Mr. Speaker, Nova Scotia has had good financial results in recent years, and we will see that continue. That is why we have made debt reduction one of our top priorities for today's budget.

Nova Scotia's debt was built up through the 1980s and 1990s, as successive governments ran annual operating deficits, sometimes in the hundreds of millions of dollars. Every year those governments borrowed a lot of money just to pay their bills. And they left behind a massive debt.

It has taken many years of hard work to reverse the damage to our finances.

In 2000, we passed a law requiring balanced budgets in Nova Scotia. We have produced surpluses in each of the last five years—all of which went straight to the debt.

In 2005 we received \$830 million from the Government of Canada for the hard-fought Offshore Accord, and we chose to apply it to the debt. In the same year, we created the Debt Reduction Plan, with a goal to start bringing down the debt this fiscal year.

Mr. Speaker, this work is now paying dividends.

We have reduced annual net debt-servicing costs from \$890 million in 2004–2005 to an estimated \$840.8 million in 2007–2008.

Nova Scotia's net direct debt as a percentage of gross domestic product has also declined from 46.8 per cent to a forecasted 38.1 per cent for March 31, 2007.

Simply put, Mr. Speaker, we have more money to spend on our programs, now that less money is spent on interest payments.



However, we still have work to do. Nova Scotians still carry among the highest debt per capita in the country.

And that's why we are focusing on debt reduction now.

Mr. Speaker, debt reduction is not an easy thing to do, but it is the right thing to do.

It's time to start paying the bill, on behalf of all Nova Scotians.

And we must create the right conditions in Nova Scotia to pay it off completely—on behalf of our children.

Fiscal Imbalance

We are on the right financial track, Mr. Speaker.

But the Government of Canada has failed to fix the fiscal imbalance.

This, despite their pledge to fix the fiscal imbalance in this country.

Despite their promise and obligation to allow Nova Scotians to use our own offshore revenues to continue on the road to self-sufficiency.

Measures in the federal budget will widen—not close—the gap that exists between the richer and poorer provinces in this country.

The new federal equalization formula essentially forces Nova Scotia to give up a portion of potential future revenues that were guaranteed under the Offshore Accord.

And new methods of allocating other federal transfers, based on a cash amount per capita, actually favour the more-populous provinces like Alberta and Ontario—the ones that already have a far greater fiscal capacity relative to Nova Scotia.



The best example of this is the Canada Social Transfer, which is used to cover the cost of higher education and social services. The federal government will increase national CST funding for post-secondary education by \$800 million in 2008–2009.

But Nova Scotia will see only \$6 million more.

The federal government has technically given us options for equalization this year. We can either stay with the existing formula—and get less—or elect to take the new formula—and take increased revenues in the short term.

But really, it's not much of a choice.

We must take the important increase in federal funding this year. Otherwise, we would be forced to dramatically raise taxes or cut programs.

Mr. Speaker, we are continuing discussions with the federal government and are prepared to look at all options available to us before we have to formalize our choice later this year.

We also welcome the unanimous all-party support we received in the House this week, calling on the Prime Minister to honour the true intent of our Atlantic Accord. We will require the support of Nova Scotians to challenge the formula's unfairness.

As the Premier has stated, we will continue to fight vigorously to restore the Atlantic Accord.

Economic Results

Mr. Speaker, we are fortunate that Nova Scotia has had good economic results in recent years.

We are proud of the responsible fiscal management that has created good solid opportunities for Nova Scotians.



A total of 46,000 jobs have been created since July 1999, and employment reached a record high of 450,800 in February 2007. Unemployment is expected to remain steady at 8.0 per cent.

And Mr. Speaker, the outlook remains positive. We expect real growth of 2.3 per cent, along with low interest rates and inflation.

Nova Scotia will benefit from healthy Canadian and U.S. economies and revenues from offshore energy. Exports of goods and services are expected to increase by 3.5 per cent this year.

Mr. Speaker, I am pleased to report that our strong economy and good financial management have allowed us to end the current fiscal year with positive results.

We are forecasting a surplus for 2006–2007 for the fifth year in a row. The surplus is forecast to be \$98.5 million, allowing us to make a substantial payment on the debt once again.

Total net expenses in 2006–2007 went up \$29 million to \$6.9 billion. This was mainly due to higher program and pension expenses, and these were offset by savings in debt-servicing costs. Meanwhile, total revenues are forecast to rise to \$6.627 billion.

Mr. Speaker, government made a choice last year to increase our capital spending budget.

We invested a total of \$406.4 million on capital projects, adding \$71.4 million to the original appropriation of \$335 million for tangible capital assets, also known as TCA.

This allowed the province to move more quickly with much-needed roadwork and school construction and to take advantage of opportunities to acquire new Crown land.



This extra capital spending resulted in a higher net direct debt for 2006–2007, compared to the original budget.

The 2007–2008 Budget

Mr. Speaker, we have established a number of objectives for this fiscal year, and I am happy to report to the House that we have met them.

Our budget is balanced for the sixth year in a row.

Our debt reduction plan is on track.

And perhaps most important, we are providing sufficient resources to fund the key programs and services our citizens rely on.

And, we're doing it without increasing income taxes or cutting programs.

We are making sufficient investments now to ensure our province prospers in the future.

The 2007–2008 budget will see total net program spending of \$6.38 billion, up 6.5 per cent over last year. This represents significant and substantial investment.

- Department of Health spending will increase to \$2.91 billion.
- Spending on Education—including assistance to universities of \$250.8 million—will total \$1.439 billion in 2007–2008. This is a 5.4 per cent increase over last year's budget.
- The budget for Community Services is \$781.8 million: a full \$33.7 million—4.5 per cent—higher than last year.



Spending on tangible capital assets is estimated at \$254 million.

Our net direct debt for 2007–2008 is estimated to be \$12.414 billion, \$20 million lower than budgeted in 2006–2007.

We anticipate total ordinary revenues of \$7.03 billion in 2007–2008. This is \$440.7 million—or 6.7 per cent—higher than last year’s budget.

Mr. Speaker, we are projecting a surplus of \$118.4 million. This surplus is necessary to meet our debt reduction target.

Mr. Speaker, we considered many scenarios in planning this budget, including some less positive than the end result.

We are not increasing income taxes—either for individuals or businesses—and in fact have been able to move forward with the decreases promised in last year’s budget.

However, we are undertaking a number of measures to offset significant increases in operating expenses.

Investing in Our Pension Plan

Mr. Speaker, our government pension plans must be adequately funded to ensure employees get the benefits they are entitled to when they retire.

Recent actuarial assessments of the Public Services Superannuation Plan indicate that contributions to the plan are not keeping up with the cost of services.

We will therefore increase contributions by 2.4 per cent of salary costs, effective April 1. The cost of this increase will be shared equally by the employer and employees.

* Number revised from earlier version.



User Fees to Increase

Mr. Speaker, the Government of Nova Scotia will increase most user fees and government charges by 6.8 per cent, effective in most cases on April 1, 2007.

The last government-wide increase to user fees and government charges was in April 2004. This measure will help offset the overall rising costs of government programs and services. The amount is tied to inflation over the last three years.

In addition, Mr. Speaker, I want to inform the House that we will support legislation to provide notification to the House, and an opportunity for discussion, regarding any future increase in existing user fees.

Tobacco Prices to Increase

Government continues with ongoing measures to reduce tobacco consumption, according to the provincial tobacco strategy. Effective today, the province will increase tobacco taxes:

- 1 cent per cigarette or the equivalent of two dollars per carton
- 1 cent on the pre-proportioned tobacco sticks
- 1 cent per gram on fine-cut tobacco

Aviation Fuel Taxes to Increase

Effective today, the province will increase the tax rate applied to fuels used in aircraft from 0.9 cents per litre to 2.5 cents per litre. This will bring Nova Scotia's aviation fuel tax rate in line with other provinces. The increase is expected to generate an additional \$2.4 million in revenue.



Tax Measures

We are very conscious of the need to make Nova Scotia's tax system more competitive with the rest of the country. We are making Nova Scotia a more attractive place to live and do business.

With this in mind, we will proceed with a series of measures to ease the tax burden faced by Nova Scotians and to encourage business investment.

Your Energy Rebate

Mr. Speaker, our government demonstrated last year that we take very seriously the impact on Nova Scotians of increasing energy and heating costs. The Your Energy Rebate program, announced in last year's budget, was started a month early to ensure that Nova Scotians would realize the greater benefit of this program during the winter heating season.

This program rebates to consumers the equivalent of the provincial portion of the HST on a variety of energy products, including electricity and home heating oil. This year's budget will cover the full annual cost of the program, leaving \$68.2 million in the pockets of Nova Scotians and easing the financial burden of about 400,000 families.

Basic Personal Amount and Credits

As promised in last year's budget, we will move forward with increases to Nova Scotia's basic personal exemption and other provincial credits. These changes will put approximately \$20 million back into the hands of taxpayers this year.

The basic personal amount exempted from personal income taxes will be \$7,481 in 2007, \$250 more than last year. There will also be a 3.46 per cent increase in other non-refundable tax



credits, including the spousal amount, dependent amount, pension amount, disability amount, and caregiver amount.

Graduate Tax Credit

Mr. Speaker, we want to encourage our university and college graduates to remain in Nova Scotia to work after graduation.

Therefore, we are doubling the Graduate Tax Credit to \$2,000 in 2008. Total tax relief for graduates is expected to cost \$10.9 million in 2007–2008.

Large Corporations Tax

We are following through on our promise to reduce the Large Corporations Tax to 0.225 per cent this year and will eliminate the tax by 2012.

Digital Media Tax Credit

We are introducing a new Digital Media Tax Credit to support digital media producers and encourage them to hire Nova Scotia workers. The intent is to give these companies a 35 per cent credit on eligible Nova Scotia expenditures, similar to the one provided for film production.

Volunteer Firefighters Tax Credit

As promised, the province will introduce a refundable tax credit for volunteer firefighters for the 2007 taxation year, in recognition of the essential role they play in our rural communities.

The credit will be \$250 in 2007 and will increase to \$375 in 2008 and \$500 in 2009. Volunteer firefighters across the province will collectively receive an estimated \$2.3 million benefit in their 2007 taxes. Mr. Speaker, this is cash in their pockets.



Tours and Conventions HST Rebate

To restore the competitive advantage to Nova Scotia's tour and convention industry, government will introduce a provincial program to parallel the Foreign Convention and Tour Incentive Program announced by the Government of Canada on March 19.

Medical Tax Credits

Mr. Speaker, over the next year we will work with the Canada Revenue Agency to develop a means of recognizing, for tax credit purposes, additional groups of medical professionals, such as naturopaths, whose services are part of a course of medical treatment.



Creating Winning Conditions

Mr. Speaker, the new Nova Scotia will be a strong player in the global economy. This budget is about focusing on what we do best in Nova Scotia. We want to do it better than anyone else and to look to both the short and the long term.

It's about creating the winning conditions for prosperity, seizing new economic opportunities, and building active, vibrant, and healthy communities.

Mr. Speaker, in order to position Nova Scotia to compete globally, we must invest in areas where we have solid foundations that lend themselves to future growth and that give our businesses and our people the support and encouragement they need.

More and Better Recreational Facilities

Mr. Speaker, the link between living a healthy lifestyle and enjoying good health is undeniable. If we want Nova Scotians to practise good health habits, we must provide places for them to be physically active, enjoy recreation, and play sports.

Just over two weeks ago, the province and our partners at Halifax Regional Municipality reached the disappointing but necessary decision to withdraw our bid for the 2014 Commonwealth Games. It was a prudent financial decision.

However, it served to highlight the need for more and better recreational facilities in Nova Scotia. Too many communities rely on facilities that were built in the 1950s and '60s and can no longer meet their growing needs.

Mr. Speaker, I am announcing today that our government is embarking on a 10-year, \$50-million program to build, replace, and upgrade recreation facilities in Nova Scotia.



This program will be equally cost-shared with municipalities and communities, which could bring the investment in our communities to \$150 million over the next 10 years. With the existing \$3-million recreational facilities development program, this will mean \$8 million in provincial funding alone available for 2007–2008.

Building Our Infrastructure

Mr. Speaker, growing the economy requires continued planning and solid investment in infrastructure.

Since 1999 we have made significant progress in improving and enhancing our roads and highways, our schools, hospitals, and technological infrastructure. We have made important land purchases, preserving natural spaces that Nova Scotians value.

We will build on that progress this year. We will spend more than \$254 million on tangible capital assets for Nova Scotians and another \$38 million in grants to district health authorities to address hospital needs across the province.

Roads and Highways

A total of \$145 million is earmarked for highway construction in 2007–2008. This includes continued work on the twinning of Highway 101 and of Highway 104 between New Glasgow and Sullivan’s River. There will also be more upgrading on Trunk 4 between St. Peter’s and Sydney.

In addition to new construction, \$186 million is dedicated to road maintenance this year—asphalt patching, ditching and gravelling—and smaller improvements such as intersection and signals, small bridge repairs, and repaving.



Mr. Speaker, it is also important to recognize the importance of carrying out any development in an environmentally sound manner. While the development of a by-pass to connect Highways 102 and 103 near the Hammonds Plains and Sheldrake Lake areas is still at the proposal stage, we intend to move forward with an environmental study on the Blue Mountain Grove Wilderness Area.

Schools

Mr. Speaker, we continue to invest in infrastructure to support the education of our children with \$58.5 million more this year in healthy, sustainable school facilities. We will

- complete construction of two new schools: Harbourside/Robert Jamieson and Citadel High
- continue construction of two new school projects: Musquodoboit High and Harmony Heights Elementary, and
- begin construction on four new school projects: Stewiacke East Elementary, Truro South Elementary, Oxford High, and Northside Elementary

The additions and alterations program will enhance or replace major school building components in 11 schools this year to address building condition and environmental and program issues.

Provincially Owned Buildings

Mr. Speaker, we have committed just over \$18 million to improve government buildings that provide essential services to the public, including

- construction of new justice centres in Lunenburg County and Yarmouth



- construction and improvements to Provincial Buildings in Stellarton and Lunenburg, and
- repairs on historic Government House

Mr. Speaker, I want to inform the House today that as we move forward we are committing to make all provincially owned buildings in Nova Scotia barrier free for public access by 2020.

Information Technology Infrastructure

Mr. Speaker, infrastructure investment is no longer as simple as bricks and mortar. It also includes the networks that fuel business transactions and connect us to markets around the world. We are making important commitments to the continued development of our information technology systems on a number of levels.

This year, government IT projects totalling \$10.87 million will be funded to enhance efficiency and improve services to Nova Scotia. They include

- continued implementation of a common health administration system for Nova Scotia's district health authorities.
- a comprehensive IT application, called Panorama, that will help public health professionals with managing public health information, particularly in a crisis
- a case management system to improve client service delivery at Community Services
- an integrated system to improve services to customers at Service Nova Scotia and Municipal relations, and
- \$225,000 for a new database for field staff conducting food safety inspections



Broadband by the End of 2009

Mr. Speaker, investing in technology is a tangible way to build a sustainable and competitive Nova Scotia. It benefits every citizen, business, and community.

This year, we will be investing \$10 million to begin bringing broadband access to every area of this province by the end of 2009.

The work has already begun.

A pilot project in Cumberland County has brought wireless technology to a number of communities. This project will help us develop a model to achieve broadband access that is both commercially viable and sustainable.

This is important, Mr. Speaker, because we understand IT infrastructure connects Nova Scotia to the world. It helps strengthen and diversify our economic base.

To further this development, the province will invest in innovation for small and medium-size businesses—particularly in rural Nova Scotia. We will provide financial assistance to support investments in new applications, technologies, and equipment by expanding the I-3 program administered through InNOVAcorp. All told, these investments are worth \$1.2 million.

Atlantic Gateway

Mr. Speaker, we are working to create winning conditions through a globally competitive business climate, workforce, and connections.

In the not-too-distant future, a North American trade and transportation gateway to Europe and western Asia will be developed somewhere on the east coast of this continent. We are working to ensure that the Atlantic Gateway is established here in Nova Scotia.



The Atlantic Gateway represents a once-in-a-generation opportunity to create the conditions for long-lasting prosperity and economic growth.

Mr. Speaker, we were pleased to see the federal government make funding available in its budget for gateway projects, and it is fitting that they should—as this is a national, not a regional, undertaking.

However, Mr. Speaker, it is important that we maximize our own efforts and seize this opportunity. This year, this government will spend \$1 million to develop and advance the Atlantic Gateway.

Job Creation and Innovation

It is well known that in every state and province in North America governments are actively involved in job creation and encouraging business development.

Since its inception, Nova Scotia Business Inc. has created and maintained close to 18,000 jobs with a potential total payroll impact of about \$600 million. The direct tax impact to Nova Scotia is \$70 million each and every year.

Last year, as an example, NSBI attracted four of the world's leading financial services and insurance companies to Nova Scotia. This year, NSBI will build on its success and begin to implement a new five-year plan for business attraction that will guide the organization through 2012.

We have also made changes to the eligibility criteria for the payroll rebate program for small and medium-sized businesses, which reduce the number of jobs required by half, from 50 to 25, as an incentive to business investment, particularly in rural Nova Scotia.



And, Mr. Speaker, we hope to be able to lower that number even further in future budget years.

Nova Scotia Economic Development will also continue good work this year to support job creation and research and development in Nova Scotia. Over the past three years, some 3,600 jobs have been created or maintained through investments made by the Industrial Expansion Fund.

As well, we will provide more funding this year to the Research and Innovation Trust for world-class research projects like the Atlantic Computational Excellence Network and the Brain Repair Centre.

We will also increase our student employment program by \$800,000 this year, to a total of \$2.3 million. Mr. Speaker, this means more new jobs for students, bringing the total to more than 600 students working across Nova Scotia.

And, Mr. Speaker, we will invest \$750,000 to revive Nova Scotia's winter works program, which will offer wage subsidies to businesses, municipalities, and not-for-profits, to allow them to hire unemployed individuals. This has the potential to provide hundreds of jobs across the province and help create economic activity in areas of high unemployment.

Seizing New Economic Opportunities

Opportunities for Sustainable Prosperity (2006) sets Nova Scotia on an economic development path that integrates economic, social, and environmental systems.

We know our offshore offers Nova Scotia good business opportunities. This year we will pursue a new strategic offshore marketing plan that will showcase offshore opportunities to



prospective investors and put new geological ideas in front of both current and potential explorers.

To build on this opportunity this year, we are providing \$250,000 to digitize and process our government-owned Sable area seismic data.

To enhance productivity and opportunities in the agriculture and fishery sectors, we are investing in more research. This year we will provide an additional \$50,000 for lobster research programs and \$175,000 for salmon research at the Margaree River Hatchery.

In addition, farmers who are retiring debts incurred under the Ruminant Loan Program and the Pork Nova Scotia Loan Program will be eligible for \$6.2 million in grants beginning in April 2007.

Mr. Speaker, agriculture in Nova Scotia has no greater friend than the honourable member for Colchester-Musquodoboit Valley.

Our colleague, the Minister of Agriculture, is a passionate and persistent advocate for Nova Scotia's agriculture producers. He articulated to government a compelling picture of the many challenges faced by Nova Scotia pork producers. We all wish he was able to hear this budget presented.

The provincial hog industry has experienced a number of issues in recent years, including excess supply in North America, the strong Canadian dollar, and rising production costs. The industry's fundamental disadvantage continues to be transportation costs for feed grain.

That's why we are providing an additional \$500,000 to Nova Scotia's pork producers to assist in income support to help them make the transition to profitability.



Mr. Speaker, I want to be clear: the government is committed to supporting Nova Scotia's agriculture industry as it moves toward a greater prosperity and self-sufficiency. In fact, we will hire industry liaison officers who will work with the farming community to address pressing issues in the agriculture industry.

And finally Mr. Speaker, we want to encourage Nova Scotians to continue to support their own farming and fishing industries. This year we have allocated \$250,000 to establish a marketing program designed to encourage Nova Scotians to "buy local."

Competitive Business Climate

Mr. Speaker, for Nova Scotia to truly succeed, we must have a competitive environment for doing business. Government must work with the business community to foster innovation, creativity, and resourcefulness.

Mr. Speaker, we are very pleased about the progress we have made through a number of Better Regulation initiatives under way across government.

This includes the \$900,000 Competitiveness and Compliance Initiative to help businesses and other organizations comply with provincial laws and regulations. In addition, government will also invest \$100,000 this year in BizPaL, an online service that makes it easier for business to find and apply for permits and licences by business sector.

We are also taking innovative new approaches to traditional industry sectors, actively marketing our assets and identifying new opportunities.

We will spend \$2.5 million more for tourism marketing and product development. This is consistent with our new tourism plan, *New Realities, New Directions*, developed with the



industry through the Tourism Partnership Council. This funding, together with additional investments in marketing and attractions, will create more opportunities for our tourism sector.

In agriculture, we are providing \$750,000 to the Strategic Infrastructure Investment Fund, which supports and promotes good business management and market readiness in the agricultural sector.

Building for Individuals, Families, and Communities

Education and Skilled Workforce

Mr. Speaker, the province's investment in the education of its people—at all stages of their lives—is at the heart of its strategy for a vibrant, prosperous, and sustainable Nova Scotia.

Nova Scotia's public school system addresses the needs of primary students experiencing school for the first time through to high school students preparing for their lives as adults. This year, government will invest an additional \$34 million in Nova Scotia's public education system—an increase of 5.2 per cent per student.

Mr. Speaker, to accommodate our youngest learners, we will continue our pre-primary pilot this year, while moving forward with a study of the needs involved with moving Nova Scotia's grade primary age eligibility from September 30 to December 31 of the school year. We will implement the change in time for the 2008–2009 school year.

We will also continue to invest in the health and well-being of future generations by supporting physical education



programming at all grade levels. This year another \$300,000 is being committed to hiring more phys-ed teachers across the province.

And for our older students, we will enhance our commitment to the Options and Opportunities program—giving high school students a greater choice in identifying the educational path that best suits their interests and future career plans. This year, we will invest up to \$1.3 million to further expand choices for hands-on learning in the areas of vocational and composite programming. When implemented, the new programming will offer students opportunities for trade-specific learning in the areas of metals, wood, plumbing and pipefitting, and electrical work.

And, Mr. Speaker, completing our commitments to supporting families whose children have specific needs that cannot be met within the regular school system, the province is also allocating \$350,000 to provide funding for a permanent third year of tuition support. This program enables these students to benefit from specialized expertise that is available at a designated private school for up to three years. Tuition support is one of our many Learning for Life initiatives that help students with special needs.

This year, we will also complete the implementation of the Black Learners Advisory Council (BLAC) Report. We are investing an additional \$1.6 million to ensure that the good work of this group continues to enhance learning opportunities and outcomes for the province's African Nova Scotian student population.

Mr. Speaker, we continue to work with our school boards, our partners in education, to complete the transition to a new school board funding formula with the allocation this year of \$2.35 million to this process. In 2007–2008, the Halifax Regional School Board, the South Shore Regional School Board, and the Conseil scolaire acadien provincial will benefit fully



from the transition to the new formula recommended by the Hogg Report.

Globally Competitive Workforce

Mr. Speaker, another key aspect of Nova Scotia's lifelong education system is the emphasis on ensuring that the province has the skilled workforce it needs to grow its economy. Government continues to make significant strategic investments in education and skills training to develop a skilled workforce in Nova Scotia. This year is no exception.

Total provincial funding for post-secondary education has grown from \$340.2 million in 2003–2004 to \$447.2 million in 2007–2008. This includes funding to universities, the Nova Scotia Community College, spending on skills and apprenticeship programs, and support to students.

Mr. Speaker, this year, overall, the Nova Scotia Community College system will receive an additional \$13.5 million—an increase of 15.3 per cent. This includes \$4.84 million to create 591 more student seats across Nova Scotia, with a particular focus in the areas of skilled trades and information technology training.

In addition, recognizing that skilled tradespeople are in tremendous demand, we are investing \$3.6 million in strengthening Nova Scotia's apprenticeship training system and making it accessible to more people. Nova Scotia's skilled trades workforce will play an important role in the province's economic growth over the coming years, and this is an area of tremendous employer demand.

In the area of university education, we are increasing our funding in this year's budget by \$22.9 million, or 10.1 per cent, to ensure that more Nova Scotians can enjoy the benefits of higher education:



- \$12.5 million of those funds will be used to offset the 3.9 per cent tuition increase scheduled for the 2007–2008 school year. This will result in a tuition freeze at September 2006 levels for most Canadian students and an equivalent reduction in tuition rate increases for medical, dental, law, and international students.
- An additional \$11.6 million will be used to provide a student bursary of \$500 for Nova Scotia residents attending Nova Scotia universities.

This is the next step in this government's commitment to bring Nova Scotia tuition rates in line with the national average by the 2010–2011 school year. And, Mr. Speaker, the province is further investing to help students access affordable loans to help finance their university education. As a result of last year's reduced parental contribution amount and changes to the formulas used to calculate student loan eligibility, we anticipate issuing \$2 million more in student loans this year.

At the same time, the province will introduce a new Repayment Assistance Program that will help graduates who are having difficulty repaying their loans reduce their expected payments to more manageable levels.

And the province will begin shortly to directly fund the Nova Scotia Student Loan Program in order to provide lower interest rates to student borrowers.

Finally, Nova Scotia is introducing a new multi-year needs-based grant program in 2007–2008 to help students from low-income families to fund their second, third, fourth, or fifth year of studies.

Health Care

Mr. Speaker, good, quality health care remains a priority for Nova Scotians—and indeed for all Canadians. This year we are committing almost \$3 billion on Health and Health Promotion and Protection ... more than ever before.

Health-care spending has increased by over 8 per cent per year over the past decade. In this budget we have to balance not only the needs within the health system, but also the competing—and equally important needs—of all government services. So this year we have limited the increase in health-care spending to 5.3 per cent.

That being said, we are providing sufficient funding to maintain the existing health-care programs and services that Nova Scotians count on every day, while increasing investments in priority areas such as home care and long-term care, oncology, and equipment and infrastructure.

Mr. Speaker, we invest more every year in cancer treatments and supports. We have purchased equipment such as linear accelerators and MRIs and last year funded three new oncologists for the province. We have expanded oncology clinics for Inverness, Antigonish, New Glasgow, and Yarmouth and are investing to provide a new oncologist for Kentville so patients can receive care close to home.

Mr. Speaker, we've also invested in new digital screening equipment and a central booking system to increase access to mammography screening and assist women in getting more accurate test results, sooner.

This budget will augment the existing measures.

- We will invest \$300,000 to develop and establish a colorectal screening program, as recommended by Cancer Care Nova Scotia.



- We will add another \$2.7 million, primarily for oncology operations at Capital Health and the Cape Breton District Health Authority. This investment will help expand staffing to better respond to the needs of patients and their families. This includes RNs, radiation therapists, social workers, and other support staff.

Public Health Renewal

Mr. Speaker, one of government's goals is to make Nova Scotia a safe and healthy place to live, work, and raise families. We are committed to renewing the public health system, in part through a larger budget for the Department of Health Promotion and Protection.

This year we will appoint a Public Health Leader, develop a Population Health Assessment and Surveillance responsibility centre, and work on coordinated and comprehensive emergency preparedness and response plans. This will add to our knowledge about the threats and opportunities we face as we proactively look to improve our health standing.

Mr. Speaker, immunization is a cornerstone of modern public health and is fundamental to building a healthier Nova Scotia. In fact, immunization is a proven and effective way to prevent many forms of childhood and adult diseases. Government has an obligation to protect Nova Scotians, when possible, from preventable diseases.

Nova Scotian women suffer from the highest incidence of invasive cervical cancer in Canada. The human papilloma virus causes almost all cervical cancers and kills about 400 Canadian women each year. But there is new hope in the fight against this disease. A vaccine has been developed that is proven to decrease the incidence of cervical cancer, and Mr. Speaker, we will begin an HPV immunization program for young women in Nova Scotia this year.



Working within a federal program, we will spend almost \$3 million to vaccinate girls and young women as part of our school-based immunization program. The HPV vaccine will form an integral part of our provincial immunization program and will support our overall goal of making Nova Scotians as healthy as possible.

Strengthening environmental health protection is a key component of improving public health. And, Mr. Speaker, government will add close to \$755,000 more to environmental health protection activities across government. This provides funding for more inspectors and other staff to promote food and drinking water safety standards.

We know that for many Nova Scotians being healthy means relying on prescription medications. And for some, paying for medication is a burden. That is why we are making a significant commitment of \$189.6 million this year to Pharmacare.

This includes

- \$134.9 million for Senior's Pharmacare, about \$2 million more than last year
- \$52.7 million in Pharmacare for income assistance recipients and their dependents, and
- \$2 million in Pharmacare for children of low-income parents

We will also spend \$5 million this year to develop a new, publicly subsidized prescription drug insurance program for working families. This expansion will almost double the number of Nova Scotian families who are eligible for Pharmacare.

Mr. Speaker, like other Canadians, we value a quality health-care system, with access to care by excellent caregivers. Investment in these health-care workers represents nearly three-quarters of the health budget and is a major contributor to rising health-care costs.



We are proud to have funded significant increases in wages, health benefits, and pensions over the last decade. In fact, in most cases our health-care workers are leading their counterparts in Atlantic Canada when it comes to compensation. This, year we will spend an additional \$45.6 million to cover negotiated settlements for wages, salaries, and benefits in the health-care sector.

Services for Seniors

Mr. Speaker, seniors are the fastest-growing segment of Nova Scotia's population, and we have a large number of people with disabilities. In this, the second year of our Continuing Care Strategy, we will develop and expand a number of services and programs to serve the needs of our seniors.

First, Mr. Speaker, through this year we will establish a Department of Seniors, which will advocate, develop policy, and coordinate programs for our senior citizens. We will add another \$800,000 to the budget for seniors, bringing funding for seniors to \$2 million, as we undertake this new development.

Other commitments include

- \$3 million to expand respite programs that will provide relief to caregivers, enabling them to continue to provide care
- \$2 million for a provincial adult day program to enable caregivers to continue caring for family members and others
- plans to create 832 new long-term care beds and work with service providers to replace 721 beds in aging facilities, and
- \$4 million for the Expanded Home Repair/Adaptation Program, to help seniors make repairs and renovations to address health and safety issues in their homes



Mr. Speaker, many seniors simply need a helping hand to remain in their own homes instead of moving to a seniors' facility—sometimes away from their own community. Government will provide \$800,000 this year to the Department of Community Services to launch a pilot program that will provide funds to help caregivers look after ailing loved ones in their own homes. This could mean the difference between staying in the family home or moving to a care facility.

We also intend to improve accessibility and mobility for seniors who live in senior citizen housing units. We will install 13 new elevators in buildings across the province to improve the quality of life and mobility for many living in seniors' housing.

Nova Scotians with Disabilities

Mr. Speaker, providing assistance for those who have special needs or disabilities is a key role of government. And we recognize that adults with disabilities have different needs, based on their own individual circumstances. To help them, supports are provided to allow them to stay in their homes, to live independently or with the help of another family.

This year, we are providing an additional \$2.2 million to Community Services to make their programs and services available to more individuals with disabilities. This funding will help improve client service delivery and better meet the needs Nova Scotians with disabilities who depend on our support.

We will also embark on a new program to help families make their homes more accessible to wheelchairs. Nova Scotians will be able to make improvements to their homes to enhance accessibility for themselves or loved ones.

Currently, applications for funding are made after an individual becomes disabled, which may be appropriate if the disability is



a result of an unforeseeable accident or sudden illness. But the approach isn't ideal for a person whose loses mobility as a result of a longstanding condition.

Mr. Speaker, this year we will change this program to allow eligible Nova Scotians who will require a wheelchair in the near future to get the help they need sooner to make their homes accessible.

We will increase income limits by 30 per cent, from \$30,000 to \$39,000, to allow a greater number of Nova Scotians to take advantage of this assistance. The maximum amount of assistance is also increasing by 66 per cent, from \$3,000 to \$5,000, making more-extensive work possible.

Environment—Clean and Green

Mr. Speaker, this week we have made clear our commitment to our environment.

At every opportunity, this government will make decisions that protect our environment and enhance our environmental practices. The Environmental Goals and Sustainable Prosperity Bill explicitly recognizes that the province's environmental assets are the foundation of its long-term prosperity. It has a broad goal of making Nova Scotia's environment the cleanest and most sustainable in the world by 2020 and commits the government to implementing Nova Scotia's growth strategy—Opportunities for Sustainable Development.

Specific measures relate to greenhouse gases, sulphur dioxide emissions, wastewater treatment facility discharges, targets for renewable energy sources, and protection of wetlands. It is among the most ambitious commitments to the environment in the country.



The world has long recognized the energy potential in the Bay of Fundy. It is estimated that its massive tidal swells can provide about 300 megawatts of potential energy from just eight small sites, enough to power roughly 100,000 homes. We will proceed cautiously to ensure the safest, most innovative use of our amazing resource. A \$250,000 strategic environmental assessment will help identify the potential impact of these devices on marine life, fisheries, and many other factors and also set the stage for choosing an appropriate test site.

Mr. Speaker, government is also investing \$200,000 to start development of a water strategy that will address security and sustainability of Nova Scotia's valuable water supply.

And Conserve Nova Scotia will have a \$10.2-million budget to help Nova Scotians learn to reduce their energy use, both to save money and to help the environment. Programs will focus on residential, commercial, industrial, and transportation sectors.

Families and Communities

Economic opportunities and our commitment to protecting our environment help to strengthen our communities and make Nova Scotia such a great place to live and raise a family. But like everywhere, we have our share of social issues. Existence of a problem does not define a society; the true test is how society responds to the problem.

Here in Nova Scotia, we have learned from the Nunn Commission inquiry into the tragic death of Theresa McEvoy. As we announced earlier this year, the province has accepted all 34 recommendations of Justice Nunn, and this year we will invest more than \$5 million to implement these recommendations. Three million dollars of this will focus on prevention and addressing the needs of families and youth in Nova Scotia. This includes hiring a senior official responsible for the development



and initial implementation of a provincial child and youth strategy. These initiatives will help improve community safety by providing more supports for children, youth, and families. They will also help young people turn their lives around if they get in trouble with the law, and before they become repeat offenders.

Mr. Speaker, too many Nova Scotians, especially those in urban areas, do not feel safe on their own streets at night. It is a growing trend that cannot continue. As promised, this year, we will spend \$7.5 million in the first year of a four-year program that will put 250 new police officers on our streets.

But that's not all we are doing to help make Nova Scotia streets and communities safer. A new public safety investigation unit will have the power to investigate complaints related to prostitution, illegal liquor, drugs, or gaming. And, Mr. Speaker, we will continue the Rewards for Major Unsolved Crimes program, which encourages citizens to provide information that may help solve crimes.

Mr. Speaker, our society has made tremendous strides in the fight against drinking and driving, but there is more we can do to reduce the number of vehicle fatalities and injuries due to drunk driving. This year we will introduce the ignition interlock program in Nova Scotia—a program that disables a vehicle from being driven if the driver has been drinking. I am very happy to announce that this year we have earmarked \$722,000 to implement the first year of the ignition interlock program, in an effort to reduce the number of drinking-related tragedies on our roads and highways.



Culture and Diversity

Mr. Speaker, for all we have in common, Nova Scotians live in distinctive communities and come from a variety of diverse backgrounds. But wherever we come from and wherever we live, our sense of community is strong. We want to enhance this sense of community by, among other measures, investing in our arts and culture industry.

This year we will spend \$410,000 more to nurture and support emerging arts and culture projects that have the potential to become export-ready products, to help existing and established artists find new markets, and to encourage new talent. In addition, we will invest an additional \$1 million to help address critical infrastructure needs in the Nova Scotia Museum system and to further support community museums.

Part of our commitment to our various and diverse communities has been to make sure that Acadians and all Nova Scotians have access to provincial government services in both of Canada's official languages. In partnership with the federal government, this budget includes \$688,000 to expand on the considerable progress that has been made in providing French-language services over the past year.

Mr. Speaker, one of my other Executive Council responsibilities is that of the Office of Aboriginal Affairs. Last month, on behalf of the province, I had the honour to sign the framework agreement for the made-in-Nova Scotia negotiation process with our First Nations. Mr. Speaker, this year we will provide more financial resources to the Office of Aboriginal Affairs to support the continuation of this important work with the Mi'kmaq–Nova Scotia–Canada Tripartite Forum.

The Office of African Nova Scotian Affairs will continue its good work on behalf of African Nova Scotians. In particular, the Cape Breton satellite office is now fully staffed and will begin its first full year of serving the public in 2007–2008.



Immigration

Mr. Speaker, we are entering the third year of our immigration strategy, and we will continue to promote and increase immigration to Nova Scotia. This year the budget for the Office of Immigration will increase to \$3.728 million to support our immigration strategy.

We are very pleased with the progress. Between 2003 and 2006 the number of immigrants increased by 66 per cent, from just under 1,500 to just over 2,500. And Mr. Speaker, this year we will partner with employers experiencing skills shortages to strategically focus our Nova Scotia Nominee Program recruitment efforts. To enhance those efforts, two new nominee program officers will be hired to assist in recruitment and help respond to the growing number of immigrants interested in living and working in our province.

Conclusion

Mr. Speaker, like every budget, this one is about choices. We have made the best choices for Nova Scotians.

We will continue to fight for fair treatment of Nova Scotia and recognition of our Offshore Accord as inviolable.

In the meantime, this budget allows us to protect and enhance the programs and services Nova Scotians hold dearest and to continue reducing our debt without having to raise personal or business income taxes, and without cutting other programs.

It is a budget that allows us to advance the goals of the new Nova Scotia by laying a solid and sound fiscal plan for the year ahead.

Thank you.