



Budget

2021–22

A Fair and Prosperous Future:
Path to Balance

Budget Address



NOVA SCOTIA

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A Fair and Prosperous Future: Path to Balance

Thank you, Mr. Speaker.

Let me begin by acknowledging that we are on Mi'kma'ki – the traditional territory of the Mi'kmaw people.

It is a privilege to deliver the government's *Budget 2021–22*.

As the son of Greek immigrants, it is a special honour to be the first Greek descendant in the history of Canada to table a budget, especially today which marks the 200th anniversary of the independence of Greece.

This is a historic budget for Nova Scotians, one developed against the backdrop of a global pandemic – but one that looks to the future with confidence and optimism as we lay the foundation for our recovery from this virus.

Our budget reflects the priorities of Nova Scotians: sound fiscal management, a strong economy where businesses grow; a resilient and responsive healthcare system focused on addressing the challenges of long-term care, public health, and mental health; a fair and respectful province that is clean and vibrant.

And, I am proud to say, Mr. Speaker, that this budget clearly lays out the path to balance.

In four years, Nova Scotia's books will be balanced – the result of strong fiscal management, prudent spending, which will allow us to invest in what is important to Nova Scotians.

This has allowed us to deliver a budget that includes no tax increases, no increases in fees, as well no new taxes or fees. We are striving to keep life affordable for all Nova Scotians and their families.

As always, our government strives to improve the lives of all of us and defines progress through economic growth as well as new metrics, such as well-being and quality of life.

Mr. Speaker, the province's next chapter is being written right now – and it tells the story of a modern Nova Scotia on the path to balance.

Nova Scotia had a very strong fiscal position when the pandemic arrived on our shores.

Good fiscal management over the past seven years led to four balanced budgets, and we were on track for a fifth before COVID-19 arrived.

This budget strengthens that foundation for an economic recovery despite the pandemic, which has had a profound impact on Nova Scotia, Canada, and the world.

Governments everywhere are facing significant deficits, but Nova Scotia's strong fiscal position has meant our deficit relative to our GDP is one of the smallest in the country.

Budget 2021–22 is projecting a deficit of \$584.9 million, with revenue estimates of \$11.8 billion and expenses, after consolidation adjustments, of \$12.4 billion.

This is not a structural deficit. It is shorter term and caused by COVID-19, allowing us to anticipate that our economic situation, revenues, and expenditures will return us to the strong economic position we had pre-COVID-19.

Government is forecasting a deficit of \$705.5 million for the 2020–21 fiscal year. This was due to the softening revenues and increased government spending to make sure Nova Scotians were protected from this insidious virus.

It is also not the largest deficit in our province's history.

In 2013–14, we were facing a deficit of \$675 million, and our government eliminated it three years later.

This should give all of us great comfort and confidence that we will return to the strong economic position we were in pre-COVID-19.

Our government is confident in our future, and that's why our budget contains Capital investments of more than a billion dollars.

Nova Scotians deserve credit for taking care of one another. Our province came together as a community during the pandemic. That is why we have weathered the past year better than most.

Now, we are seeing the results of our sacrifice.

Nova Scotia is leading the way in Canada in job recovery, gaining back jobs that were lost during the pandemic. Our population still continues to grow, attracting new residents from other provinces and countries. As of January 1, 2021, we reached 979,449, the highest population on record.

All credit rating agencies have confirmed that our outlook is stable.

In February, Moody's credit rating agency cited strong management practices and policies as the reason for the continued positive outlook.

It also noted that Nova Scotia is expected to perform better than many other Canadian provinces with the fiscal impact of the coronavirus pandemic.

Budget 2021–22 makes thoughtful and strategic investments that will continue to keep our house in order.

Highlights of *Budget 2021–22* include

- \$1 billion in capital funding for infrastructure and innovation
- More than \$1 billion for continuing care through improvements to long-term care and home care, a \$119.6 million dollar or 13 per cent increase from last year
- \$336.5 million for mental health services — a \$19.2 million dollar increase from last year
- \$26 million through the green fund to take action on the environment and climate change
- \$100 more per month for each adult who receives Income Assistance — \$35.2 million in additional funds
- \$24.2 million to protect Nova Scotians from COVID-19 with vaccines that will get us back to our pre-pandemic lifestyle
- \$12.2 million for more physicians
- \$5.7 million to increase Public Health resources

An economy where business can grow

Nova Scotia is expected to emerge from this pandemic faster than our provincial peers and stronger than before.

The key to economic recovery starts with containing the COVID-19 pandemic. That means creating the conditions to allow easing of public health measures, rebuilding public confidence, and continuing to support Nova Scotians and businesses.

And our recovery has already started – employment has increased to 465,200, which is just 1,800 below pre-pandemic levels, according to the most recent numbers from Statistics Canada.

Employment among women is now above pre-pandemic levels.

Positive news – but still a lot of work to do. The pandemic has had a significant impact on the business sector, and as a government we work hard to give them the best chance of success.

Our government will focus on creating an economy where businesses can grow and hire.

The refocused Department of Inclusive Economic Growth will continue our ongoing strong partnership with the business community.

We will soon be launching our Economic Growth Council, which will advise government on how to create a stronger ecosystem to start and grow a business in our province.

Nova Scotia can become a start-up capital. Our post-secondary institutions and quality of life are clear advantages, but we can do more to create a place where start ups grow and create good jobs.

That's why we recently announced almost \$17 million for Nova Scotia's universities to expand and enhance their computer science programs.

Budget 2021–22 includes a \$723,000 increase for Unama'ki Pathways in Technology (PTECH) program, an integrated partnership for Mi'kmaq students with a focus on science, technology, engineering, and math (STEM), and developing workplace skills.

The digital future is here, and digital skills are essential to creating the jobs of today.

That future also includes small businesses, which are the backbone of our economy.

Our government recognizes the profound impact of the pandemic on restaurants and other small businesses in the service sector.

Earlier this month we announced a new \$7 million Small Business Real Property Tax Rebate to provide about 3,300 qualified businesses a one-time partial rebate on their property taxes.

We know that our wineries, breweries, distilleries, and restaurants are achieving international standards of excellence and recognition.

Over the next five years we will invest \$5.4 million for a new five-year Nova Scotia Quality Wine Strategy.

We are also investing \$1.2 million annually to support the hospitality industry by expanding the 10 per cent Nova Scotia Liquor Corporation discount to include canned and bottled beer, cider and ready-to-drink products.

Tourism has been hit hard, too.

To help, we announced a \$7.3 million program to support Nova Scotia's hotel, motel, and inn operators through the Nova Scotia COVID-19 Response Council fund.

There is more.

The Tourism Digital Assistance Program is helping tourism operators to adapt to digital technologies. We will continue to support this \$1 million dollar program that helps businesses better meet consumer expectations.

Tourism Nova Scotia is also offering online education and training for businesses about the digital economy, including a website bootcamp and digital content marketing.

The pandemic has highlighted the need for businesses to have a strong online presence and to ensure they have online sales and booking capabilities.

The pandemic also highlighted stresses and strains in other sectors — and opportunities.

Nova Scotia Business Inc. will be focused on attracting more people to rural communities through remote working opportunities and attracting businesses to fill lease vacancies to help reduce commercial vacancies.

Our province's universities prepare a skilled and well-educated workforce that Nova Scotia employers need. They attract international students who are increasingly choosing to stay in Nova Scotia.

Universities are the engines for research and development.

Budget 2021–22 includes a \$3.7 million increase to the university operating grant as part of the multi-year agreement.

In 2013–14, the university operating grant funding was \$283.8 million. The total operating grant for 2021–22 is \$372.1 million, representing an increase of 31 per cent in support over this time.

Immigrants create jobs and help fuel our economy.

Our newly renamed Office of Immigration and Population Growth recognizes the importance immigration plays in the success of our economic recovery and the vibrancy of our communities.

Since we were first elected, immigration to Nova Scotia has tripled. Immigration numbers skyrocketed pre-pandemic.

At the same time, our economic growth accelerated, employment strengthened rapidly, and our unemployment dropped to the lowest rate in almost 50 years.

Regulations cost businesses time and money and decrease competitiveness.

That's why reducing red tape will continue to be a priority for our government. We know an improved regulatory climate is key for growth and the toll of the pandemic on businesses means the need has never been more urgent.

The Office of Regulatory Affairs and Service Effectiveness has already found \$50 million in net annual savings for business since 2017.

We have increased the target for this year by another \$10 million.

Five million dollars of those savings will be found in the first three months of the fiscal year.

Our commitment is creating a strong economy where businesses can grow. Strong financial management enables us to make investments to improve the lives of Nova Scotians.

Modernizing healthcare

Modernizing healthcare is a focus of this government. We are increasing healthcare spending in key areas such as mental health and addictions, long-term care and public health, plus direct support for those most in need as they face cost of living increases.

The year 2020 delivered an unexpected health crisis across the world that required immediate attention.

We devoted \$617.3 million in 2020 in resources and support to fighting the COVID-19 virus.

Our government is dedicating \$24.2 million to distribute vaccines across the province to ensure Nova Scotians are protected as quickly as possible.

Our goal is for all adults to receive their first dose by the end of June — contingent on the federal government delivering the vaccine supply.

We are also ensuring that our frontline healthcare workers — the heroes throughout this pandemic — are protected.

Our government is spending \$64.2 million on personal protective equipment.

As we focus on the pandemic, we have not taken our eyes off other aspects of our healthcare system.

Good public health is good for people, good for consumer confidence, good for business, and good for the economy, and we have seen the invaluable contributions of a strong public health system.

We are adding \$5.7 million to Public Health as we continue to face this pandemic. Over the next four years, this investment will increase to \$14 million.

Public Health is more than being ready for pandemics. This investment will be used at the Department of Health and Wellness and Nova Scotia Health Authority for new positions, communicable disease prevention and control, healthy communities, and population health surveillance.

Additional funding will also be provided to the Nova Scotia Health Authority as part of the \$76.1 million increase to its operating budget to expand capacity, including beds, across the province.

We are also increasing support for the IWK by \$7.6 million.

Mental Health

The pandemic has also raised additional challenges for Nova Scotians facing mental health struggles and addictions, and we are responding on many fronts with clarity and purpose.

Our government is investing \$336.5 million in mental health, an increase of \$20 million, which represents the largest expenditure in this area in the province's history. An increase of 5.15 per cent from last year.

The bulk of our commitment – \$43 million on the addictions and \$134 million on mental health services and programs – will be administered by the Nova Scotia Health Authority.

As we recently announced, we are establishing the Office of Mental Health and Addictions, which reports to the Minister of Health and Wellness and is focused on a proactive approach to dealing with mental health and addictions.

We are providing \$1.5 million to start up this office in the first year and intend to employ 15 full-time staff including addiction counsellors, psychologists, and other mental health experts who will improve and lead the province's Mental Health and Addictions Strategy.

Improved access to addictions services that meet the needs of Nova Scotians is in high demand. We are creating regional HUBS to improve access to addiction services. *Budget 2021–22* provides the first \$1.3 million investment, which will be followed by increasing investments until 2024.

We are funding a new, easily accessible service without the need for referrals. Single session therapy focuses on addressing an immediate issue the same day with trained staff. We will be investing \$5 million for this initiative this year.

The goal is to help people access mental health and addiction services and to identify the best available solution in the person's moment of need.

Virtual care can also improve access to safe, timely, and appropriate care by professionals in publicly funded health services.

Recognizing the effectiveness of virtual care in the mental health space, we are providing \$5.9 million for an e-Mental Health and Addictions action plan to develop a coordinated, integrated, and efficient service with our partners Nova Scotia Health Authority and IWK.

Long-term care: a historic investment

We are committed to doing better for our seniors in long-term care facilities and in our communities.

For the first time in the province's history, government has had a single-year billion-dollar investment in continuing care.

Budget 2021–22 includes \$12.3 million in new investments to continue to implement recommendations from the Expert Panel on Long-Term Care.

The quality and availability of long-term care will improve due to a multi-year commitment to Long Term Care Infrastructure Renewal.

Our government is allocating \$34.5 million over four years to replace or renovate seven nursing homes, adding more than 230 beds across the province by 2025.

Virtual health

The pandemic accelerated efforts to innovate in the delivery of healthcare. Through virtual platforms and even the old-fashioned telephone, many Nova Scotians were able to keep in regular contact with their doctors.

Our government will ensure that Nova Scotians continue to receive easy access to their physicians through virtual care.

Through a bilateral agreement with the federal government, we are adding \$2.8 million to expand the use of virtual tools and digital approaches to providing healthcare.

We are making virtual care investments in three key areas: the mental health and addictions website, online appointment booking for services such as diagnostic imaging, and a strategy to further develop virtual care.

We are also making investments in training more doctors by providing \$12.2 million to Dalhousie University Medical School for a number of initiatives.

For example, we are continuing funding 16 seats at the medical school that were added last year and have increased the funding by \$1.2 million for a total of \$2.7 million.

The seats focus on rural communities, Mi'kmaq and other Indigenous Peoples, and African Nova Scotians.

We have increased funding by nearly \$300,000 for a total of \$2.7 million, for the next cohort of 10 family medicine residents.

As well, we have increased by \$2 million to a total of \$6.8 million for the third cohort of 15 specialty residency placements.

Investments have also been made to ensure more Nova Scotians can get the hip and knee replacements they need, more quickly, with a \$1.9 million increase for orthopedic surgeries.

Finally, Nova Scotia is leading the way through the Human Organ Tissue Donation Act. With an increase of \$1.9 million, we can improve and save more lives by ensuring more people who need organs and tissue donations get them.

Environment and climate action

A cleaner economy creates jobs, supports a healthy environment, and benefits all Nova Scotians.

That is why government is investing more than \$80 million in new and continued climate change and green economy initiatives this year.

Funding in Energy and Mines, Municipal Affairs, and the renamed Department of Environment and Climate Change recognizes the importance of climate change to government policy and decision making.

Climate change is the challenge of our generation, and our government has already begun to take decisive action to address this issue.

Energy efficiency programs are good for the economy, the environment, and our cost of living. Upgrading and retrofitting homes to make them more efficient also helps alleviate energy poverty by lowering people's bills.

Last year we announced several initiatives that will be funded from Green Fund.

These include

- incentives for energy efficiency upgrades for affordable housing
- rebates to homeowners installing solar panels
- incentives for energy efficiency upgrades for small businesses and not-for-profits

- funding for the Clean Leadership program to allow 175 youth interns to work on climate change projects across the province
- rebates for clean, reliable, new and used electric vehicles, including e-bikes

This year we will spend approximately \$26 million through the green fund to address climate change with an added equity and anti-racism lens.

As we complete our new climate plan, we will be nimble in capitalizing on strategic opportunities throughout the year. But we know the highest returns for our citizens and for our environment are on efficiency upgrades.

Our government will continue to support efficiency programs, increasing conservation measures and reducing greenhouse gas emissions.

We are also working with municipalities to leverage federal infrastructure funding for the electrification of our public transit.

We are committed to higher-value development of our natural resources as we innovate and grow our exports.

Food is the single biggest industry in Nova Scotia, and that's why we supported its growth with a \$5 million investment to extend growing seasons, increase food security, and help the industry reduce its carbon footprint.

This year we are also creating a five-year Aquaculture Expansion Strategy; \$1.5 million has been allocated for the first year of this program.

The Forestry Innovation Transition Trust is a \$50 million fund that supports the Nova Scotia forestry sector.

Five projects have been announced to date, totalling more than \$4.1 million, which means the forestry sector can continue to transition toward a more diverse and sustainable future.

One hundred and five young Nova Scotians, including young people from our First Nations communities, will get important career experience this summer under a renewed agreement with the Clean Foundation.

Nova Scotia offers beautiful landscapes, coastlines, and ecosystems.

Now, more than ever, Nova Scotians appreciate our protected and wilderness areas, and want future generations to have the chance to enjoy them. We will

be investing in protected areas land purchases this year by leveraging the Canada Nature Fund with a \$986,000 investment in the Capital Plan.

As we look ahead, we want to hear from people across the province. This year we will be consulting with Nova Scotians about our climate change action plan and our sustainable development goals, which will inform our plan to guide future investments.

A connected, affordable, and inclusive Nova Scotia

Poverty is a complex issue, one that is frequently intergenerational and systemic, with roots including trauma, racism, or issues relating to mental health or addiction. We need to do more for those who need it the most now.

That is why our government is making the single, largest additional investment in Income Assistance in our province's history.

We are increasing the Standard Household Rate by \$100 per month for adults who receive Income Assistance, with \$35.2 million in additional funds.

This new investment means that 75 per cent of recipients will see an increase of between 12 and 20 per cent. This represents people with the deepest need on Income Assistance.

At the same time, we are removing a requirement for Employment Services and Income Assistance recipients to apply for federal CPP-retirement benefits at age 60.

This means seniors will have more choice about when to access the federal benefit.

A fair and inclusive society

A more fair and inclusive society is our government's commitment to Nova Scotians.

For too many Nova Scotians, systemic racism is a lived reality.

Our government is placing a priority on doing its part — and we have established a new Office of Equity and Anti-Racism Initiatives.

The legacy of systemic racism relating to land ownership in historic African Nova Scotian communities persists. Recently, we announced \$3 million for a compensation fund to accelerate efforts under the Land Titles Initiative.

The goal is to remove barriers and make it easier for residents in East Preston, North Preston, Cherry Brook/Lake Loon, Lincolnville, and Sunnyville to achieve title to their land. This year's \$2.4 million investment will move us closer to that goal.

The province is partnering with the federal government to consult with the community on an African Nova Scotian justice plan, recognizing the overrepresentation of African Nova Scotians in the justice system and issues of systemic racism in policing.

Violence against women is another systemic issue in our society. That is why we are investing an additional \$2.3 million for therapy supports for survivors of sexual assault.

Nova Scotia pledged to become accessible by 2030. This goal requires collaboration with persons with disabilities, municipalities, businesses, post-secondary institutions, and many other groups.

We are increasing support for the Accessibility Directorate by \$320,000, for a total of \$2.2 million this year, to continue these life-changing efforts.

Budget 2021–22 includes \$46.7 million for support programs for adults and children with disabilities, including more funding to help move residents living in facilities into community-based settings and funding to enable them to live at home with their families if they choose.

For our younger Nova Scotians, this year government will invest \$1 billion in public education for P-12 and pre-primary to provide students and educators with the support they need for success.

Since coming to government in 2013, the education budget has been increased from \$1.1 billion to \$1.6 billion, 44 per cent in eight years. We are investing in our youth, an investment that will provide a return for decades.

We have made strides in early childcare and education. Nova Scotia's families now have access to universal full day pre-primary for four-year-olds with a \$53.4 million total investment this year.

Reading recovery, a one-on-one program, is available to elementary school students.

SchoolsPlus has expanded to every school community in the province. It serves children, youth, and families, especially those who need additional supports and services. Students are now able to access additional mental health resources.

We will strengthen online learning opportunities and ensure students have continued access to mental health supports.

We also need a more inclusive education system for all students. We are providing \$15 million to the Commission on Inclusive Education, which brings the total to \$60 million dollars.

Access to adequate housing is essential to quality of life.

With our federal partners, we are investing \$513 million over 10 years. In recent months, we have announced investments totaling almost \$10 million to support the creation of more than 150 new affordable housing units.

The Nova Scotia Affordable Housing Commission is listening to the community about the current state of affordable housing. We look forward to receiving the report and acting on its recommendations.

Access to reliable, high-speed internet service across the province gives Nova Scotians more options in choosing where to live and work.

That is why we continue to make progress to expand internet through Develop Nova Scotia and \$193 million has been invested in the Nova Scotia Internet Funding Trust.

Two years ago, 70 per cent of Nova Scotians homes and businesses had access to high-speed internet. Today that number is 80 per cent.

The target is 94 per cent by the end of this year.

Infrastructure

For the second consecutive year, we are investing more than \$1 billion in capital projects – and these investments are key to our economic recovery.

The province's capital plan will stimulate economic opportunity and provide much-needed infrastructure for years to come, from one end of the province to the other.

Budget 2021–22 provides \$178.2 million toward the largest healthcare redevelopment in the province's history.

Development continues on the QEII New Generation project and the Cape Breton Regional Municipality Health Care Redevelopment.

We are also providing \$95.5 million for construction, repair, and renewal of hospitals and medical facilities across the province.

Mr. Speaker, students of all ages require safe and modern learning environments – and so we are investing \$217.2 million to build and renovate schools and to purchase four P-3 schools this year. We are also enhancing school outdoor learning spaces.

We are rebuilding the Nova Scotia Community College Marconi Campus, a project that is actively under construction. The community will benefit from the skilled workforce and a revitalized Sydney waterfront.

Our roads, highways, and bridges support commerce, tourism, and community life.

Budget 2021–22 invests \$467 million in this infrastructure and twinning 100-series highways to improve safety, including Highway 101, Highway 103, the Highway 107 Sackville-Bedford-Burnside Connector, and significantly the Sutherlands River to Antigonish section of Highway 104 – a major transportation link for goods to and from Cape Breton and Newfoundland and Labrador.

Conclusion

Mr. Speaker, this is our path to prosperity and balance. This budget shows us the way.

Amidst a global pandemic, Nova Scotians have worked hard to ensure the foundations of our economy and society remain strong.

These actions — are what have allowed us to make these important investments.

This budget not only speaks to our economic recovery but to the well-being of Nova Scotians.

It speaks to a clean and vibrant province, and one that is fair. When we all have an opportunity to succeed, we all benefit.

And it speaks to our steadfast commitment to win against COVID-19.

So far, because of our sacrifices, we have the upper hand — and the strategic investments outlined here only strengthen our position — and our resolve to win.

Budget 2021–22 makes important and historic investments that advance our vision for a better Nova Scotia.

I am so optimistic. I am so proud of this province. Our future is bright, and I am excited to share this new beginning, this next chapter, with Nova Scotians.

Thank you.