

Nova Scotia House of Assembly
Tuesday, November 1, 2011

NDP GOVERNMENT – Memorandum Of Understanding: HIDDEN TAX – ADMIT

MS. VICKI CONRAD: Madam Speaker, thank you for allowing me to rise in my place to speak to this resolution this evening. Nova Scotia is a great place to live, work, and raise a family. We are working hard to provide better health care sooner, create good jobs, grow the economy and make life more affordable for families, while also living within our means.

This government is committed to those principles and we understand that all Nova Scotians and all levels of government have a role to play. This government continues to engage with and listen to Nova Scotians to find ways we can work together to make life better and ensure our communities throughout the province remain strong.

Recently the province celebrated the announcement of the shipbuilding contract awarded to Irving's Halifax Shipyard. This project will mean a more dynamic economy for the entire province and thousands of jobs for Nova Scotians for decades to come. That means our skilled workers can stay in Nova Scotia to start or to continue their careers. It means families can stay together, building their lives, in vibrant communities, here, in Nova Scotia. Madam Speaker, even in the midst of celebrating last month's announcement, we recognize that we must continue to change in order to address the serious challenges confronting the province. Many Nova Scotians are coming together to find solutions to the real challenges facing our communities.

With regard to the MOU, the Opposition continues to interject misinformation and inaccurate statements that only serve to derail true progress and confuse government's discussion.

Municipalities have been paying the fees for education, housing and corrections since the 1990s, which was a result of a service exchange with the Savage Government. The MOU would have seen these costs downloaded to the province. We have stopped that process so that the municipalities will continue with these costs and not a download to them. Actually, they will pay, collectively, \$4 million less per year for corrections than they did before entering the MOU. We realize that some municipalities are having a tough time with declining populations and a reduced tax base, while other municipalities, such as HRM, are dealing with increased pressures to provide services to a growing population.

The fact is, while recognizing the challenges facing all levels of government, we are seeing that our municipalities are doing well. In the last three years we have seen an overall reduction of municipalities facing deficits. In 2010, Nova Scotia municipalities totalled a combined net surplus of \$141 million. Madam Speaker, this is encouraging news and we will continue to work together to keep the economies growing.

One way we are addressing the changes we face is through the fiscal review. The review is being done in the context of the province's current fiscal reality and our target of getting back to balance by 2013-14. It has been 10 years since the province engaged in a collaborative review of programs. It is important that together we review funding programs and services for municipalities, to ensure they are meeting the needs of our communities, while supporting government's efforts to live within its means.

Madam Speaker, the Towns Task Force has been meeting and will continue to provide advice, ideas and direction on how we can continue to meet the needs of our communities and the families who live in them. Members of the task force are looking at ways to deliver services at lower costs and potential areas such as partnering to share services, and new areas for economic development. The province will continue to do its part; for example, we have improved the Seniors Property Tax Rebate which was increased from \$400 to \$600 for eligible seniors.

We are taking steps to make life more affordable for Nova Scotia families by removing the provincial portion of the HST on home electricity and children's clothing. We have also offered support to low- and modest-income families and many other senior citizens and retired Nova Scotians by helping with the cost of home heating, through the Heating Assistance Rebate Program known as HARP.

The government has also helped protect home owners facing annual assessment increases that often translate into higher taxes. By continuing the assessment cap many Nova Scotians have been helped to remain in their homes, particularly senior citizens living on fixed incomes. In the final analysis, our effort to return Nova Scotia to a balanced budget and reduce the provincial debt provides long-term benefits to all Nova Scotians of all ages.

The future of our municipalities should not be viewed as a political playing field in which to score points and win favour. All Nova Scotians are committed to working towards a bright and productive future; it's too bad the Opposition does not wish to join in the conversation in a helpful way. With regard to the MOU, I will provide a few points of clarification. No agreement between the province and the municipalities was torn up, thrown away, or otherwise disregarded. The MOU was written to take into account the financial position of the province and our ability to contribute to municipal costs.

Our current economic position does not allow us to continue to take on these additional municipal costs. With a clause in the MOU allowing the province to move out of the agreement, we gave the municipalities a one-year notice of the change, at the request of the president of the UNSM, Mayor Billy Joe MacLean. We must get Nova Scotia back to balance. The political rhetoric of the Opposition cannot change the facts.

The fact is, the changes to the MOU did not download provincial costs to municipalities. These costs were, and still are, the responsibility of municipalities. The MOU was not cancelled. It still exists and continues to support municipalities. Now is the time for collaboration, communication and understanding. All three of those things are made more difficult when valuable time must be taken to correct misinformation and inaccuracies.

We, as a government, will continue to work with municipalities to help keep them sustainable. By amending the MOU this government did not introduce a hidden tax. In fact, some municipalities have indicated a tax rate reduction for next year and not an increase. Even when the MOU was signed, the government of the day realized that there could be changes to the agreement in the future depending on the province's financial ability to meet the MOU. Nova Scotians are working hard to make ends meet and this government is committed to working with them to make life better. Despite attempts to distract us from the facts, this government is committed to staying focused on the needs of our communities and the people of Nova Scotia.

Recently many of us read about our small towns and rural communities in the Chronicle Herald. While the stories spoke about the difficulties facing us, you could hear the pride and sense of

connections Nova Scotians have to the towns and rural communities where they live. The people of Nova Scotia expect us, all of us, to provide leadership to help our towns and rural communities remain strong.

Again, this will require our collective efforts. It is the responsibility of this government to implement our mandate of fiscal responsibility by working to get our province back to balance. We must not pass that burden on to our next generation which includes my children, your children and the future grandchildren of the province.

Thank you.