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Budget Bulletin

Community Supports for Adults

Department of Community Services

The Community Supports for Adults program will receive another boost this year with the addition of $10.3 million to the program budget. This increase brings a total addition of close to $50 million since 2000 to the Community Supports for Adults Program. The program serves approximately 4,470 Nova Scotians with intellectual disabilities or long-term mental illness who need support to live in the community.

Of this year's additional funding, $1 million is being designated to augment the anticipated renewed Community Supports for Adults Program. In December 2002, the Department of Community Services launched a wide ranging review of the current program, recognizing the need for changes to meet the evolving needs of the people served, as well as a growing demand for services.

In March 2004, the department released a discussion paper that presents the ideas and research gathered during the review period.

To get feedback on the current system, and ideas for a renewed Community Supports for Adults (CSA) program, representatives of the CSA Renewal Project met with more than 50 community organizations, advocacy groups and service providers across all regions of the province. Consumer focus groups were also held to make sure that Nova Scotians with disabilities had meaningful opportunities to share their thoughts on a renewed CSA program.

In addition to the ideas and information gathered through the extensive consultation process, the discussion paper also includes a review of best practices and research in a number of key areas, such as funding, assessment tools, policy, licensing and consumer supports.

Public feedback on the discussion paper will be analyzed to determine the scope and type of services Nova Scotians want to see in a renewed CSA program.

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Budget Bulletin

Corporate Tax Measures

Department of Finance

To maintain its commitment to health care, education, and a balanced budget, the Province of Nova Scotia is asking corporations to share in the costs.

Large Corporation Tax

Effective April 1, 2004, the large corporations tax (often referred to as the capital tax) will be increased to 0.30 per cent from the current rate of 0.25 per cent. The tax is payable by about 1,400 of Nova Scotia's largest corporations, excluding banks and trust companies, based on their taxable paid-up capital (capital stock, retained earnings, and long-term debt). Firms with less than $5 million taxable paid-up capital are not required to pay the tax. Firms that have $5 million to $10 million in taxable paid-up capital pay a phased-in amount. The measure is expected to raise $12.6 million.

Corporate Capital Tax on Financial Institutions

In addition, the corporate capital tax paid by banks and trust companies will be increased from three per cent to four per cent of taxable paid-up capital, effective April 1, 2004. This measure is expected to raise an additional $5 million.

Relief for Small Business

The province announced in its 2003-2004 Budget that it will provide for a planned increase in the small business threshold, the maximum ceiling at which the five per cent small business tax rate applies. The 2004-2005 budget provides for an acceleration of the planned increase by one year. The province will follow the formula recently announced in the federal budget to determine the small business limit.

Labour Sponsored Venture Capital Tax Credit

The Labour Sponsored Venture Capital (LSVCC) tax credit legislation has been extended to December 31, 2009, with some significant new Nova Scotia content criteria. The organization that is being invested in must have a head office in the province, must employ at least three full-time residents, must pay at least 75 per cent of its salaries and wages in Nova Scotia, and must have the majority of its principal decision makers residing in the province.

LSVCCs that are currently registered - that do not meet these criteria—can no longer be registered for tax credit purposes. They can still operate in the Province but they can no longer sell investments that qualify for a provincial tax credit. Current LSVCC investors will not be affected and LSVCCs currently registered must meet investment targets.

In addition to the eligibility criteria, the tax credit will rise to 20 per cent (from 15 per cent) and the investment limit will be raised to $5,000 per year (from $3,500). Under the new rules, LSVCCs must reinvest 70 per cent of the funds raised in a calender year within two years of the end of that calender year and 80 per cent within three years. For example, an LSVCC formed this year must reinvest 70 per cent of the funds raised in 2006 by the end of 2008, and 80 per cent by the end of 2009.

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Budget Bulletin

Cost of Care – Reducing Nursing Home Costs for Seniors

Department of Health

Effective January 1, 2005, the Province will pay the full cost of health care services for seniors residing in nursing homes.

The Department of Health is investing an additional $9.2 million in 2004-2005 to bring this initiative fully on stream in this fiscal year, almost two years ahead of schedule. This builds on work begun last year to assume the cost of health care for seniors over a three-year period through phased-in subsidies. Last year, $5.5 million was invested to provide seniors with a daily $12.75 subsidy for their health care costs.

As a result of these changes going into effect January 1, 2005, nursing home residents will be able to keep more of their income – approximately 15 per cent, a minimum of $150 – each month.

In addition, those entering nursing homes as of January 1, 2005, will be assessed for their ability to pay based on their income only and not on their assets. This change will also simplify the assessment process.

Health care services provided in nursing homes include the cost of nurses, licensed practical nurses, occupational therapists, physiotherapists and others who are employed by the home.

These costs make up $91 of the $162 average daily rate at nursing homes.

About 80 per cent of seniors residing in nursing homes already had their health care costs subsidized by the province. Now, all seniors residing in nursing homes will benefit from this program. When fully implemented, the program's annual budget will be approximately $42 million, part of the $246.6-million Long Term Care budget.

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Budget Bulletin

Debt Retirement

Department of Finance

The Province of Nova Scotia continues to make progress in managing its long-term debt. Three successive balanced budgets, steady reduction in net debt to GDP ratio, and continued reduction in foreign currency exposure have contributed to financial recovery and prosperity for the Province.

The government announced a Debt Retirement Plan in June 2003. By lowering the debt, annual interest charges will be reduced, making the Province more attractive in financial markets.

The plan's three components are:

- establishing a debt retirement contingency in fiscal year 2004-2005 that will be required to reach $106 million by fiscal year 2007-2008
- creating a fund for debt retirement using a portion of the interest earned on investments, and
- enacting legislation that commits extraordinary revenues to the Province, as well as money from the sale of provincially-owned assets, to the debt retirement fund.

The Debt Retirement Plan focuses on Net Direct Debt (NDD) as the target measure of the Province's debt. Despite balanced budgets, annual spending on Tangible Capital Assets (TCA) such as roads, schools, and other public infrastructure, has been adding to the debt. To address this challenge, a $250 million annual capital spending TCA allocation was established. This will control provincial spending while prudent investment in capital infrastructure will support steady economic growth.

Net Direct Debt to Gross Domestic Product (GDP) compares what the Province owes with what it produces, thereby measuring the ability of the Province to manage its debt.

NDD:GDP ratio	
2002-2003	45.0 %
2003-2004	44.1 %
2004-2005 (estimated)	43.1 %

Reducing the amount of debt that is in foreign currencies reduces the Province's vulnerability to sudden changes in foreign currency markets. By law, Nova Scotia's foreign debt had to be lowered to under 20 per cent.

Foreign Currency Exposure	
1994 - 1995	72.2 %
2001 - 2002	28.9 %
2002 - 2003	18.1 %
2003 - 2004	16.9 %

The benefits of the above actions can be seen in debt servicing costs. In fiscal year 2003-2004, debt servicing costs were down by $25.3 million compared to the Budget Estimate. This, despite the inclusion of $30.5 million in interest on post-employment benefits in 2003-2004 debt servicing costs. Without that change in accounting policy, debt servicing costs would have been down $55.8 million. In part, decline in debt servicing costs was due to the improvement in the Canadian dollar and the continuation of low short-term interest rates.

Debt servicing costs in 2004-2005 are up slightly compared to the 2003-2004 Forecast. However, the increase is due to interest on pension and other obligations totalling about $10 million.

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Budget Bulletin

Early Childhood Development Initiative

Department of Community Services

Children and their families in Nova Scotia have benefitted from improved child care and early childhood development programs since the launch of the federal/provincial/territorial Early Childhood Development Initiative (ECDI) in September, 2000. ECDI was launched to support early childhood development among children across the country. The federal contribution under ECDI has augmented and enhanced existing early childhood programs in Nova Scotia.

In 2004-2005, support will continue for programs that encourage healthy childhood development and quality child care, including support for children with disabilities, parent education, enhanced home visiting programs for new parents and work with family resource centres and other partners.

In addition, accelerated federal funding will also allow a $1.3 million increase in support to low income families, through an increase in the childcare subsidy. These subsidies enable families to access quality childcare while pursuing further education, maintaining employment or entering the workforce. The department is conducting a child care subsidy review to examine how subsidies are allocated and to determine the best way to support quality childcare across the province.

In May 2001, Nova Scotia introduced *Our Children...Today's Investment, Tomorrow's Promise*, a document that outlines the vision for a system of early childhood development. Created in consultation with the early childhood sector, the vision paper outlined the key priorities for Nova Scotia's ECDI and guided the Province in strengthening the existing programs and investing new resources.

The framework that evolved from the vision paper focuses on four principles:

- enhanced home visiting
- stabilization and enhancement of child care
- enhanced parenting and family support
- enhanced community engagement and infrastructure support

Following this vision, $40 million has been invested to date in the Early Childhood Development Initiative. Between 2000 and 2006, ECDI will invest $65 million toward services for children in Nova Scotia. These investments include funding to increase salaries, equipment grants, new programs for children with special needs, resources centres, and additional subsidized child care seats.

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Federal Transfers

The federal government continues to erode necessary funding that the province needs for critical health care and social programs. The federal government's one-time injection of funds into the health care system has been far less than sufficient and more than offset by dramatic reductions in equalization payments to the province.

Equalization Reductions Fund Health Care Supplement

The federal government claims it is meeting provincial needs by adding dedicated health care funding through the Canada Health and Social Transfer. In actual fact, the $58 million in additional funding that Nova Scotia received as its share of the $2 billion promised by the federal government for health care has been more than offset by federal reductions in our equalization entitlements (paid to the least-wealthy provinces). In fact, national federal savings through equalization in 2003–2004 were more than enough to fund the one-time additional $2 billion in health care dollars directed to all provinces, including the wealthy provinces of Ontario and Alberta.

The fiscal ability of Nova Scotia to raise revenues from its own sources remains below the standard five provinces used for equalization purposes. Despite this fact, the federal government continues to limit the fiscal resources that it commits under the equalization program. Historically, limiting the cost of the equalization program has been justified as necessary given that the federal government was grappling with high budget deficits. In an era of consistent federal surpluses, both today and into the future, restrictions on the equalization program are unacceptable.

Equalization-receiving provinces continue to seek restoration of a national average standard for equalization purposes. The removal of this standard in the early 1980s continues to cost Nova Scotia more than $130 million a year in reduced entitlements. As well, the federal government has been called on to restore full revenue coverage under the formula. The unilateral removal of 50 per cent of provincial user fees from the formula in 1999–2000 has resulted in an annual loss of over $400 million nationally and $40 million per year for Nova Scotia. The deficiencies of the equalization formula are continuing to limit Nova Scotia's ability to have sufficient fiscal resources to provide comparable levels of essential programs at comparable tax rates—a commitment by the federal government under the Constitution.

Health and Social Transfer Reductions

In addition to concerns under the equalization program, the federal government's recent one-time supplement of $2 billion for health care under the Canada Health and Social Transfer (CHST) does not reverse a decade-long practice of underfunding health and social transfers to the provinces. The introduction of the CHST in 1996–1997 dramatically reduced federal support for key social programs. Unlike previous federal transfer programs, the CHST redistributed funding amongst provinces on an equal per capita basis. As a result of this reallocation, millions of dollars have been directed away from the poorest provinces and into the richest provinces. The funding formula also does not reflect the differences in costs faced by provinces in the delivery of these essential services.

As a result of federal cost-cutting measures to critical social programs through the 1990s, federal support for health and social transfers is less than it was a decade ago. From 1992–1993 to 2002–2003, the federal government provided no increases in per capita support for health care, social services, or post-secondary education. Meanwhile, provincial spending on these programs has increased from $2,711 per capita to $3,514 per capita, an increase of $803 per capita.

Nova Scotia's requirements for federal health care funding are much greater than current transfer programs acknowledge. The province's incidence of chronic illnesses and its older population result in an above-average burden on the health system. The equal per capita funding formula of the CHST and the inadequacies of equalization transfers to the province ignore these circumstances, and Nova Scotia is left without adequate resources to manage its cost pressures.

Maintaining a Competitive Tax Environment

The federal government has suggested that Nova Scotia should raise income taxes to make up the shortfall in health care funding. Uncompetitive tax rates discourage investment and drive talented young Nova Scotians away in search of better opportunities. The Government of Nova Scotia is committed to maintaining a competitive tax environment while also maintaining public services. This cannot last however, without renewed federal support. The federal government must reinvest in Nova Scotia by strengthening the equalization program, including a return to the ten province standard of fiscal capacity. At the same time, the federal government must bear its share of health care and social program costs through a long-term and stable funding commitment.

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Budget Bulletin

Investing more in public health and safety expertise

Department of Health

In 2004-2005, an additional $550,000 will be invested in infectious disease control, environmental health and other public health issues by hiring more public health experts. The additional resources will enable the department to manage the growing range of public health issues surrounding new and emerging diseases, while continuing to handle other duties such as immunization programs and safe drinking water.

The funding is earmarked for seven new positions:

- a second Medical Officer of Health for the Capital Health district
- a Medical Officer of Health, to monitor environmental health issues
- an epidemiologist, to monitor and respond to outbreaks of infections or diseases
- a public health nurse consultant, communicable disease
- a senior public health inspector
- a part-time disaster-planning specialist
- one additional administrative support

The Naylor Report on SARS, a report commissioned last year by the federal government, highlighted the need for a steady investment over time in the training of both new and existing public health staff.

Nova Scotia is acting on Naylor's short-term recommendations response for provinces and territories. The report also calls for increased federal public health investment.

More money is also being made available for additional vaccines for children: we will continue to expand the chicken pox vaccine program and introduce a new vaccine for tetanus, diphtheria and whooping cough for 14- to 16-year-olds.

Nova Scotians have the best ambulance services in the country, thanks to our highly-trained paramedics. Additional investments in training and equipment for first responders and wage increases for paramedics will maintain this excellent service.

Protecting Nova Scotia from today's new threats

The Department of Health has begun an Emergency Planning, Preparedness & Response Initiative for the province's health care system. This will be a response plan for hazards ranging from SARS, West Nile Virus, pandemic flu, through to terrorist-associated chemical, radiation or biological events.

The plan will be consistent with the National Health Emergency Management Framework, and include such components as public health measures, health and emergency services, surveillance and communication activities. Participants in this initiative include the District Health Authorities, the Department of Community Services and several elements of the Department of Health.

When combined with the additional public health officials being recruited by the department, the plan will make Nova Scotia better prepared to deal with threats to our public health.

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Investing Today for a Healthier Future

Office of Health Promotion

The Government of Nova Scotia is investing an additional $3.6 million to improve the long-term health and well-being of Nova Scotians. The new funding brings the total budget for the Office of Health Promotion to $18.5 million, a 24 per cent increase over 2003–2004.

Most of the new funding will be invested directly into helping individuals, families, and communities to improve their health. This includes financial assistance for low-income families to register children in sport and recreation programs, funding for community health boards to encourage grassroots prevention and health promotion activities, and more help for people who want to quit smoking.

Despite improvements and more spending on health care each year, Nova Scotians continue to rank among the worst in Canada in terms of health. Disease and injury rob tens of thousands of people of their quality of life and productivity and cost the Nova Scotia health care system and economy billions of dollars each year.

Alarming trends in inactivity and obesity among children warn that the situation will continue to get worse. Government is committed to reversing this trend by giving parents the tools and supportive environments they need to help their children be healthier. Investing in healthier children today is one of the most important investments we can make in our future quality of life and prosperity as a province.

Much of the burden of disease and injury is preventable if we encourage and support people to be active, eat healthier, not smoke, and manage personal risk, and if we work across various sectors and government departments to address the social and economic factors that contribute to poor health.

The Premier created the Office of Health Promotion in 2002 to provide leadership and coordination in these areas. The office brings together the former Sport and Recreation Commission and aspects of the Population Health Branch of the Department of Health.

Last year was a growth period for the Office of Health Promotion, which included hiring core staff and developing a strategic plan. The new funding will allow the office to build on existing work, such as the Active Kids, Healthy Kids strategy to encourage children, youth, and families to be more active and the highly successful tobacco strategy, which has resulted in a five per cent reduction in smoking since it was introduced in 2001.

Additional funding will also allow the office to expand its work into new areas, such as healthy eating, injury prevention, problem drinking, and chronic disease prevention. Strategies have been developed in these areas and will be put into action with the help of many partners over the next year.

Other budget highlights include the following:

- $1.2 million more will be spent to increase physical activity of Nova Scotians, including new investments in Active Kids, Healthy Kids and funding to help provide safe, accessible facilities for people to be active, such as arenas and ballparks, and to create physical environments that encourage active modes of transportation, such as walking and cycling. Over $8 million in total is being invested to increase the physical activity levels of Nova Scotians through sport and recreation.
- an additional investment of $240,000 will bring total funding for the tobacco strategy to just over $2 million annually. New funding will be used to increase support for people who want to quit smoking. Over half of the total funding for the tobacco strategy is now committed to helping people quit smoking.
- more than $1.5 million will be invested in new areas of programming, such as healthy eating, injury prevention, addressing problem drinking, and chronic disease prevention. This will include new initiatives to provide healthier food choices in schools and to help prevent falls among seniors.

The Office of Health Promotion will work with many partners to build and expand on its work over the next several years. It will take time—perhaps a generation—to make tangible improvements to our overall health. That is why we need to start now. Healthy children will grow up to be healthier, happier, and more productive citizens. Investing in health promotion today is one of the most important investments we can make in our quality of life, our prosperity, and our future.

The Office of Health Promotion will release a strategic plan in the spring of 2004.

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Budget Bulletin

Affordable Housing for Low-income Nova Scotians

Department of Community Services

The Province is committed to providing affordable housing to low-income Nova Scotians.

In 2004-2005, the Province will maintain expenditures for all existing housing and repair programs. In addition, the Province has allocated funding for the continued development of additional affordable housing for low-income Nova Scotians. This funding will support new rental housing, rental preservation, new home ownership and home preservation programs. Furthermore, by adopting a plan already in place in New Brunswick, the province will provide funding for new rental housing based on a multi-year formula to ensure it remains affordable over the long-term.

The preservation and development of additional affordable housing falls under the Canada-Nova Scotia Affordable Housing Agreement, a $37.26 million joint initiative between the federal and provincial governments.

Since the agreement was signed in 2002, the Province has announced a number of projects, including:

- the construction of a new 15-unit townhouse complex in the Annapolis Valley
- the construction of six new modest, semi-detached homes in Halifax
- extensive repairs to 30 homes across the province
- a request for proposals for the development of 200 new rental units across the province.

The Canada-Nova Scotia Affordable Housing agreement is a step in the right direction and the Province will continue to work with all levels of government and the community to develop strategies and solutions for affordable housing in Nova Scotia.

Through the Housing Division of the Department of Community Services, the Province offers a wide range of housing programs and services to assist close to 20,000 Nova Scotian households each year. These include rental housing accommodation and rent supplements, grants or loans for home repairs and renovations, and mortgages to purchase or build modest homes.

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Budget Bulletin

Moving Forward with Learning for Life

Department of Education

The Department of Education and its partners continue to move forward with the province's Learning for Life plan for student success. It was launched in September, 2002 to help students succeed in school and in life.

Basics first – reading, writing and math

Our first elementary literacy assessment showed that 89 per cent of students are meeting expectations in reading, and 81 per cent are doing so in writing. We're investing $1 million to help teachers give more support to students who did not meet expectations. Schools will get a share of the funding that is proportional to their number of students who need more support. Professional staff and school and community members will help decide how to best use this funding to help their students.

Active Readers will expand to Grade 9 students. We will invest $1 million in thousands of books for their classrooms and for professional development for teachers. Another $478,000 will add more reading resources to all junior high classrooms. About $500,000 will move Writers in Action into Grade 6. Both initiatives provide more professional development for teachers to help students strengthen their reading and writing. Jeunes lecteurs actifs, Lecteurs actifs and Écrivains à l'oeuvre will continue in Acadian schools.

Elementary and junior high math program assessments show that teachers need more support to effectively deliver the math curriculum. We're responding with an emphasis on professional development and leadership. As in the past two years, we're investing more than $500,000 in school boards' base funding so that each board will continue to have a math leader who supports classroom teachers. A further $645,000 will provide professional development for teachers. We will also invest $355,000 in resources for students, teachers and parents including homework baggies in Primary and Grade 1.

The early years – class size

Smaller classes allow teachers to spend more time with each student. Last year, we invested $2.5 million through Learning for Life to reduce class size to 25 students in Primary. That funding continues for Primary this year and we're investing an additional $3.5 million to reduce class size to 25 students in Grade 1.

In 2005, we will expand this initiative for Grade 2 students. In addition, combined Primary-Grade 1 classes will have a maximum of 20 students or an additional non-teaching adult in the classroom. These criteria will also apply to Primary and Grade 1 classes with students with special needs who have an individual program plan.

Success for all students

The department will continue to work with partners in implementing recommendations from the Black Learners Advisory Committee. A $500,000 investment will help school boards to support African Nova Scotian students in the public school system.

Last year, we invested $2.5 million for more professionals to help students with special needs meet their learning goals. This year, we're adding another $3 million for school boards to hire more resource teachers, speech language pathologists and school psychologists, train more teachers in Reading Recovery, and add more assistive technology.

The department will establish a new tuition support program to allow some students with special needs to transfer their provincial per student funding to private schools that offer alternative programs for students with special needs, for a maximum of two years. A plan will be developed for each student to make a smooth transition back into the public school system. We will invest $200,000 for an ombudsman's office and for extra tuition support for low income families.

Safe, healthy schools

Five school construction projects are now under way and schools are expected to open in 2004-2005: Amherst Elementary, Truro Junior High, Sydney Elementary, Shelburne High and Cumberland Elementary.

Planning and construction will begin for seven additional school projects in 2004-2005 which are expected to open over the next two fiscal years: Hammonds Plains Elementary, Barrington High, Western HRM High School, St. Patrick's/Queen Elizabeth High, Harbourside/Robert Jamieson High, Truro West Elementary and Rankin Education Centre.

In addition, 21 renovation projects will be underway to improve existing schools across the province.

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Nova Scotia: Protecting Priorities

Budget Bulletin

Tangible Capital Assets

Department of Finance

The Province of Nova Scotia implemented an accounting policy for tangible capital assets in 1999-2000. The policy was reviewed and changes to the amortization rates and thresholds were approved in 2003-2004. Amortization is the process of allocating the cost of a tangible capital asset over its estimated useful life to match costs with the revenues or public services that it helps provide.

In order to reflect more realistic useful lives of assets, amortization rates were revised as follows:

Asset Class	Original Rate	Revised Rate
Computer Hardware	30%	50%
Ferries	20%	15%
Vehicles	30%	35%
Customized Software	50%	25%
Asphalt	20%	15%
Repaving	30%	15%

The following are the revised thresholds:

Asset Class	Original Thresholds	Revised Thresholds
Building and School Betterments	$250,000	$150,000
Complete Bridge Replacements	$500,000	$250,000

The threshold for each category represents the minimum cost an individual asset must have before it is to be treated as a tangible capital asset and added to the proper asset class.

The 2003-2004 TCA expense estimate of $129.2 million compares to a forecast of $103.4 million, a reduction of $25.8 million primarily due to the amortization rate and threshold changes.

The largest financial impact of the above changes will be in the Roads, Bridges & Highways asset class.

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Tax Reduction Revised to Protect Priorities

Department of Finance

The Province will adjust the 10 per cent personal income tax reduction to ensure that necessary funding is available for Nova Scotians' two top priorities: health and education. While the Province budgeted for a tax cut, it did not anticipate the shortfalls in federal transfer payments or in the federal budget that was tabled last month.

The adjusted rates will be in effect for the 2004 tax year; payroll deductions will change effective July 1, 2004.

Taxable Income	**2003 Tax Rate**	**2004 Tax Rate, before adjustment**	**2004 Tax Rate, after adjustment**
Up to $29,590	9.77%	8.79%	8.79%
Above $29,590 and below $59,180	14.95%	13.58%	14.95%
Above $59,180 and below $93,000	16.67%	15.17%	16.67%
$93,000 and above	–	–	17.50%

The tax reduction adjustments are designed to ensure that low income Nova Scotians will be those least affected by the adjustment. At the other end of the earning spectrum, the high income surtax remains in effect.

Effect of Tax Rate Adjustment	**2004 Tax Savings, before adjustment**	**2004 Tax Savings, after adjustment**
Family of four, one earner making $30,000	$146 savings; 10% reduction	$146 savings; 10% reduction
Family of four, one earner making $50,000	$413 savings; 9.4% reduction	$133 savings; 3% reduction
Family of four, one earner making $100,000	$1267 savings; 9.8% reduction	$84 savings; 0.7% reduction
Family of four, one earner making $200,000	$2917 savings; 9.8% reduction	$830 increase; +2.7%

Most Nova Scotians will continue to benefit from some tax reduction, even after the adjustment. All tax filers save 10 per cent on their first $29,590 of earnings.

Caregiver and Disability Supports Improved

Caregivers will be allowed to claim more medical- and disability-related expenses that they incur on behalf of dependent relatives.

As well, people with disabilities who incur expenses for employment or educational purposes will be able to deduct these expenses from their income instead of claiming a medical expense tax credit.

Employees taking post-secondary education will be eligible for a tax credit on non-tuition related expenses. Service men and women serving in areas of conflict will benefit through provincial tax adjustments in keeping with recently announced federal changes.

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Investing in our Roads and Bridges

Department of Transportation and Public Works

Once again, the Province is increasing its capital expenditures on roads and bridges with a $112 million investment in the safety and prosperity of Nova Scotians, an increase of $6 million over the previous fiscal year's estimate.

These capital expenditures will be invested across the province, with significant dollars spent on Highway 103 twinning and upgrading, as well as preparatory work on the continued twinning of Highway 101 and Highway 104.

On Highway 125, the Province expects to continue with twinning efforts and this year plans to widen the Sydney River bridge and replace the Coxheath Road overpass.

Trunk 7 will continue to be upgraded and repaved as part of a five-year, $17 million program.

Nova Scotians will also continue to see old steel truss bridges replaced with modern structures as part of a five-year $50 million bridge replacement program. Last year, the department completed reconstruction of the Seal Island and Margaree Harbour bridges. Work on 10 more bridges across the province was announced last fall.

More money for capital work is only part of the Province's increased funding for the 4Rs: resurfacing, restoration, rehabilitation and reconstruction. More money will be spent on local road maintenance under the Road Improvement Money program. A total of $12.5 million will be invested in local roads across the province, an increase of $2.5 million. This will result in improved road shoulders and ditches, as well as asphalt patching and gravel upgrading.

Overall, provincial spending on roads and bridges will exceed the dollars collected in provincial motive fuel taxes. The Province will spend about $260 million on our roads and bridges this year and collect about $254 million in provincial motive fuel taxes.

The province will continue to lobby the federal government for stable long-term funding to support highway construction in Nova Scotia. The federal government collects about $140 million a year in motive fuel taxes in Nova Scotia and, over the last five years, returned less than $5.5 million a year to maintain our roads and bridges. The federal reinvestment in our roads works out to less than four per cent a year.

A strong transportation network is one of the keys to economic and social prosperity and the province's investments in road and bridge work helps build a strong, proud and safe Nova Scotia.

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Nova Scotia: Protecting Priorities

Budget Bulletin

Improving Wait Times

Department of Health

In 2004-2005, $465,000 will be invested to begin development of an approach to implement standardized, provincewide wait time information.

The initiative was recommended by the Wait Time Monitoring Project Steering Committee, which was formed in 2003-2004 to focus on how to get better province-wide information on wait times for key services to help address problems before they become urgent.

The province will also establish a standing advisory committee of health care professionals and department staff to:

- oversee the development of a provincewide way of collecting standard wait time information for a range of health care services
- publish wait time information so that Nova Scotians can make informed choices about whether to seek care from another physician if wait times are shorter
- work to address the bottlenecks so that wait times are shortened

They will begin focusing on orthopedic surgical wait times, MRI and computed tomography (CT) wait times, and wait times for referral from family physician to gastroenterologist, medical oncologist, or plastic surgeon.

Addressing Critical Concerns

The Province outlined its commitment to shortening wait lists for tests, treatment, and care in its health plan, *Your Health Matters* (2003).

In the past year, the province responded quickly to critical concerns such as overcrowded emergency rooms and lengthy waits for orthopedic services. For instance, at the QEII Health Sciences Centre, more beds, better information, and faster consultations are making a difference in wait times in the emergency department.

In Capital Health, the government's decision to add 25 acute care beds and more operating time for orthopedic surgery by September 2004, "should help bring wait times down to within national standard of six months," said Dr. Michael Dunbar, head of Capital Health's Orthopedic Wait Time Project. More than $4 million will be spent on this initiative in 2004-2005.

Thanks to a new cardiac catheterization lab, made possible with $4.4 million in funding from the Department of Health in 2003-2004, Capital Health's wait times for cardiac procedures have been brought to within national wait time standards, in many cases reducing wait times by a one half to two thirds from a year earlier.

Radiation wait times for Cancer Care Services in Capital Health as of July 2003, showed that urgent cases wait times decreased from 14 to 9 days; next urgent cases wait times from 26 to 18 days, less urgent wait times from 55 to 28 days, and others from 60 to 41 days.

Investments in the right equipment are paying off:

- with the purchase of two MRI machines – one for Cape Breton and one at the IWK in Halifax, access to MRIs has been enhanced and wait times reduced. In Capital Health, people who need an MRI are getting the procedure a lot sooner. The average wait time is now 45.2 days, almost three times less than the 148.2 days people were waiting last March. Urgent or emergency MRIs are done immediately.
- a new radiology unit has opened in South Shore Health and a CT scanner is now operating in Cumberland Health. These should help reduce the waiting for diagnostic imaging in these areas.

There is no quick fix to shorten wait times. It will take time to gather the right information, to invest in the right equipment, and to offer the right mix of services in the right locations. The budget dollars being invested this fiscal year are laying the groundwork to successfully shorten wait lists for key services across the province.

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