



What else could we do with \$84 million?

Christine Saulnier

One of the NS NDP's election promises was to institute an 8% energy tax rebate. In an interview in the initial weeks of the new government – two years ago in September – Premier Darrell Dexter suggested that this rebate was important because 'the necessities of life should not be taxed'.

Since then, the NDP government raised the HST and raised the rebate to 10% for all Nova Scotians. Electricity is indeed a necessity, but whether basic necessities are taxed is beside the point. The point really is whether basic necessities are affordable to all who need them.

According to the government, an 8% rebate on residential power bills amounted to saving an average of \$10 per month. While this has gone up slightly because of the 2% rebate increase, this is not a significant saving for those who struggle to pay their bills especially given how much electricity costs have gone up over the same period. It is, however, a significant loss of revenue.

When the government introduced the program it projected that it would cost them \$15 million in the first year, \$30 million in the second. In fact, the program cost the government \$84 million in fiscal year 2009-10. The costs will increase as fuel prices go up and NS Power continues to increase its rates.

The best use of limited government resources is to address the fundamental problems at the root of high electricity costs and some people's inabil-

ity to pay their bills. An across the board energy rebate provides savings to everyone regardless of what they can afford to pay. This program also benefits landlords who may not pass on savings to their tenants.

Instead, we need investments in poverty reduction so that low-income people are not forced to choose which of the necessities of life they can afford this month.

We also need meaningful discussion about our tax system and about who should pay how much and for what. Tinkering with a regressive system by offering energy tax rebates does not address the inequities.

Regarding high electricity costs, it doesn't address Nova Scotia's energy insecurity and import dependency on oil, coal and gas. We need investments in energy efficiencies and in the aging housing stock – Nova Scotia has one of the oldest housing stocks in the country.

To put this into perspective, consider what else we could do with \$84 million dollars:

-We could invest in early learning and child care where we have mounds of evidence of the benefits to the children who are in good quality programs, let alone the benefits to their families, and to society as a whole.

As an example, universal pre-primary for all four-year olds in Nova Scotia would cost approximately \$71 million. Or:

-This money could significantly help those who need it the most – those individuals and families who need social assistance. To raise social assistance rates, allow recipients to afford basic telephone service, and reduce the outrageous earnings clawbacks in this system, would cost the government \$65 million.

-The Nova Scotia Community College collects about \$28 million a year in tuition costs. If we were to redirect what amounts to one-sixth of the \$84 million, we could easily cut tuition fees for NSCC students in half.

This amount is less than the cost of 'restoring' the Bluenose II – estimated to cost \$15 million. The investment in the Bluenose has been justified as leaving an important legacy for Nova Scotians.

The legacy of a well-educated populous is one that I would rather spend my tax dollars on, how about you?

Budgets are all about choices. There are alternatives that are equally fiscally responsible, that create jobs, and that make our province a better place to live for everyone. Log on to our website and you will see exactly what these alternatives look like in the NS Alternative Provincial Budget 2011.

www.policyalternatives.ca.

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