

the importance of expanding access to the NSCC with his recent commitment to provide 250 additional NSCC seats.

During a 2008 presentation to the Nova Scotia legislature's standing committee on human resources NSCC Joan MacArthur-Blair advocated for the elimination of tuition fees at both the community college and university level. Then MLA, and current Minister of Education, Marilyn More called the idea "very important plank in the poverty reduction strategy for this province" and estimated that eliminating tuition fees at the NSCC would cost the province \$13 million to \$20 million a year over a few years.⁹⁸

The NSAB eliminates tuition fees for all community college programs. At a cost of \$18 million per year, this measure would not only save the government money in other sectors of social services, such as income assistance and health care, but would also create a steady flow of educated workers who are not battling large student debts.

This would also improve access to university, especially for rural students, as many community college programs are connected to university programs. A student can take the first two years of their degree in their community at the NSCC and then attend two years at a university to get a Bachelor's degree.

For 2010-2011, the NSAB recommends that the Provincial Government:

- Invests an additional \$18 million to complement the Nova Scotia Bursary Trust fund and allow for a \$1,100 tuition fee reduction for all Nova Scotia University students
- Re-direct \$14 million from the Graduate Tax Credit to up-front needs based grants and to increase the grant portion of every provincial student loan from 20% to 50%
- Removes tuition fees from all NSCC courses — \$18,000,000

Over the next 3-5 years, the NSAB recommends:

- Increase funding to universities to maintain the NSAB's recommended tuition fee reductions for all students when the Bursary Trust fund expires.

Transit Nova Scotia

The NSAB recommends the creation of a new crown corporation responsible for the development and administration of a sustainable, mixed use public transportation system which connects rural Nova Scotia to the booming Halifax economy.

Transportation is a major public policy issue in Nova Scotia which is intertwined with poverty reduction, rural and urban economic development, health, housing, education, trade and the environment. In addition to being an infrastructure issue, it is one of access and mobility for people. We require transportation to get us to school, to the doctor's office, to the grocery store, etc. Yet for thousands of Nova Scotians, this access and mobility is severely restricted. This year alone, Nova Scotians access to transportation options has been reduced with the planned closure of the CAT Ferry and the proposed reduction of services by Acadia Lines.¹⁰⁰ But while private, for-profit transit authorities have been reducing services in the pursuit of profit, municipal transit authorities have been left to pick up the slack.¹⁰¹

Adequate investments in sustainable transportation can be made be feasible and attractive by targeted investments in active transportation, public transportation, rail and secondary roads.

Transportation between rural and urban Nova Scotia will be key to economic success and revitalizing the rural economy and connecting it to the vibrant Halifax economy. Currently, public transit in Nova Scotia takes just one form, bus transportation. While Via Rail still operates a line out of Halifax to Montreal, there is no pas-

TABLE 4 Rural NSCC Student Access to Public Transit Here

Non- Halifax NSCC Campus	Distance from HRM	Municipal Bus Service	Acadian Lines Bus Service	VIA Rail Service
Annapolis Valley Campus (Middletown)	150 km	NO	YES (1x day)	NO
Burridge Campus (Yarmouth)	300km	Minimal	NO	NO
Cumberland Campus (Springhill)	170 km	NO	YES (1x day)	YES
Kingstec Campus (Kentville)	100 km	YES	YES (2x day)*	NO
Lunenburg Campus (Bridgewater)	100 km	NO	NO	NO
Marconi Campus (Sydney)	400 km	YES	YES (3x day)**	NO
Pictou Campus (Stellarton)	150 km	NO	NO	NO
Shelburne Campus (Shelburne)	220 km	NO	NO	NO
Strait Area Campus (Port Hawkesbury)	260 km	NO	YES (2x day)	NO
Truro Campus (Truro)	90 km	NO	YES (8x day)	YES

* 3 Times a day on friday

** Acadian lines has applied to drop the number of sydney trips from 3 times a day to once a day

senger rail service connecting other Nova Scotian communities.

There is a wonderful model for Nova Scotia to explore as a solution to our transit woes. The Saskatchewan Transit Company was created in 1946 by the Tommy Douglas government. Today, the STC operates 29 bus routes, owns a fleet of 44 motor coaches and services 283 communities throughout Saskatchewan.¹⁰² It is also a provincial crown corporation, which removes the need to create profit so that the company may simply focus on providing affordable, sustainable transportation for the public. We do note however that while the population of the two provinces is similar, the distances to be travelled are much shorter, resulting in lower fuel costs and reduced time for traveling. For example, the busiest route in Saskatchewan is the Prince Albert-Saskatoon-Regina route which covers about 400 kms. The busiest route in Nova Scotia would likely be the Halifax-Windsor or Halifax-Truro line, which each cover about 100 kms. Saskatchewan offers an annual subsidy of \$7 million which represents just over 25% of expenses for the STC.¹⁰³

TNS would have an initial mandate to provide inter-community bus transportation but

this mandate could be expanded in the future to include ferry and rail transportation. Similar to what happened when Nova Scotia Power was created; the provincial government should assume control over all existing inter-community bus routes, including Kings County Transit and Acadian Lines.

Metro Transit and Transit Cape Breton should be left out of the equation as they operate in a single municipality and provide local transport, though TNS will need to enter into agreements with both municipal transit providers to connect CBRM and HRM to the new network of bus routes. TNS may also want to consider assuming responsibility for Metro Transit's suburban routes connecting communities like Timberlea, Mount Uniacke, and Fall River to the urban core via routes arriving from rural areas.

Taking over Kings County Transit and Acadian Lines will provide TNS with the initial access to motor coaches, agents and experienced staff. TNS would have the ability to operate several core routes connecting the province from Yarmouth to Glace Bay. Some of the major routes would include:

- Yarmouth to Halifax via the Valley
- Yarmouth to Halifax via the South Shore
- Halifax-Truro-Amherst

- Truro-New Glasgow-Antigonish-Port Hawkesbury-Baddeck-Sydney
- Cheticamp-Inverness-Port Hawkesbury

TNS could also operate shorter routes, run several times a day, including:

- Kentville-New Minas-Wolfville-Windsor
- Bridgewater-Lunenburg-Mahone Bay
- Pictou-New Glasgow-Stellerton-Westville
- Windsor-Mount Uniacke-Halifax
- Halifax-Elmsdale-Enfield-Stewiacke-Truro

While these are just possibilities, they would connect the province in a meaningful way. People would be able to live and attend school in rural communities and small towns but still work in urban centres.

The cost of these routes is impossible to predict. The Kings Transit Authority currently spends just over \$500,000 per line (they operate 5 lines) for a total operating budget of \$2.521 million in 2008.¹⁰⁴ Kings Transit Authority subsidizes each route by about 60%. The cost for operating a provincial system would likely go down because of economies of scale and the introduction of higher traffic routes to the urban centres. But based on these numbers and with a look to operating about 20 different routes the total budget for TN would be just above \$10 million. At a provincial subsidy rate of 60% this would cost the province about \$6 million per year.

In the future, TNS should have a far broader mission — for example, the creation of a high-speed passenger rail service. While this project is not proposed by this year's APB, TNS could begin to investigate the feasibility of building high-speed rails to Sydney, Yarmouth, Wolfville, Bridgewater, Antigonish, Truro and Amherst. This type of investment would also be building an infrastructure for a new century. It is often said of rail in NS "that we don't have the population to justify the expenditure." We propose that we actually don't have the population to maintain the highways we've build for what is too often

individual users, especially considering the costs of twinning a highway is about \$1,000,000 per km. Train service infrastructure, over its lifetime, would not be this costly and would give the province an entirely different relationship between the rural and urban areas.

For 2010-2011, the NSAB recommends that the Provincial Government:

- Provides an initial investment to finance the creation of a provincial transit corporation, Transit Nova Scotia — \$20 million in new spending

In the 3-5 year range, the NSAB recommends:

- An annual subsidy of 25% to 60% of total operating costs — estimated at about \$6 million until the service becomes established
- That the government determines the feasibility of establishing a high-speed provincial rail line

Public Auto Insurance

The NSAB recommends the creation of a Public Insurance Corporation.

The Nova Scotia NDP promised to bring in a public auto insurance corporation in the 2003 and 2006 elections. This promise was notably absent in 2009.¹⁰⁵ However, the need for public ownership in the insurance industry is very important to help control costs and stop consumers from being gouged.¹⁰⁶

The required investment is a difficult number to quantify. A committee of MLA's in New Brunswick estimated start up costs for a public auto insurance system in that province to be \$82 million.¹⁰⁷ However, in 1971 it only cost the Manitoba government \$375,000 to create their public auto insurance program¹⁰⁸ (about \$2.2 million in today's dollars). The NDP in Nova Scotia suggested in 2003 that setting up a public auto insurance company would cost the

Appendix 1: Income Tax Methodology

To raise revenue by the amount by which sales taxes have decreased, we recommend an increase in income taxes because this would add to the progressivity of the overall tax system. We apply increases only to the top 60 percent of tax filers, who received 84 percent of the income in 2007. We propose a modest 1.5 percentage points added to the taxes of the bottom third of this upper group, roughly equal to what a 2 percentage point increase in the sales tax would take from them. We add another 1.5 percentage points to the next third (20 percent of the total filers). We divide the top 20 percent of filers in half, adding another 1.5 percentage points to the provincial taxes of the lower half. For the top 5 per cent

of tax filers, we add yet another 1.5 percentage points to their income tax.

These incremental income tax increases would add an additional \$384 million to the provincial revenues, based on 2007 income tax data. With growth in incomes to 2010, this would be about \$399 million¹¹³ and the proposed increase in the sales tax would be avoided. In the process, the tax system shifts more of the payments to the upper incomes. The income tax rate increase for 3 out of 4 Nova Scotians would be less than one percentage point. For the top five percent of tax filers, those reporting incomes of \$250,000 or more, their effective tax rate would rise by slightly less than 7 percentage points.

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