



**OPED**

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**Time for co-operation, not confrontation, to get back in black**

*By Robert Batherson and Valerie Payn*

Last week, Nova Scotia's new Finance and Treasury Board Minister Randy Delorey met with the province's public sector union leadership to discuss the serious fiscal state of the province and invite their ideas on solutions to improve our finances.

The Halifax Chamber of Commerce encourages all Nova Scotians – chamber members or not – to read for themselves what the provincial government shared with union leaders at [www.novascotia.ca/publicservicesustainability](http://www.novascotia.ca/publicservicesustainability). We commend Minister Delorey for being transparent about the issues that we face together as a province.

The facts clearly show that we can't keep doing things the way we have always done them in this province. For 20 out of the last 30 years, successive Nova Scotia governments have spent more tax dollars on programs and services than they had to pay for them. We are all paying a high price as a result of this constant overspending:

- We pay among the highest personal, sales and corporate taxes in Canada;
- We have had the lowest economic growth of any province in Canada over the last 25 years; and
- Thanks to our \$15 billion (and growing) debt, we spend more than \$800 million a year to service that debt – money that we don't have to lower the tax burden to make life more affordable in this province and give businesses more flexibility to create jobs and increase wages.

These realities have consequences for all Nova Scotians – whether you work in the public sector or not, whether you're a union member or not. Sky-high personal and sales taxes mean we have less money to spend on the day-to-day essentials and less money to spend in our economy. Sky-high corporate taxes in Nova Scotia also mean businesses have less money to invest in growth, invest in better salaries and benefits and invest in new jobs. It's why the Halifax Chamber of Commerce, as part of our 2013-2018 strategic plan, continues to urge governments to lower the tax burden on people and business to help our city and our province become a leader in economic growth.

For Nova Scotia to have a growing economy, with a growing private sector that creates good jobs and helps generate more revenue for the programs and services we need for our fellow citizens, we need to change how we have been doing things. That means Nova Scotia must stop:

- Spending more money than we have;
- Piling up more debt on the backs of our children; and
- Paying among the highest levels of taxes in Canada.

This is a recipe that we know does not work in Nova Scotia.

It's why the Halifax Chamber of Commerce supports government's schedule to put Nova Scotia in surplus starting in fiscal year 2016-2017, without raising taxes. If anything we have urged the government to be even more aggressive to hold the line on spending, so we can then focus more on tax relief that will increase private sector investments in our economy and the creation of new jobs.

The road to real, lasting change starts with having a government that taxpayers can afford and only spends money that it has. And we can only have affordable government by better managing the 52 per cent of government spending that pays for employees. That's not ideology. It's math.

To the government's credit, they are not imposing a solution on public sector unions. Instead, they have asked union leadership for their advice on the best way to move forward together. The government's current fiscal plan sets out more than \$500 million in additional program spending from 2016 through 2019. That's an increase in program spending of 5.9 per cent over the next three years. Some would argue that even that level of increased spending is unwise for a province as financially vulnerable as Nova Scotia. Indeed, the Halifax Chamber has urged – and will continue to urge – the government to go much deeper than its current fiscal plan and hold the line on program spending for the next five years.

In the meantime, we urge our fellow Nova Scotians who are entrusted with public sector union leadership roles to accept government's invitation to work together to better control government spending. We all have an interest in turning our province and our economy around, starting with an affordable government.

*Robert Batherson is chair of the board of directors and Valerie Payn is chief executive officer of the Halifax Chamber of Commerce*

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For more information, please contact:

**Melissa Muise**  
**Public Relations Coordinator**  
**(902) 481-1238**  
**[melissa@halifaxchamber.com](mailto:melissa@halifaxchamber.com)**