

Equalization Fairness

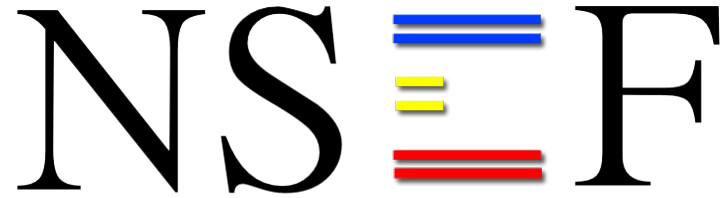
What it Means to the People of Nova Scotia

June 2018



NOVA SCOTIANS FOR EQUALIZATION FAIRNESS

www.nsef.ca



NOVA SCOTIANS FOR EQUALIZATION FAIRNESS

- **A grassroots organization not affiliated with any political party**
- **Everyday people dedicated to ending a grave injustice in Nova Scotia**

" . . . approximately 26% of the NS equalization payment in 2012-2013 is due to the province's relative weakness in property tax fiscal capacity."^{†‡}

† Department of Finance Canada. April 30, 2012.

‡ Confirmed by The Honourable Maureen MacDonald, Nova Scotia Minister of Finance, March 8, 2013.

Federal Equalization

“Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide **reasonably comparable levels of public services** at **reasonably comparable levels of taxation.**”

—Canada Constitution Act (Section 36.2)

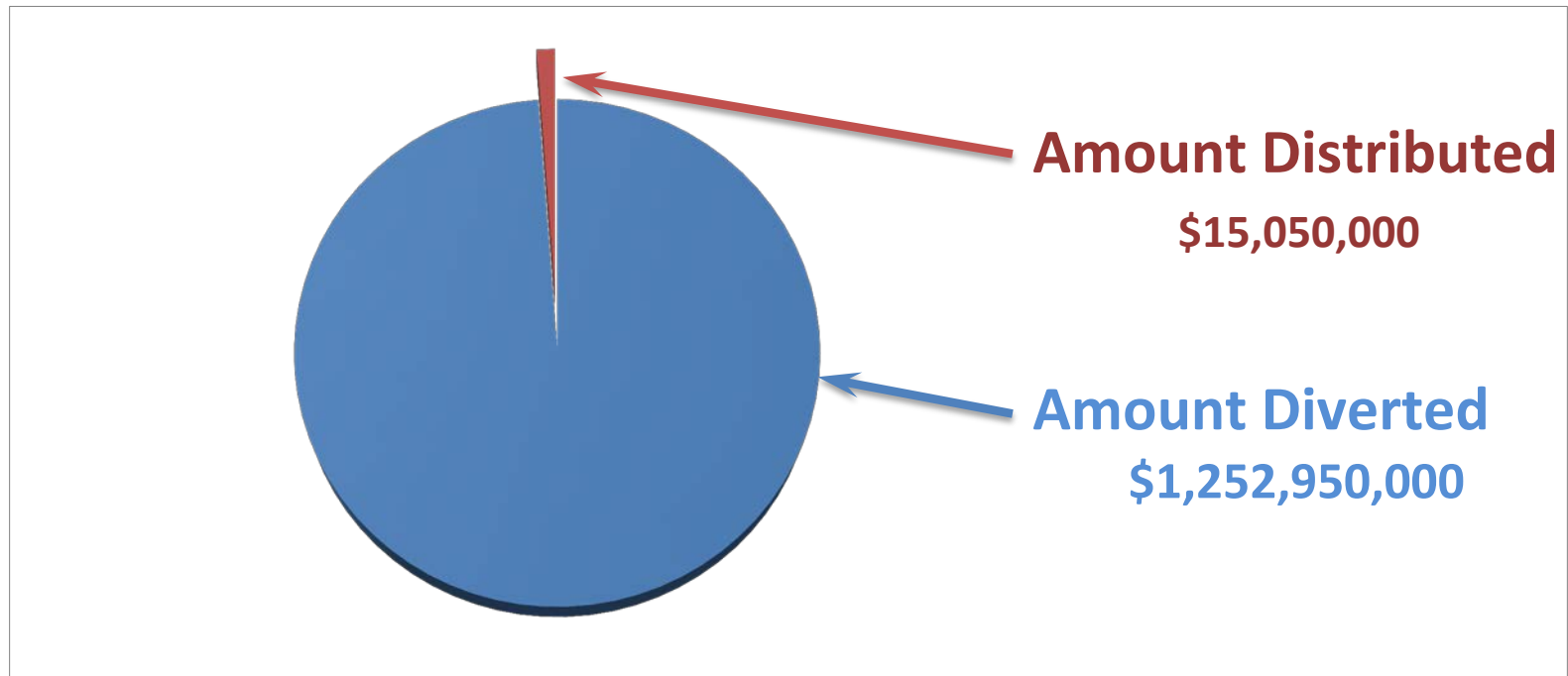
Federal Equalization Transfer to Nova Scotia
for 2018-2019

\$ 1.838 Billion

Provincial Distribution

2018-2019

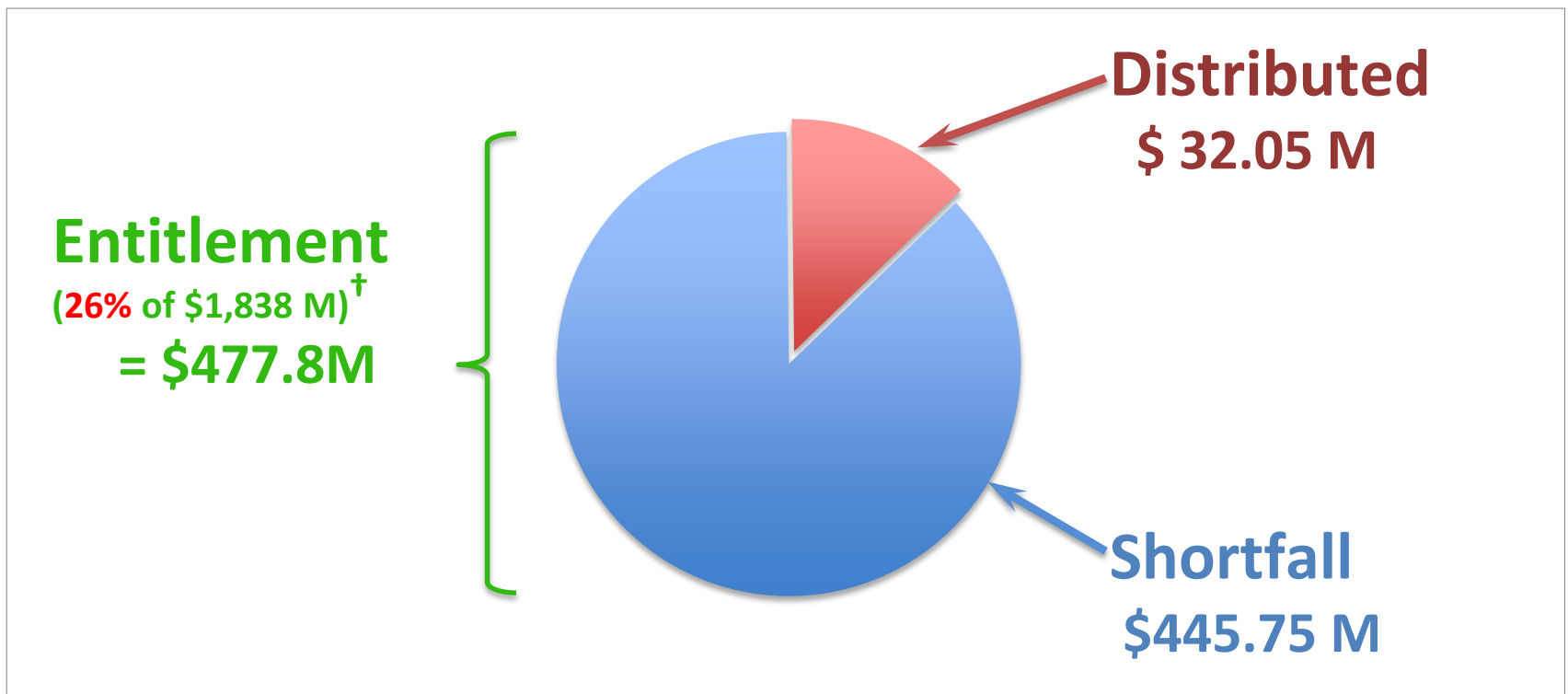
The provincial government distributed less than **1%** of the \$1.838 federal equalization transfer to the 42 communities in Nova Scotia entitled to equalization payments.[†]



[†] Note: The provincial government supplemented this amount (\$15,050,000), with NSPI's \$17,000,000 Grant in Lieu of Taxes, to bring its total "equalization" distribution to \$32,050,000.

Provincial “Equalization” Distributed to 42 Eligible Municipalities

2018-2019



† Eligible municipalities are entitled to receive all of the remaining **74%** in the form of improved, provincially-funded services.

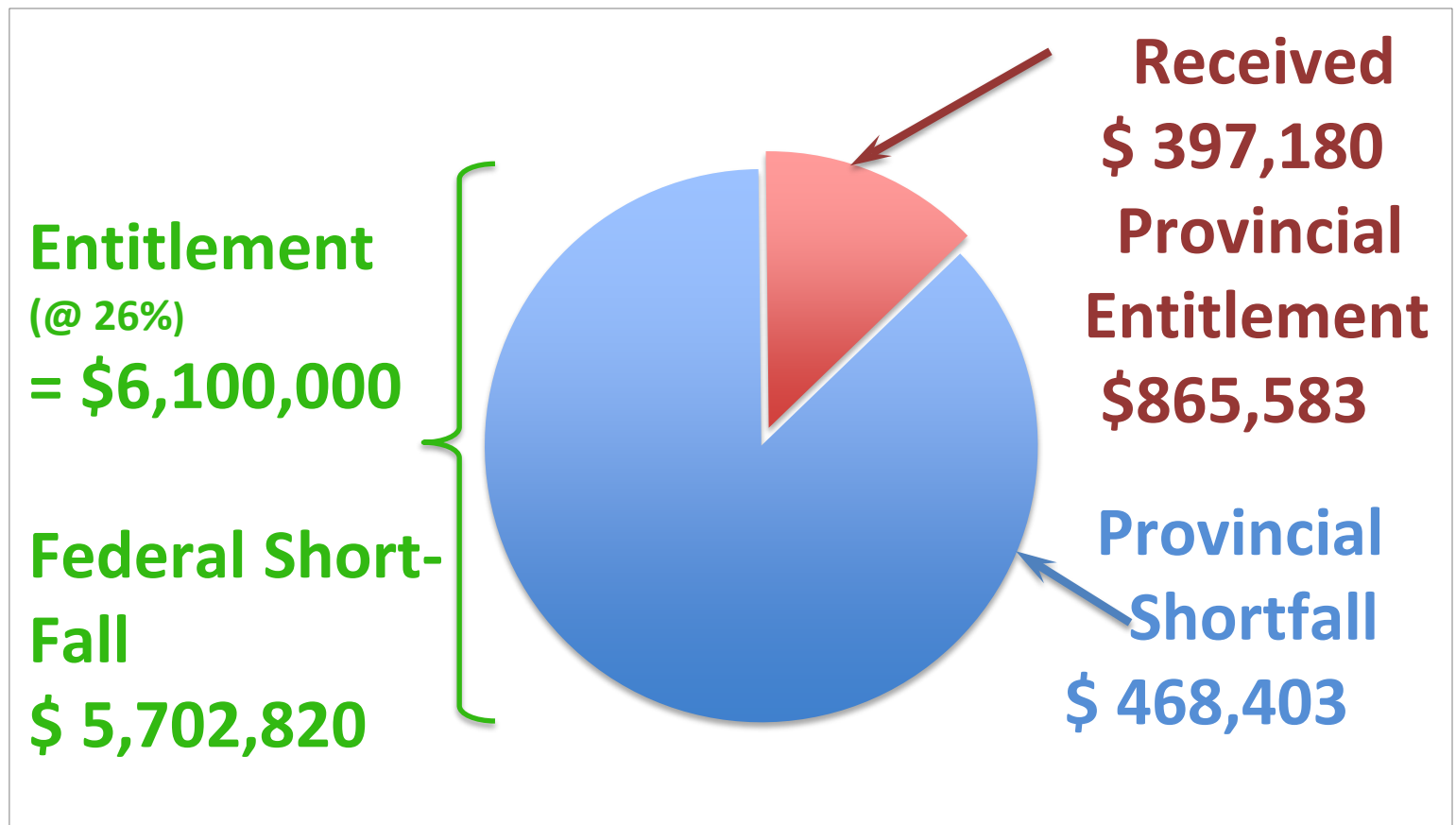
“Equalization” Received[†] vs. Entitlement 2018-2019

Inverness County Municipality

Received [†]	Entitlement
\$ 397,180	\$ 865,583

[†] **Note:** To the CBRM, and to each of the other 41 municipalities in Nova Scotia eligible for federal equalization transfer payments, the provincial government distributed **less than 1%** of the amount which these municipalities were entitled to receive—to enable them to cover the cost of the public services they are required to provide, at tax levels comparable to the Canadian average.

Provincial “Equalization” Grant Inverness County Municipality 2018-2019



Municipal Indicators †

HRM vs. CBRM

Municipal Indicator	Indicator	Year	HRM (\$)	CBRM (\$)	Differential (\$)
2.2.1	Average Household Income	2010	66,339	49,665	16,674
1.1.4	Uniform Assessment per Dwelling	2010	172,039	74,086	97,953
		2009	163,979	71,505	92,474
1.1.3	Average Tax per Household	2010	989	1,041	-52
		2009	1,072	1,006	66
1.2.2	Average Expenditure Per Household	2010	4,003	2,677	1,326
		2009	3,727	2,568	1,159

† Source: Service Nova Scotia and Municipal Relations – Municipal Indicators

Median Total Family Income[†]

(Canada \$78,870)

Halifax	\$ 84,560	\$20,850	\$ 5,690
		>	>
		Cape Breton	Canada
Cape Breton	\$ 63,710		\$ 15,160
			<
			Canada

† Source: Nova Scotia Finance and Treasury Board (~~2013~~ ²⁰¹⁴)

Tax Rates

	2010/2011		2015/2016	
	Halifax	Sydney	Halifax	Sydney
Residential	1.31	2.19	1.21	2.26
Commercial	3.84	5.56	3.36	5.63



Residential	87.0 % > HFX
Commercial	67.6 % > HFX

Federal Equalization

“Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide **reasonably comparable levels of public services at reasonably comparable levels of taxation.”**

—Canada Constitution Act (Section 36.2)

The Canadian Charter of Rights and Freedoms

...

Equality Rights

§ 15 (1) Every individual is equal before and under the Law and has the right to the equal protection and **equal benefit of the law** without discrimination

Call to Action

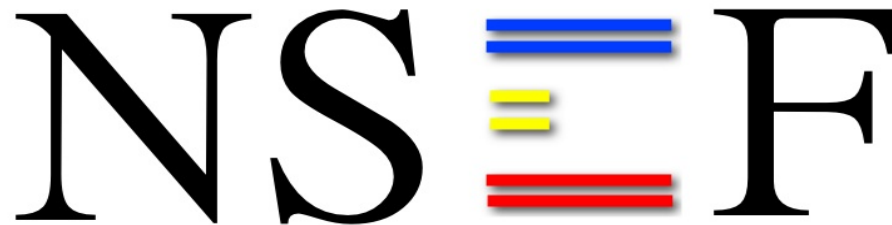
Members of the Legislative Assembly must require the Nova Scotia government to utilize 100% of the Federal Equalization Transfer payment for the purpose specified in the Constitution.

Conclusions

- **Section 36.2 of the Constitution represents the supreme law of the land.**
- **Nova Scotia MLA's are currently defying the law.**
- **In misappropriating federal equalization transfer payments, the Nova Scotia government is violating the Charter rights of the citizens of the poorest communities in Nova Scotia. This amounts to constructive theft of their money, through higher taxation and denial of public services they are due.**

Questions?

nsefgroupsydney@gmail.ca



NOVA SCOTIANS FOR EQUALIZATION FAIRNESS

[Website: nsef.ca](http://nsef.ca)