

Create Secure Jobs and Grow the Economy

- Total capital investment is forecast to be \$710.6 million.
- Stimulus investments are expected to create 7,000 person-years of employment, generating about \$300 million in income.
- The province will contribute \$33 million to support infrastructure projects at our universities and the Nova Scotia Community College.
- Provincial funding is leveraging \$56 million from the federal government and \$41 million from other sources under the federal Knowledge Infrastructure Program for a total of \$130 million.
- To improve road safety, government is adding \$400,000 annually to enhance bridge and truck inspections.
- The Manufacturing and Processing Investment Credit will put \$25 million back into business by boosting innovation and productivity in the province’s manufacturing and processing sectors, particularly in rural Nova Scotia.
- Effective January 1, 2011, the small business tax rate will be reduced by 0.5 per cent–which will save small businesses \$0.5 million this year and \$6 million in 2011–2012.
- The Equity Tax Credit put in place earlier this year is expected to provide \$1.1 million in new incentives to support Nova Scotian enterprises.
- Government will create 250 new seats at the Nova Scotia Community College targeted to high demand trades and professions.
- A tax rebate of up to \$15,000 over six years will be provided for university graduates and up to \$7,500 for college graduates. This rebate is being provided for those who stay and work here at home–returning about \$17 million into the hands of Nova Scotia’s best and brightest.
- \$2 million will help support and invest in community schools.
- \$4.4 million will be spent completing the broadband project, providing high speed access to all areas of the province.
- An investment of about \$24 million will go towards energy conservation and programs for energy efficiency.

Net Direct Debt/Gross Domestic Product (\$ billions)										
Fiscal Year	2005-06	2006-07	2007-08	2008-09	2009-10(e)	2009-10(f)	2010-11	2011-12	2012-13	2013-14
Net Debt	12.239	12.357	12.115	12.324	13.493	13.319	14.002	14.603	14.897	14.878
Nominal GDP	31.199	31.743	32.933	34.188	34.833	33.831	35.335	36.304	37.232	38.213
ND to GDP Ratio	39.2%	38.9%	36.8%	36.0%	38.7%	39.4%	39.6%	40.2%	40.0%	38.9%

Budget Summary (\$ thousands)	Estimate 2009-2010	Forecast 2009-2010	Estimate 2010-2011
Total Revenues	8,054,963	8,088,461	8,391,031
Total Expenses	9,094,060	9,010,592	9,044,361
Consolidation Adjustments	90,207	76,051	82,674
Government Business Enterprises	356,797	357,647	348,573
Provincial Surplus (Deficit)	(592,093)	(488,433)	(222,083)
Provincial Revenue Sources			
Corporate Income Tax	322,325	305,033	343,620
Harmonized Sales Tax	1,181,534	1,180,442	1,413,115
Individual Income Tax	1,781,057	1,829,578	1,896,905
Interest Revenues	93,178	88,101	93,461
Offshore Licenses Forfeitures	---	14,789	---
Motive Fuel Taxes	247,493	247,859	248,594
Registry of Motor Vehicles	103,332	108,552	108,720
Royalties - Petroleum	151,011	110,838	173,640
Tobacco Tax	169,061	196,446	193,847
Other Provincial Sources	275,176	278,796	264,569
TCA Cost Shared Revenue	12,027	12,027	9,650
Prior Years' Adjustments	---	7,017	---
Fees and Other Charges	61,235	63,280	62,537
Ordinary Recoveries	280,653	299,630	293,347
Sinking Fund Earnings	91,623	90,838	89,092
Total - Provincial Sources	4,769,705	4,833,226	5,191,097
Federal Sources			
Canada Health Transfer	700,137	700,137	724,564
Canada Social Transfer	304,089	301,978	307,575
C48 Infrastructure Trust Funds	1,500	9,945	---
C52 Trust Funds	21,961	39,695	3,415
Crown Share	79,352	79,352	33,498
Equalization Payments	1,464,935	1,464,935	1,360,722
Knowledge Infrastructure Program	18,094	9,939	38,003
Offshore Oil and Gas Payments	180,072	180,072	227,225
Other Federal Sources	63,688	40,105	65,904
TCA Cost Shared Revenue	125,188	115,358	116,091
Prior Years' Adjustments	---	(5,831)	---
Ordinary Recoveries	326,242	319,550	322,937
Total - Federal Sources	3,285,258	3,255,235	3,199,934
Expenses			
Agriculture	61,686	67,207	60,879
Community Services	945,813	939,287	971,562
Economic and Rural Development	95,243	76,538	107,978
Education and Universities	1,740,949	1,739,143	1,376,008
Energy	40,090	40,448	35,943
Environment	44,334	39,435	52,777
Finance	30,399	27,875	33,870
Fisheries and Aquaculture	11,350	9,074	13,231
Health	3,422,276	3,399,069	3,634,935
Health Promotion and Protection	89,031	86,152	88,383
Justice	281,490	278,761	289,487
Labour and Workforce Development	160,859	155,772	182,918
Natural Resources	91,449	92,838	95,441
Public Service	182,702	186,605	194,467
Seniors	1,957	1,862	1,902
Service Nova Scotia and Municipal Relations	300,194	287,958	312,304
Tourism, Culture and Heritage	63,022	63,341	61,065
Transportation and Infrastructure Renewal	374,333	378,000	397,343
Restructuring Costs	178,817	175,817	111,423
Tax Credits and Rebates	---	---	54,800
Pension Valuation Adjustment	88,990	93,123	8,448
Debt Servicing Costs	889,076	872,287	959,197
Total - Program Expenses	9,094,060	9,010,592	9,044,361



Budget Highlights

for the fiscal year 2010–2011

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for the fiscal year 2010–2011

Budget Overview

The Province of Nova Scotia is tabling a budget in fiscal 2010-2011, with a deficit of \$222.1 million. This is the first year of a four year fiscal plan to return to a balanced budget.

Total revenues for 2010–2011, including government business enterprises’ net income of \$348.6 million, are projected to be \$8.7 billion, an increase of \$327.8 million over the 2009-2010 estimates.

Provincial source ordinary revenues are estimated to be up \$409.9 million offset by a \$82.0 million decrease in federal source ordinary revenues. Other revenue sources including fees and other charges, recoveries, and sinking fund earnings are up \$8.2 million

Provincial source revenues have increased primarily as a result of increases in HST revenues of \$231.6 million, income taxes of \$137.1 million, tobacco tax of \$24.8 million and petroleum royalties of \$22.6 million offset by a \$10.6 million decrease in the Large Corporations tax.

Federal source revenues are down from the 2009-2010 estimates due to decreases in equalization payments of \$104.2 and a decrease in the crown share adjustment payment of \$45.9 million, offset by increases in the amount accrued for the Offshore Agreement of \$47.2 million and increases in the Canada Health and Social transfers of \$27.9 million.

Total expenses for fiscal 2010-2011, before consolidation adjustments are budgeted at \$9.0 billion, down \$49.7 million from 2009–2010. Increases in program spending for departments includes Health \$212.7 million, Education \$30.2 million, Community Services \$25.7 million, Service Nova Scotia and Municipal Relations \$12.1 million, Transportation and Infrastructure Renewal \$23.0 million and Labour and Workforce Development \$22.1 million, offset by a decrease in Assistance to Universities of \$395.2 million.

A Change and Innovation Fund has also been established in Treasury Board with an estimate of \$15.0 million. This fund will be used to incent change and encourage departments to consider efficiencies and innovative ways of achieving their business and service objectives. It also includes \$3.0 million for the Emergency Department Protection Fund and \$2 million is related to the government commitment on community schools.

Spending has increased for tax credit and rebate programs which includes \$52.5 million for the Affordable Living Tax Credit and \$2.3 million for the Poverty Reduction Credit.

Restructuring costs, a portion of which is for funding of wage negotiations, is down \$67.4 million from 2009-2010

Pension Valuation adjustment has decreased by \$80.5 million from the 2009–2010 estimate of \$89.0 million as a result of changes to the pension plans.

Debt servicing costs are up \$70.1 million as a result of an increased borrowing program.

Authority for the annual cost to acquire provincially owned assets is reflected in the tangible capital assets appropriation. Gross capital purchase requirements in 2010–2011 total \$579.9 million which includes an investment of \$310.0 million in the highway system, \$190.0 million for buildings, including schools, \$42.6 million for information technology, \$23.2 million for vehicles and equipment, and \$14.1 million for land and land improvements.

In addition, capital funding has been provided to the following government units: \$96.2 million for the District Health Authorities and IWK Health Centre, and \$34.5 million for the Housing Development Corporation to leverage federal cost sharing for social housing projects.

Getting Back to Balance — Living Within Our Means

- Of the \$1.4 billion fiscal gap identified by the Expert Advisory Panel, in 2012–2013, \$1.1 billion will be eliminated through expenditure management and restraint.
- Spending growth will remain relatively flat due to aggressive savings targets, adding up to about \$772 million by 2013–2014.
- A comprehensive analysis of all department, agency and third party spending will be undertaken to identify cost-control and cost-saving opportunities.
- In the health sector, opportunities will be looked at in areas such as:
 - health authorities shared efficiencies
 - streamlined health care services
 - drug costs
- In the education sector, we will investigate savings through:
 - a modernization of the school system
 - opportunities tied to student enrollment decline
- Government will rely on attrition achieved through retirements and voluntary departures to make the civil service 10 percent smaller by 2013.
- The Legislative Expenses budget line has been reduced by \$1.3 million to reflect the new level of more accountable MLA expenses.
- Effective July 1st, Harmonized Sales Tax will be restored to 15 percent, providing an additional \$214.8 million in revenue this year.

Make Life More Affordable

- The new *Affordable Living Tax Credit*, worth \$70 million annually, will lessen the impact of the HST restoration to make life more affordable for Nova Scotian households with low or modest incomes.
- Households earning less than \$30,000 will receive quarterly payments, similar to the existing GST credit. This credit will return about \$240 per person and \$57 per dependent child every year. Those earning up to \$34,800 will also receive a portion of the credit.
- A new point-of-sale rebate will remove the provincial portion of the harmonized sales tax on children’s clothing, footwear, feminine hygiene products and disposable diapers. This means approximately \$11 million will be returned to families in every region of the province.
- Seniors who receive the Guaranteed Income Supplement will no longer have to pay provincial income tax. This means about \$12.5 million will be returned to about 18,000 senior citizens across the province.
- The new Poverty Reduction Credit will return about \$3 million annually to about 15,000 individuals.
- Patients who need treatment not available in Nova Scotia may be eligible to receive up to \$1,000 for round-trip travel costs and \$1,500 for accommodations for up to 12 medical visits a year.
- Low income homeowners will benefit from an investment of \$2.5 million to help improve the energy efficiency of their homes and reduce their energy bills over the long term.
- \$128 million will be invested in building affordable housing units and upgrading existing ones across the province.

Bring Better Health Care for You and Your Family

- To reduce wait times for surgery an investment of \$1.3 million will set up pre-hab teams to work with patients prior to surgery. This initiative will ease the stress on the health care system.
- A \$3 million ER protection fund will improve service and access by implementing initiatives identified by the province’s Emergency Care Advisor on Emergency Care.
- Government will spend \$4.8 million to help patients move faster through the ER to admissions by opening hospital beds and establishing a Rapid Assessment Unit.
- Nurse practitioners will be placed in nursing homes to augment care, save money and relieve pressure in other areas of the system.
- Self-managed care allowances and personal alert assistance programs will be implemented for seniors at home.
- Transition houses and womens’ centers will be provided with an additional \$500,000 this year.
- Recreational, cultural and life skills programming will be provided for youth through an investment of \$240,000 annually in after school Lighthouse programs.