





# Budget Highlights

for the fiscal year 2013–2014

## Budget Overview

Budget 2013–2014 is balanced. This year, the government will continue to make strategic investments to create good jobs, grow the economy, and help make life better for families.

Budget 2013–2014 includes \$9.5 billion in revenues, \$9.5 billion in total spending, and a bottom-line surplus of \$16.4 million.

With the province's finances now back to balance, Nova Scotia is poised to take advantage of the opportunities that lie ahead.

## Creating good jobs and growing the economy

Nova Scotia is beginning to turn the corner toward greater prosperity and game-changing opportunities. jobsHere is helping hundreds of small businesses get started, expand into new markets, make productivity upgrades, and train employees now and for the future. Budget 2013 will:

- introduce single-window, streamlined access to current small-business programs, ensuring that business owners can easily find and connect with the help they need to grow, hire, and succeed
- reduce the rate of corporate income tax for small businesses to three per cent as of January 1, 2014. Over four years, that is a drop of two percentage points in income tax and almost \$78 million in savings for small business that can be reinvested to compete, grow, and hire. The small business limit threshold will also be lowered to \$350,000. The combined impact of these reductions mean that 93 per cent of small businesses will save \$26 million in 2013–2014, and over \$33 million per year when the changes are fully implemented.
- maintain a suite of innovation and learning programs to support small businesses that want to train employees, develop new products, and improve productivity—\$13.9 million
- help fund new equipment, clean technology, software, and hardware for businesses—\$14.5 million
- provide ongoing support for apprentices through in-class and online training opportunities—\$4.5 million
- build and maintain roads and structures—\$248.4 million

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## **Providing better care sooner**

The province's Better Care Sooner plan is working. Budget 2013 makes new investments to keep emergency rooms open, to better meet patients' needs, and to improve children's health.

Budget 2013 will:

- open Collaborative Emergency Centres in more Nova Scotian communities this year
- fund insulin pumps and supplies for youth up to age 19 and supplies for insulin pumps for people under the age of 25—\$5.3 million
- expand dental coverage for children by four years: starting in 2013–2014, children age 13 and under will be able to receive universal dental coverage for check-ups and treatments—\$2.1 million
- expand newborn screening to include cystic fibrosis, sickle cell anemia, and eight additional conditions—\$1.3 million
- partner with other provinces across Canada to reduce the price of six common generic drugs used by many Nova Scotians
- fund Nova Scotia's first mental health and addictions strategy, Together We Can—\$2.5 million

## **Making life more affordable for Nova Scotians**

The province is committed to making life more affordable for families. Budget 2013 puts more money back into the hands of families, seniors, low-income Nova Scotians, and students.

Budget 2013 will:

- continue to help Nova Scotians with the rising cost of home energy through the Heating Assistance Rebate Program (\$12.4 million) and Your Energy Rebate (\$104 million)
- increase the maximum property tax rebate by \$200, bringing the total up to \$800. About 15,000 seniors qualify for the rebate. Of those, 4,000 will benefit from the increase to help them stay in their homes
- exempt more of the province's low-income seniors from paying provincial income tax, and return a greater portion of income tax to more seniors. In the last four years, many low-income seniors receiving the Guaranteed Income Supplement benefited from not having to pay provincial income tax. This put an average of \$450 back into the hands of 17,000 seniors who needed it most. Starting January 1, 2014, that number will increase to 25,000. An additional 4,000 seniors will also have a portion of their income tax returned to them through a new provincial \$1,000 non-refundable Age Amount tax credit. In total, 29,000 seniors will receive more income tax relief
- invest more in the Graduate Retention Rebate Program for new graduates—\$6 million

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- increase the personal allowance rates for income assistance beneficiaries by \$17 per month, bringing the total increase over four years to \$47 each month—a 22 per cent increase
  - provide more Nova Scotians with safe, affordable housing options through the province's first Housing Strategy

## **Putting kids and learning first**

Nova Scotia has a plan to help every student succeed. Together with teachers, parents, school boards, communities, and children, the province's Kids & Learning First plan is preparing our young people for success through a greater focus on the early years, the basics, and safer, better schools. Budget 2013 will:

- establish children's centres to make it easier for families to access support services for young children and help them make a successful transition to elementary school—\$1.2 million
- continue to cap class sizes for grades primary to three at 25 students, ensuring that average class sizes remain the smallest in a generation
- enable school boards to hire 25 new program support staff, psychologists, and speech–language pathologists to help children with special needs, and provide funding for 15 teachers' assistants—\$3.7 million
- help students succeed in math by giving them more time to focus on fewer topics in more depth through curriculum improvements in grades primary to three, and double the time that grade 10 students learn math—\$3 million
- support students in small and rural communities by tripling the number of students who can participate in courses through online virtual classrooms—\$252,000

## **Focus on women**

Budget 2013 makes strategic investments in areas that benefit women's health, protect the most vulnerable women in society, and continue to support the creation of good jobs throughout Nova Scotia. Budget 2013 will:

- increase and stabilize funding for transition houses and women's centres
- target groups that are under-represented in the workforce, as part of the province's ongoing Workforce Strategy
- continue support for Techsploration, an innovative program designed to introduce girls to career development opportunities in science, trades, and technical and technology-related fields—\$75,000
- support Cybersafe Girl to keep girls safe online—\$20,000

- continue to support the Domestic Violence Court, work on the province's Domestic Violence Plan, and develop a Sexual Violence Framework

## Back to balance

Nova Scotia's fiscal plan is working. Spending restraint is the cornerstone of Back to Balance, even in light of better-than-expected revenues. Everyone shared in the challenge of getting Nova Scotia back to balance. Our fiscal discipline will allow the province to reduce the HST by one percentage point in 2014 and by another in 2015.

Getting back to balance, and staying there, is critical to ensuring that the services Nova Scotia's families rely on are there when they need them, now and for generations to come. The province has:

- analyzed government and school board procurement to find savings, better prices, and improved contracts for products and services, saving the province \$14.8 million in 2013–2014 alone
- held salary increases below previous levels, generating nearly \$200 million in annual savings for taxpayers
- ended March Madness and end-of-year spending
- reduced the size of the civil service by more than 600
- reined in growing health-care spending; efforts such as merging district health authorities and IWK administrative services have held DHA budget increases on average to only 1.6 per cent a year since 2009–2010
- increased per-student funding to \$10,762, the highest amount in a generation, and worked with school boards to reduce administrative costs

### Net Debt/Gross Domestic Product (\$ billions)

Fiscal Year	2008-09	2009-10	2010-11	2011-12	2012-13 (f)	2013-14	2014-15	2015-16	2016-17
Net Debt	12.318	12.992	12.758	13.244	13.884	13.989	14.093	14.342	14.410
Nominal GDP	35.392	34.921	36.351	37.016	38.227	39.099	40.283	42.054	43.099
ND to GDP Ratio	34.8%	37.2%	35.1%	35.8%	36.3%	35.8%	35.0%	34.1%	33.4%

### Nova Scotia Economic Forecast

<i>Per cent change, except where noted</i>	2012	2013	2014
Real GDP (\$2007, chained)	1.2	1.3	1.5
Nominal GDP	3.3	2.3	3.0
Compensation of Employees	2.0	3.3	3.8
Household Final Consumption	3.7	3.8	3.8
Retail Sales	1.0 <sup>a</sup>	3.8	3.7
Consumer Price Index	2.0 <sup>a</sup>	1.5	2.1
Residential Investment	5.0	5.3	5.2
Net Operating Surplus: Corporations	8.9	7.5	5.6
Exports of Goods to Other Countries	-14.6	4.3	2.7
Population (000s)	948.7 <sup>a</sup>	947.9	947.8
Employment	0.6 <sup>a</sup>	-0.2	0.0
Unemployment Rate	9.0 <sup>a</sup>	9.1	9.2

<sup>a</sup> - actual

<b>Budget Summary</b> <i>(\$ thousands)</i>	<b>Estimate</b> <b>2012–2013</b>	<b>Forecast</b> <b>2012–2013</b>	<b>Estimate</b> <b>2013–2014</b>
Total Revenues	9,270,313	9,180,334	9,481,173
Total Expenses	9,561,332	9,605,570	9,524,191
Consolidation Adjustments	79,819	68,830	59,407
<b>Provincial Surplus (Deficit)</b>	<b>(211,200)</b>	<b>(356,406)</b>	<b>16,389</b>
<b>Provincial Revenue Sources</b>			
Personal Income Tax	2,195,300	2,133,686	2,278,408
Corporate Income Tax	398,450	437,129	473,946
Harmonized Sales Tax	1,642,900	1,658,251	1,721,788
Motive Fuel Tax	254,100	246,633	251,019
Tobacco Tax	211,000	210,329	227,883
Other Tax Revenue	157,640	151,100	151,418
Registry of Motor Vehicles	110,279	117,527	121,239
Royalties — Petroleum	27,672	22,719	20,090
Other Provincial Sources	124,576	129,421	140,229
TCA Cost Shared Revenue	3,625	4,305	8,260
Other Fees and Charges	67,598	66,208	61,707
Prior Years' Adjustments	---	42,407	---
Interest Revenues	74,070	69,807	68,841
Sinking Fund Earnings	108,348	108,767	107,102
Ordinary Recoveries	276,422	285,697	266,919
Net Income from Government Business Enterprises	350,993	350,431	350,313
<b>Total — Provincial Sources</b>	<b>6,002,973</b>	<b>6,034,417</b>	<b>6,249,162</b>
<b>Federal Sources</b>			
Equalization Payments	1,593,820	1,578,829	1,703,711
Canada Health Transfer	796,959	795,017	833,125
Canada Social Transfer	321,943	322,957	329,101
Offshore Oil and Gas Payments	146,059	146,059	89,461
Crown Share	19,628	11,696	9,358
Other Federal Sources	23,712	18,645	18,616
TCA Cost Shared Revenue	73,151	26,151	22,682
Prior Years' Adjustments	---	(840)	---
Ordinary Recoveries	292,068	247,403	225,957
<b>Total — Federal Sources</b>	<b>3,267,340</b>	<b>3,145,917</b>	<b>3,232,011</b>
<b>Expenses</b>			
Agriculture	63,949	63,946	61,973
Communities, Culture and Heritage	58,665	57,305	60,009
Community Services	977,924	937,615	896,573
Economic and Rural Development and Tourism	187,353	176,106	130,060
Education and Early Child Development	1,112,830	1,118,807	1,105,659
Energy	29,568	29,568	26,136
Environment	26,385	24,734	24,954
Finance	38,990	38,557	41,444
Fisheries and Aquaculture	8,799	8,798	9,044
Health and Wellness	3,861,513	3,859,723	3,910,819
Justice	306,723	311,749	309,801
Labour and Advanced Education	346,208	346,688	353,412
Assistance to Universities	347,619	381,697	337,152
Natural Resources	95,685	99,500	85,072
Public Service	174,314	163,614	165,931
Seniors	1,871	1,871	1,859
Service Nova Scotia and Municipal Relations	275,909	274,909	247,315
Transportation and Infrastructure Renewal	421,617	420,744	425,458
Restructuring Costs	198,724	165,234	202,480
Refundable Tax Credits	73,500	123,529	129,356
Pension Valuation Adjustment	71,485	104,062	110,793
Debt Servicing Costs	881,701	896,814	888,891
<b>Total — Expenses</b>	<b>9,561,332</b>	<b>9,605,570</b>	<b>9,524,191</b>