



Budget Highlights

for the fiscal year 2011–2012

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Budget Overview

The 2011–2012 budget builds on the province's plan for change that makes life better for families, by investing in health care, creating good jobs and growing the economy, while living within our means.

This is year two of a four-year plan to get the province back to balance. This budget shows real progress and forecasts a surplus of \$447.2 million for 2010–2011, which is the result of a good plan and sustained discipline.

Nova Scotians will notice a real improvement in how the province's finances are managed and how important public services are delivered, and how we support and grow our economy. The budget outlines government's commitment to key initiatives to make life better for families.

Living Within Our Means

Nova Scotia's fiscal plan is on track. Government-wide spending reductions have resulted in savings of \$170.0 million for the upcoming year, adding to the \$54 million saved last year.

- For the first time in 23 years, total spending is coming in under budget two years in a row.
- The surplus for 2010–2011 will allow the government to reduce the provincial net debt by \$37.8 million.
- The debt-to-GDP ratio, a widely-used measure of financial health, will drop to 36.6 per cent.
- Nova Scotia's net debt is almost \$1 billion less than estimated last year.

Better Care Sooner for You and Your Family

This budget builds on the province's plan to keep emergency rooms open, reduce waits for patients, and provide better care for Nova Scotia families by investing in the Better Care Sooner plan.

- The \$3 million emergency protection fund will be used to keep emergency rooms open, and to support Collaborative Emergency Centres.
- \$1.5 million will place additional nurse practitioners across the system.
- \$2.2 million will add additional assessment beds and keep Cobequid Community Health Centre open longer.
- More than 800 Nova Scotians will benefit from a \$4.4 million investment in Lucentis.
- \$500,000 will address acute and chronic diseases, keeping Nova Scotians healthier over the long term.
- A plan to reduce childhood obesity and the use of tobacco will be introduced.
- An additional \$21 million will fund new replacement nursing home beds in every region of the province.
- \$1.8 million is allocated to expand the Caregiver Benefit Program, helping seniors to remain at home in the communities they helped to build.

Creating Good Jobs and Growing the Economy

Budget 2011–2012 builds on the province's plan for change by investing in the jobsHere plan to create good jobs and grow the economy. jobsHere makes the most of our province's advantages—our people, resources, and geography—through three priorities: learning the right skills for good jobs, growing the economy through innovation, and helping businesses be more competitive globally.

- This government will invest more than \$200 million in jobsHere.
- The \$25 million Productivity Investment Program will make businesses more productive.
- The \$1.8 million strategic co-operative education incentive will double the opportunities available to students to receive valuable, hands-on work experience.

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- Over the next three years, \$3.5 million will be invested to ensure more African Nova Scotians have the skills they need to enter the labour market.
 - A \$2 million innovation and competitiveness fund will increase productivity and help companies bring new ideas to market.
 - A \$750,000 investment will create a new international commerce strategy.
 - An investment of \$5 million in forestry will support a new policy direction, which includes a 50 per cent reduction in clear-cutting, to help ensure good jobs in a successful and sustainable industry.
 - More than \$30 million in loans have been approved under the Credit Union Loan Program to support ownership and succession planning for small business.
 - More than \$1 million in new incentives will be offered through the Equity Tax Credit.
 - The small business tax rate will fall for the second year to 4.0 per cent, saving small businesses up to \$4,000 annually.
 - \$585,000 will support the creation of 2-1-1 Nova Scotia, in partnership with the United Way, to make information about social services more accessible. This will be among the first province-wide 2-1-1 systems in Canada.

Helping Nova Scotians Make Ends Meet

Budget 2011 builds on the province's plan for change by helping families, students, and seniors make ends meet.

- Protect students by capping tuition increases at 3 per cent and investing \$30 million in student bursaries to keep tuition below national average.
- Create the first "debt cap" in the province's history, providing Nova Scotia students with a reduction of up to 36 per cent in total debt under the new \$28,560 maximum debt cap. For students and parents, that means a drop of up to \$16,320 in the maximum amount of debt a student may carry.
- Nova Scotians don't pay provincial tax on home energy, children's clothing and footwear, diapers and feminine hygiene products.
- Both the Affordable Living Tax and the Poverty Reduction Tax credits will be indexed to keep pace with inflation.

- A \$4.2-million increase to the personal allowance provided for people receiving income support.
- Beginning July 1, income assistance recipients will be able to keep more of their income. This \$3.7 million annual investment will assist about 3,000 Nova Scotians, providing a greater incentive to join and remain in the workforce. The 2011–2012 cost is \$2.8 million.

Building for the Future

The province's first Capital Plan, released in December 2010, is part of government's desire to move towards greater transparency and accountability. In past years, capital expenditures were announced at the same time as operating spending—during the spring budget. Releasing a capital budget earlier in the fiscal year sends a clear signal of what government intends to do in the year ahead. It gives the private sector a much greater opportunity to prepare for upcoming projects.

- The \$560 million capital plan will go to build roads and bridges, schools, health-care facilities, housing, and more.
- New projects will include information technology initiatives, an upgrade of the province's 9-1-1 system, and the development of the new Northeast Nova Correctional Centre.
- The plan includes \$83.6 million for schools construction and renovations, including the construction of new schools in Bedford, Lunenburg, and Yarmouth.

Net Debt/Gross Domestic Product (\$ billions)

<i>Fiscal Year</i>	2006-07	2007-08	2008-09	2009-10	2010-11 (f)	2011-12	2012-13	2013-14	2014-15
Net Debt	12.357	12.116	12.318	13.106	13.069	13.747	14.137	14.225	14.256
Nominal GDP	31.644	33.031	34.041	34.283	35.952	37.578	39.064	40.784	42.448
ND to GDP Ratio	39.1%	36.7%	36.2%	38.2%	36.3%	36.6%	36.2%	34.9%	33.6%

Budget Summary (\$ thousands)	Estimate 2010-2011	Forecast 2010-2011	Estimate 2011-2012
Total Revenues	8,391,031	8,798,506	8,523,999
Total Expenses	9,044,361	8,793,827	9,336,952
Consolidation Adjustments	82,674	85,092	68,817
Government Business Enterprises	348,573	357,437	354,579
Provincial Surplus (Deficit)	(222,083)	447,208	(389,557)

Provincial Revenue Sources

Corporate Income Tax	343,620	399,047	393,743
Harmonized Sales Tax	1,413,115	1,483,464	1,621,243
Individual Income Tax	1,896,905	1,944,635	1,981,275
Interest Revenues	93,461	92,029	96,617
Offshore Licenses Forfeitures	---	433	---
Motive Fuel Taxes	248,594	254,687	253,653
Registry of Motor Vehicles	108,720	112,355	110,897
Royalties - Petroleum	173,640	170,274	110,352
Tobacco Tax	193,847	213,783	213,112
Other Provincial Sources	264,569	309,940	285,186
TCA Cost Shared Revenue	9,650	10,431	3,150
Prior Years' Adjustments	---	196,102	---
Fees and Other Charges	62,537	66,625	64,896
Ordinary Recoveries	293,347	300,517	278,187
Sinking Fund Earnings	89,092	93,562	104,803
Total - Provincial Sources	5,191,097	5,647,884	5,517,114

Federal Sources

Canada Health Transfer	724,564	728,602	758,947
Canada Social Transfer	307,575	309,233	315,047
C52 Trust Funds	3,415	3,273	700
Crown Share	33,498	29,717	21,666
Equalization Payments	1,360,722	1,360,722	1,342,552
Knowledge Infrastructure Program	38,003	32,970	4,641
Offshore Oil and Gas Payments	227,225	227,225	167,755
Other Federal Sources	65,904	67,874	23,250
TCA Cost Shared Revenue	116,091	95,552	67,763
Prior Years' Adjustments	---	(1,710)	---
Ordinary Recoveries	322,937	297,164	304,564
Total - Federal Sources	3,199,934	3,150,622	3,006,885

Expenses

Agriculture	60,879	64,533	61,115
Communities, Culture and Heritage	---	---	55,100
Community Services	971,562	956,668	985,084
Economic and Rural Development	107,978	84,368	---
Economic and Rural Development and Tourism	---	---	125,610
Education	1,315,365	1,316,251	1,135,237
Energy	35,943	30,361	30,462
Environment	52,777	48,195	27,582
Finance	33,870	31,860	36,007
Fisheries and Aquaculture	13,231	13,225	8,462
Health and Wellness	3,634,935	3,597,726	3,768,259
Health Promotion and Protection	88,383	104,538	---
Justice	289,487	282,029	302,036
Labour and Advanced Education and Universities	243,561	227,984	730,003
Natural Resources	95,441	92,258	92,845
Public Service	194,467	176,917	178,938
Seniors	1,902	1,902	1,881
Service Nova Scotia and Municipal Relations	312,304	294,013	274,761
Tourism, Culture and Heritage	61,065	61,000	---
Transportation and Infrastructure Renewal	397,343	403,200	420,362
Restructuring Costs	111,423	101,423	111,019
Tax Credits and Rebates	54,800	49,100	74,943
Pension Valuation Adjustment	8,448	(22,913)	31,761
Debt Servicing Costs	959,197	879,189	885,485
Total - Program Expenses	9,044,361	8,793,827	9,336,952