

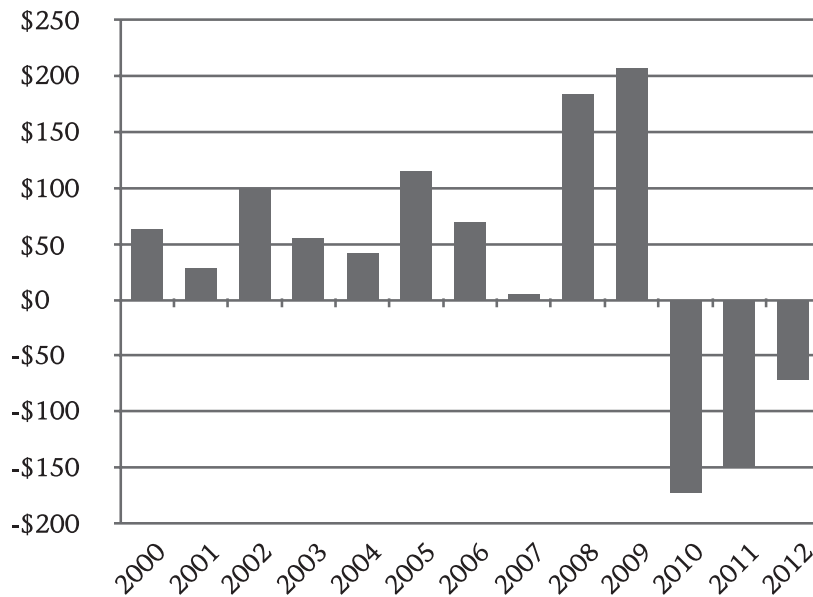


Living Within Our Means

Nova Scotia's fiscal plan is working. Departmental spending in 2011–2012 is forecast to be under budget for the third successive year. That hasn't happened in at least 45 years.

Departmental Over/Underspending

(\$ millions)



Trends that saw overall spending growth of 5 per cent per year from 2000–2009 were held flat in 2011–2012. In 2012–2013, government continues to maintain spending discipline, with growth contained to 0.9 per cent over last year's estimate. Beyond this, there were one-time investments in rural Nova Scotia, including the forestry sector and the Nova Scotia Agricultural College.

The government has identified savings of \$145 million for the upcoming year. Including the \$54 million saved in 2010–2011 and \$170 million saved in 2011–2012, the total savings as of the third year of the four-year fiscal plan are \$369 million.

In 2012, the government will

- merge administrative services of district health authorities and the IWK, with anticipated savings of \$7.6 million growing to \$41.5 million
- continue to evaluate departmental programs and services for effectiveness and affordability
- save more money through strategic purchasing
- continue restraint on out-of-province travel through the use of a travel provider for government; travel has already been reduced by 38 per cent, saving \$1.7 million to date
- continue restraint on the purchase and utilization of cell phones, Blackberries, and office space

Over half of the province's budget is spent by third parties, such as school boards, universities, district health authorities, and municipalities. Budget 2012 will see the government continue to work with partners in the broader public sector to help the province live within its means.

For the third year in a row, unbudgeted spending is considerably lower than under previous governments. From 2003 to 2009, unbudgeted spending averaged \$231 million per year. Tight budget management by the province and the elimination of "March madness" have contributed to this historic result. To date, unbudgeted spending for 2011–2012 is \$49 million.

Nova Scotians shared the challenge of getting the province back to balance. The province's fiscal discipline will generate a large enough surplus to allow government to reduce the HST by one percentage point in 2014 and another one percentage point in 2015.