

Unlocking Our **POTENTIAL**

BUDGET 2025-26

Highlights

Nova Scotia is blessed with countless opportunities.

With global economic uncertainty, we need to unlock our potential. We may not be able to control outside influences, but as a province we can control how we respond, where we invest and what we focus on next.

Budget 2025-26 will continue to move Nova Scotia forward. It builds on progress already made and delivers on promises to lower taxes, hire more doctors, increase wages and strengthen our economy.

Most importantly, it will set us up to become more self-reliant.

Budget 2025-26 also recognizes that economic uncertainty requires planning for the unexpected in a fiscally responsible manner. Lower taxes combined with an aggressive capital plan will help to stimulate the economy in the face of these headwinds.

With revenues of \$16.5 billion and expenses of \$17.6 billion, Budget 2025-26 estimates a deficit of \$697.5 million (after \$365.6 million in consolidation and accounting adjustments) before contingency.

In the coming year, we will lay the groundwork to set Nova Scotia up for generational economic success.

This is how we will help unlock Nova Scotia's full potential.

Laying The Groundwork To Unlock Our Potential

Nova Scotia has everything it needs to become a stronger, more resilient province. Nova Scotians need to be united as we move forward through this period of heightened uncertainty.

Budget 2025-26 lays the groundwork to strengthen our economy and create our own opportunities for the future. It invests in supporting local businesses and industries, creating good paying jobs to lift up our communities, and unlocking our resource potential.

Strengthening our resilience

\$3 million for preparatory work to create a successful pathway to offshore wind development and harness the power of Nova Scotia's wind resources

\$500,000 to advance the Critical Minerals Strategy to seize global opportunities to develop critical resources

\$200,000 to diversify Nova Scotia's international seafood markets and respond to emerging risks

\$150,000 for a comprehensive, cross-government Trade Action Plan to facilitate internal trade, enhance productivity and drive economic growth in critical sectors

\$150,000 for a new Seafood Sector Strategy to map out future opportunities for growth, transformation and modernization

Support for local business and industry

\$8 million for Nova Scotia Loyal to make it easier for Nova Scotians to buy local

Support for Nova Scotia's small businesses to give them a competitive edge:

- reducing the small business tax rate from 2.5 per cent to 1.5 per cent April 1, 2025
- increasing the small business tax rate income threshold from \$500,000 to \$700,000

\$49.5 million this year towards the province's \$100 million plan to create good-paying jobs in the skilled trades workforce

\$39 million to continue supporting the Nova Scotia film industry, including \$14 million to complete the Washington Black television series

\$755,000 to continue increasing participation and retention of women working in the skilled trades and to help advance women in their apprenticeships, in partnership with the federal government

\$500,000 for Fundy Ocean Research Centre for Energy to support research for the tidal energy industry

\$325,000 to strengthen enforcement and deter illegal fisheries activities

\$308,000 increase in support for the agriculture sector for crop insurance, for a total of \$1.3 million this year, as part of the Sustainable Canada Agriculture Partnership

Growing the green economy

\$35 million for Nova Scotia's Climate Change Plan for Clean Growth, to help Nova Scotia businesses create green jobs and adapt to the impacts of climate change. Some initiatives include:

- \$6.1 million to construct and renovate net-zero homes and apartments, including affordable housing units
- \$5.2 million to increase clean electricity through the Community Solar Program
- \$2.2 million to support the fisheries and aquaculture sector to adapt and prepare their businesses for climate change
- \$2.1 million to continue work to create planning tools to improve municipal stormwater infrastructure
- \$1.9 million to continue supporting communities with coastal protection and flood protection work
- \$1.3 million to support businesses and communities to become more energy efficient
- \$1.25 million for the Advancing Clean Technologies Program to allow more farmers to adopt clean technologies that support more sustainable farming
- \$1 million to improve access to water-resource data and floodline mapping

\$5.4 million this year for the 2 Billion Trees program, in partnership with the federal government, to support healthy forests, biodiversity, carbon capture and quality of life in communities

Preparing the future workforce

\$210.0 million to build and renovate schools, including three schools that will open in the 2025-26 school year:

- École Baie Sainte-Marie in Clare (CSAP)
- École sur la péninsule d'Halifax (CSAP)
- St. Joseph's-Alexander McKay Elementary School (HRCE) in Halifax

\$30.1 million to continue More Opportunity for Skilled Trades (MOST) tax refund program for workers under the age of 30 in high-demand occupations, including skilled trades, film and video, and nurses

\$2.4 million for the second year of the Atlantic Vet College funding agreement to train more veterinarians, a total of \$50.8 million over five years

\$322,000 more, for a total of \$4 million, for the final year of the four-year \$13-million commitment to create 3,244 paid internship opportunities for post-secondary students through Mitacs, an increase of 44 students

Making Life More Affordable

The rising cost of living due to global challenges continues to be a concern for Nova Scotians and the government. The best way to combat poverty and the cost-of-living crisis is by supporting good paying jobs and strengthening the economy. Budget 2025-26 lays the groundwork to take advantage of the opportunities before us, while helping Nova Scotians with affordability with lower taxes, higher wages and more housing.

Lowering Taxes

More than \$500 million in tax saving measures to make life more affordable for Nova Scotians:

- Reducing the HST by 1 per cent starting April 1, 2025
- Increasing the basic personal amount for all Nova Scotians from \$8,744 to \$11,744 starting January 1, 2025
- Implementing the first year of indexing tax brackets starting January 1, 2025

The combined measures are expected to save an average Nova Scotian family more than \$1,000 this year

Help for Nova Scotians

Increasing minimum wage by \$1.30 to \$16.50 on October 1, 2025

- starting with an increase to \$15.70 on April 1, 2025

Removing the tolls from the Angus L. Macdonald Bridge and the A. Murray MacKay Bridge in Halifax on April 1, 2025

\$61.3 million increase this year, for a total of \$80 million, to expand the school lunch program to an additional 77 schools, reaching approximately 29,000 more students

- This brings the program to all middle and junior high schools ahead of schedule

\$19.4 million increase, for a total of \$121.4 million, to support the continued transformation of Nova Scotia's disability support system as part of the Human Rights Remedy

\$18 million continued funding for employment support services, including programs that help Nova Scotians on Income Assistance further their education, develop skills for the workforce, and connect to jobs, and preventative programming for youth

\$10 million increase to index the Income Assistance rate to help people with rising costs

\$10.5 million increase, for a total \$130.5 million this year, to support Nova Scotians experiencing or at risk of homelessness, including:

- \$77.9 million investment to extend and expand access to supportive housing for Nova Scotians
 - includes \$1.8 million to support the Tiny Homes Community in Lower Sackville for up to 70 people experiencing homelessness
- \$33.6 million this year to increase and stabilize shelter capacity across Nova Scotia
- \$16 million continued funding to service providers for community-based services and supports, including street outreach and diversion funding
- \$2.6 million to address unsheltered homelessness, leveraging an equal investment from the federal government's Canada-Nova Scotia Contribution Agreement

\$3.4 million increase, for a total ongoing investment of \$10.9 million, to reduce child poverty and support children and youth leaving care

\$190.6 million investment in early learning and child care, fully recoverable from the Canada-Wide Early Learning and Child Care Agreement

More Housing, faster

\$88 million to build, renovate and maintain public housing across the province – the first new public housing build in more than 20 years. Investments include:

- \$36.8 million for 222 public housing units - the third year of a now \$94.9 million five-year investment (capital)
- \$10.6 million toward an additional 242 units to further expand public housing - the first year of a \$136.4 multi-year investment (capital)
- \$31.6 million to modernize and renovate existing public housing units (capital)
- \$9 million increase for repairs and upgrades (operating)

\$73.9 million to provide 8,900 rent supplements to Nova Scotians, an increase of 400 over last year

Rebate of the Provincial HST on new purpose-built rental housing

- Applies to projects that begin construction on or after September 14, 2023, until December 31, 2030, and completed construction by December 31, 2035
- Estimated \$54.1 million in 2025-26

\$24.8 million increase to transition people with disabilities from large institutions, like residential care facilities and long-term care homes, into the community of their choice

\$15.8 million provincial funding for Nova Scotia projects to leverage funding from the National Housing Strategy

\$6.9 million increase to the Backyard Suites Incentive Program, for a total of \$20 million over three years

\$5 million increase, for a total of \$10 million this year, for post-secondary student housing

Building A Healthy Population

Building a stronger economy, improving healthcare and making our communities safer all lead to a healthier population. The government will continue to take action to fix healthcare, including providing free shingles vaccine to Nova Scotians over age 65, making hospital parking free, and moving forward with the largest healthcare build in the history of the province.

Action for Health

\$750.9 million for the Halifax Infirmary Expansion Project and Cape Breton Regional Municipality Health Care redevelopment project (capital)

\$131.9 million for construction and renewal of other hospitals and medical facilities including projects in Amherst, Yarmouth, South Shore and at the IWK Health Centre in Halifax (capital)

\$90.9 million for One Patient, One Record to enable a digitally supported patient-centered health system (capital)

\$4.2 million increase to improve cancer care treatment with new digital imaging technology and equipment that provides adaptive radiation treatment, resulting in improved outcomes and increased survival as part of the \$230.0 million 10-year Multidisciplinary Oncology Partnership Agreement (capital and operating)

\$54 million ongoing funding for initiatives that move the province toward publicly funded universal mental health and addictions care for all Nova Scotians

\$42 million for Nova Scotia Health to repair and replace medical facilities (capital)

\$35 million increase for COVID-19 vaccine, no longer funded by the federal government, and RSV immunizations

\$32 million to repair and replace medical equipment (capital)

\$22.1 million more this year to continue to provide healthcare services at The Bridge, and integrated services shelter for those experiencing housing insecurity

\$19 million for free parking at Nova Scotia Health hospitals and the IWK for employees, patients and visitors

\$15.3 million for Diagnostic Imaging equipment (capital)

\$2.3 million increase, for a total of \$10.4 million, to support Nova Scotians with diabetes by expanding coverage of sensor-based device glucose monitors and the insulin pump program

\$2.1 million for LifeFlight, which has saved more than 16,000 hours of ground ambulance time since launching a second plane in August 2023

\$1.6 million this year to expand dialysis in Liverpool and Pictou (operating and capital)

Supporting our Seniors

\$26.9 million to deliver free shingles vaccine to Nova Scotians age 65 and older

\$45.8 million toward the plan to build 5,700 new and replacement long-term care spaces by 2032. Five facilities are on track and expected to open this year including:

- Carefield Manor, Cape Breton Regional Municipality
- Moody Hall, Halifax Regional Municipality
- Mountain Lea Lodge, Bridgetown
- Opal Ridge, Halifax Regional Municipality
- Rosecrest Meadows, Halifax Regional Municipality

\$26.5 million this year to provide the Seniors Care Grant to help older Nova Scotians live better lives at home and in their communities

\$4.9 million to create more permanent nursing home spaces for seniors needing long term care

Recruiting, retaining and training medical professionals

\$22 million for establishing the Physicians Retirement Fund to encourage physicians to stay and work in Nova Scotia

\$10.7 million for the Physician Assessment Centre of Excellence (PACE) to license more doctors

\$3.5 million to continue the expanded nursing training programs, as part of a four-year commitment to add 80 seats for nursing students at Cape Breton University, Dalhousie University and St. Francis Xavier University

\$2.3 million increase for the Patient Access to Care Act to recruit more doctors and healthcare professionals

\$1.5 million increase for the Physician Services Financial and Educational Incentive

\$751,000 for the Foreign Credential Recognition Program that will encourage healthcare and skilled trades professionals to live and work in Nova Scotia

Safe and Healthy communities

More than \$500 million for major 100-series highway construction projects, and repaving and structure work (capital)

\$85.9 million for planned work and repair for the Angus L. MacDonald bridge and the A. Murray MacKay Bridge

More than \$100 million in continued supports to address Gender-based Violence and Intimate Partner Violence across various departments

A new team with a dedicated focus on addressing Gender-based Violence and Intimate Partner Violence

\$25 million increase to stand up the Department of Emergency Management and the Nova Scotia Guard, and strengthening how the province responds to emergencies, including:

- creating six regional operations centres
- adding a 24/7 monitoring role at the Provincial Coordination Centre to improve situational awareness
- registering, training and deploying the Nova Scotia Guard
- strengthening Public Safety Field Communications
- establishing a Senior Crisis Management Team to respond in emergencies

\$22.4 million for year two of the Cellular for Nova Scotia Program, a \$70.4 million multi-year commitment to expand access to cellular service across the province (operating and capital)

\$22.5 million for storm damage repairs (capital)

\$3.25 million more for cyber security investments (operating and capital)

\$1.3 million to advance the Mi'kmaw language revitalization strategy

\$2.2 million to digitize and modernize Nova Scotia courts beginning with the Court of Appeal project (operating and capital)

\$1.1 million increase to APSEA to support children and youth who are deaf, hard of hearing, blind or visually impaired

\$700,000 for pre-construction planning and design work to protect the Chignecto Isthmus

\$364,000 increase, for a total of \$1.1 million, for a partnership with Natural Resources Canada for wildfire equipment and training

Budget Summary

(\$ thousands)

	2024-25 Estimate	2024-25 Forecast	2025-26 Estimate
Total Revenues	15,843,797	16,811,085	16,505,629
Total Expenses	16,518,722	16,949,549	17,568,701
Consolidation and Accounting Adjustments	207,540	220,913	365,573
Provincial Surplus (Deficit) - Before Contingency	(467,385)	82,449	(697,499)
Contingency	---	---	(200,000)
Provincial Surplus (Deficit) - After Contingency	(467,385)	82,449	(897,499)
Provincial Revenue Sources			
Personal Income Tax	4,174,435	4,525,250	4,730,924
Corporate Income Tax	748,944	831,397	836,540
Harmonized Sales Tax	2,755,642	2,689,662	2,588,233
Cannabis Tax	18,334	18,358	19,110
Vaping Tax	3,353	3,085	3,085
Non-resident Deed Transfer Tax	11,473	14,521	27,752
Motive Fuel Tax	278,243	279,133	284,393
Tobacco Tax	114,084	107,795	93,291
Other Tax Revenue	241,718	245,231	248,607
Prior Years' Adjustments - Provincial Taxes	---	527,148	---
Registry of Motor Vehicles	147,916	152,825	155,425
Other Provincial Sources	174,087	170,045	176,530
TCA Cost Shared Revenue	13,751	9,823	10,278
Other Fees and Charges	67,103	63,879	62,897
Gain (Loss) on Disposal of Crown Assets	975	7,003	1,700
Interest Revenues	140,410	189,666	188,226
Sinking Fund Earnings	22,414	22,893	27,143
Ordinary Recoveries	415,410	576,949	424,822
Net Income from Government Business Enterprises	473,933	486,920	465,447
Total - Provincial Sources	9,802,225	10,921,583	10,344,403
Federal Revenue Sources			
Equalization Payments	3,284,338	3,284,338	3,464,825
Canada Health Transfer	1,378,600	1,357,718	1,409,990
Canada Social Transfer	447,583	440,804	449,055
Other Federal Sources	161,033	159,042	163,511
TCA Cost Shared Revenue	41,405	31,533	28,717
Prior Years' Adjustments	---	(2,530)	---
Ordinary Recoveries	728,613	618,597	645,128
Total - Federal Sources	6,041,572	5,889,502	6,161,226
Expenses			
Advanced Education	725,539	740,075	732,171
Agriculture	46,682	47,132	47,946
Communities, Culture, Tourism and Heritage	171,845	255,029	168,120
Cyber Security and Digital Solutions	276,224	256,698	283,921
Education and Early Childhood Development	1,999,180	1,999,241	2,225,951
Emergency Management	30,391	48,684	61,060
Energy	37,873	40,810	48,613
Environment and Climate Change	73,876	80,776	80,124
Finance and Treasury Board	48,790	47,326	48,406
Fisheries and Aquaculture	15,951	16,397	15,095
Growth and Development	370,250	387,034	400,214
Health and Wellness	5,536,898	5,767,651	5,976,833
Justice	464,719	476,906	489,245
Labour, Skills and Immigration	241,644	245,185	246,453
Municipal Affairs	396,515	320,877	337,882
Natural Resources	103,715	108,624	112,138
Opportunities and Social Development	1,579,169	1,577,523	1,676,809
Public Service	517,397	541,980	525,274
Public Works	716,170	750,402	840,141
Seniors and Long-term Care	1,362,710	1,399,066	1,462,480
Service Nova Scotia	161,138	224,231	164,805
Restructuring Costs	659,765	575,712	551,472
Refundable Tax Credits	126,316	153,176	147,960
Pension Valuation Adjustment	33,102	19,704	17,079
Debt Servicing Costs	822,863	869,310	908,509
Total - Expenses	16,518,722	16,949,549	17,568,701