

Tax Relief in Nova Scotia (\$ Millions)	Estimated Tax Relief in 2008	Estimated Tax Relief in 2009	Fiscal Impact 2008-09
New Tax Measures			
Volunteer Firefighters and Ground Search and Rescue Tax Credit	\$3.9	\$5.3	\$4.1
Healthy Living Tax Credit	\$3.3	\$8.6	\$4.3
Transit Tax Credit	—	\$1.5	\$0.3
Film and Digital Media Tax Credits	\$15.5	\$17.3	\$15.7
Previously Announced Tax Measures			
Basic Personal Amount and other credits	\$32.3	\$48.4	\$35.3
Graduate Tax Credit	\$14.3	\$14.3	\$14.3
Large Corporations Tax Reduction	\$28.0	\$42.8	\$31.7

	2007	2008	2009
Key Economic Assumptions			
Nominal Gross Domestic Product (GDP) (at Market Prices, \$ million)	33,727	35,383	36,866
GDP Growth Rate (chained 1997\$) (% change)	1.7	1.7	2.5
GDP Growth Rate at Market Prices (% change)	5.4	4.9	4.2
Personal Income (% change)	3.5	4.2	4.2
Employment	447,600	451,600	457,300
Employment Growth Rate (% change)	1.3	0.9	1.3
Unemployment Rate (%)	8.0	8.1	7.5
Consumer Price Index (% change)	1.9	2.0	2.0
Retail Sales (% change)	4.0	4.4	4.9
Corporate Profits before Taxes (% change)	4.6	4.0	4.1
Exports of Goods and Services (% change)	5.4	3.9	8.5

Net Direct Debt/Gross Domestic Product					
	Fiscal Year				
	1999-00	2000-01	2001-02	2002-03	2003-04
NDD	11.2	11.4	12.1	12.2	12.3
Nominal GDP	23.1	24.7	25.9	27.1	28.9
NDD to GDP Ratio	48.7%	46.1%	46.8%	45.1%	42.7%
	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
NDD	12.3	12.2	12.4	12.4	12.3
Nominal GDP	30.0	31.6	32.0	33.7	35.4
NDD to GDP Ratio	41.0%	38.8%	38.6%	36.6%	34.9%

Budget Summary (\$ Thousands)	Estimate 2007-2008	Forecast 2007-2008	Estimate 2008-2009
Total Revenues	8,017,687	8,265,019	8,465,867
Total Expenses	7,940,235	8,127,701	8,333,001
Consolidation Adjustments	40,977	21,136	56,800
Provincial Surplus	118,429	158,454	189,666
Provincial Revenue Sources			
Corporate Income Tax	386,905	389,223	415,902
Harmonized Sales Tax	1,095,822	1,078,030	1,151,027
Individual Income Tax	1,718,283	1,780,967	1,828,653
Interest Revenues	75,975	75,854	81,823
Motive Fuel Taxes	252,235	250,103	246,926
Offshore Licences Forfeitures	—	108,808	—
Registry of Motor Vehicles	94,488	96,343	98,122
Royalties—Petroleum	420,500	399,747	513,775
Tobacco Taxes	150,948	145,357	138,127
Other Provincial Sources	283,990	299,074	284,338
TCA Cost Shared Revenue	6,151	4,440	2,692
Prior Years' Adjustments	—	83,102	—
Fees and Other Charges	60,883	57,821	60,834
Ordinary Recoveries—Provincial	262,300	263,289	254,560
Sinking Fund Earnings	113,529	110,700	114,400
Total-Provincial Sources	4,922,009	5,142,858	5,191,179
Federal Revenue Sources			
Canada Health Transfer	638,954	638,954	664,185
Canada Social Transfer	280,335	280,412	296,869
C48 Infrastructure Trust Funds	44,778	44,168	38,767
C52 Trust Funds	—	4,208	24,547
Equalization Payments	1,464,528	1,464,528	1,464,935
Offshore Oil and Gas Payments	68,238	68,238	105,884
Other Federal Sources	36,708	40,466	57,085
TCA Cost Shared Revenue	10,731	32,889	62,380
Prior Years' Adjustments	—	12,277	—
Ordinary Recoveries—Federal	207,362	193,017	201,815
Total-Federal Sources	2,751,634	2,779,157	2,916,467
Expenses			
Agriculture	63,195	67,305	59,563
Community Services	886,494	867,488	912,570
Economic Development	76,362	100,512	91,645
Education and Universities	1,496,544	1,639,015	1,492,255
Energy	21,770	20,900	21,817
Environment	—	—	44,607
Environment and Labour	49,664	50,032	—
Finance	29,747	27,782	29,871
Fisheries and Aquaculture	6,700	7,091	7,463
Health	3,045,859	3,022,490	3,205,939
Health Promotion and Protection	58,618	68,252	87,526
Justice	232,763	234,727	262,244
Labour and Workforce Development	—	—	62,443
Natural Resources	79,242	86,957	84,638
Public Service	138,295	138,806	156,350
Seniors	—	—	2,127
Service Nova Scotia and Municipal Relations	227,219	241,683	254,539
Tourism, Culture and Heritage	54,364	57,584	56,727
Transportation and Infrastructure Renewal	329,037	361,138	350,875
Restructuring Costs	121,421	87,905	177,690
Loss on the Disposal of Assets	—	(2,878)	—
Pension Valuation Adjustment	68,603	120,929	67,590
Debt Servicing Costs	954,338	929,983	904,522
Total Expenses	7,940,235	8,127,701	8,333,001

NOVA SCOTIA BUDGET

FOR THE FISCAL YEAR 2008-2009

HIGHLIGHTS

For budget information, visit the Department of Finance website:
www.gov.ns.ca/finance



BUDGET HIGHLIGHTS

FOR THE FISCAL YEAR 2008–2009

The province of Nova Scotia is tabling its seventh consecutive balanced budget in 2008–2009, estimating a surplus of \$189.7 million.

Total revenues are estimated to increase by \$448.2 million to \$8.466 billion. Expenses are estimated to increase by \$392.8 million to \$8.333 billion.

Government has revamped the Your Energy Rebate program to focus on home heating costs, and has introduced the Heating Assistance Rebate Program for low income Nova Scotians.

Safer, Healthy Communities

Safer Communities

- An additional 70 police officers will be hired across the province, representing an investment of \$8.2 million. This will add to the additional 80 officers hired in 2007–2008.
- \$1.2 million will improve enforcement and intervention and step up crime prevention efforts.
- \$1.5 million will go to the Department of Justice to help manage the increase in inmate population.
- The Department of Justice and the Department of Community Services will receive \$830,000 and \$1.2 million respectively for youth-related initiatives, stemming from the Nunn Commission report.

Healthy Communities

- \$19 million this year—and \$160 million over eight years—will go toward quality, affordable child care. This includes an investment of \$6 million to develop about 250 more child-care spaces.
- \$31.7 million toward the Family Pharmacare Program will make prescription drugs affordable for as many as 180,000 Nova Scotians who have had no drug coverage in the past.
- A new investment of \$2 million will go toward revitalizing rinks and arenas around the province.
- An additional \$2 million will go toward the Building Facilities and Infrastructure Together (B-FIT) program. Funding for the B-FIT program will now increase to \$7 million annually.

- The province remains committed to doubling the budget for arts and culture over the next three years, investing an additional \$1.2 million this year.

Protecting Our Environment

- \$21.3 million of the three-year \$42.5 million federal ecoTrust Fund will go toward clean air and climate change projects throughout Nova Scotia to support the province's commitment to cut greenhouse gas emissions to 10 per cent below 1990 levels by 2020.
- A total of \$4.4 million will be invested in the Forestry Transition Program to help maintain a strong and viable industry sector for the future.
- As part of the ecoTrust Fund, a \$5 million investment in an in-stream tidal energy project in the Bay of Fundy supports the province's goal to have 18.5 per cent of its total energy in renewable sources by 2013.
- \$400,000 will support the province's *Environmental Goals and Sustainable Prosperity Act*.
- A \$3 million investment will encourage the development of public transit in unserved and underserved rural communities.

Better Roads and Infrastructure

- A \$10.7 million investment in broadband Internet supports the province's commitment to provide all Nova Scotians with access to high-speed Internet by the end of 2009.
- \$335 million will help build and maintain highways; this is funded by provincial revenue from motive fuels and net fees from the Registry of Motor Vehicles.
- \$95 million will go toward paving 425 kilometres of roads, supporting the third year of the province's commitment to pave 2000 kilometres in four years.
- Partnerships BC, a national leader in strategic infrastructure partnerships, will evaluate ten of the province's most critical infrastructure projects. This initiative will help the province move forward in the most cost-effective manner.

Educating to Compete

- \$180 million will freeze university tuition over the next three years.
- An additional \$66 million will be invested in a Nova Scotia University Student Bursary Trust to provide a maximum per-student benefit of \$761 in 2008–2009, \$1,022 in 2009–10, and \$1,283 in 2010–11 for Nova Scotians. Out-of-province students will benefit from the tuition freeze and a \$261 bursary in 2010–11.
- College and university students will now borrow loans directly from the province with a decreased interest rate of two percentage points. The first twenty per cent of this loan will be a non-repayable grant averaging \$775, or as high as \$1,560 per year. Students with dependent children will also be able to receive \$1,040 in non-repayable assistance.

- \$4.6 million will align the age of entry for grade primary with the majority of Canadian provinces.
- An additional \$2.2 million will expand the highly successful Options and Opportunities program, helping students to be better prepared for the workforce.

Reducing Wait Times

- Over the next ten years, \$262 million will help address the health needs of seniors. Construction has begun on 1,000 new long-term care beds—all of which will be open and serving families by 2010.
- Government will invest another \$10 million over the next two years (for a total of \$28 million) to complete the first phase of the province's electronic health records system.
- To coordinate all of the activity associated with wait times initiatives, the Department of Health has established a new position, Chief Executive, Wait Time Improvements.
- \$3.96 million will establish a selfcare/telecare service—a 24/7 call line staffed by trained nurses who will take calls from patients and families seeking immediate health advice or information.
- \$2.8 million will be invested in mental health and addictions services across the province, with particular focus on services for children and youth.
- \$1 million will support an orthopedic demonstration project between Capital Health and Scotia Surgery in Dartmouth. Through this project, Capital Health will be able to serve 500 more patients this year.

Nova Scotia: Open for Business

- Over six years, the Industrial Expansion Fund has meant \$146 million in funding for 40 private businesses, Crown Corporations, and economic development agencies.
- \$1 million in Economic Development funding will stimulate research, development, and innovation within small and medium-sized business.
- \$400,000 will continue assistance to new and existing small businesses with training and recruitment, market research and business plan development, advertising and promotional plans, visual merchandising techniques, and fiscal management tools.
- \$350,000 will be invested in the *Select Nova Scotia* campaign to promote the benefits of local products and to increase opportunities for agriculture growth and development.
- Last year, modifications were made to the payroll rebate to encourage Nova Scotia businesses to undertake productivity enhancements and thereby improve competitiveness. In 2008–2009, Nova Scotia Business Inc. will continue this work and partner with agencies to promote this tool.