



NOVA SCOTIA

<b>Budget Summary</b> <i>(\$ thousands)</i>	<b>Estimate</b> <i>2008-2009</i>	<b>Actual</b> <i>2008-2009</i>	<b>Estimate</b> <i>2009-2010</i>
Total Revenues	8,107,646	8,134,782	8,054,963
Total Expenses	8,333,001	8,521,092	9,094,060
Consolidation Adjustments	56,800	46,431	90,207
Government Business Enterprises	358,221	359,580	356,797
<b>Provincial Surplus (Deficit)</b>	<b>189,666</b>	<b>19,701</b>	<b>(592,093)</b>

#### Provincial Revenue Sources

Corporate Income Tax	415,902	352,476	322,325
Harmonized Sales Tax	1,151,027	1,174,966	1,181,534
Individual Income Tax	1,828,653	1,818,415	1,781,057
Interest Revenues	81,823	84,780	93,178
Motive Fuel Taxes	246,926	243,379	247,493
Offshore Licenses Forfeitures	---	2,063	---
Registry of Motor Vehicles	98,122	112,594	103,332
Royalties - Petroleum	513,775	451,795	151,011
Tobacco Tax	138,127	147,654	169,061
Other Provincial Sources	284,338	290,596	275,176
TCA Cost Shared Revenue	2,692	2,999	12,027
Prior Years' Adjustments	---	53,904	---
Fees and Other Charges	60,834	61,980	61,235
Ordinary Recoveries	254,560	274,032	280,653
Sinking Fund Earnings	114,400	116,384	91,623
<b>Total - Provincial Sources</b>	<b>5,191,179</b>	<b>5,188,017</b>	<b>4,769,705</b>

#### Federal Sources

Canada Health Transfer	664,185	668,683	700,137
Canada Social Transfer	296,869	297,114	304,089
C48 Infrastructure Trust Funds	38,767	29,913	1,500
C52 Trust Funds	24,547	5,992	21,961
Crown Share	---	95,114	79,352
Equalization Payments	1,464,935	1,464,935	1,464,935
Knowledge Infrastructure Program	---	---	18,094
Offshore Oil and Gas Payments	105,884	105,884	180,072
Other Federal Sources	57,085	50,411	63,688
TCA Cost Shared Revenue	62,380	36,366	125,188
Prior Years' Adjustments	---	7,630	---
Ordinary Recoveries	201,815	184,723	326,242
<b>Total - Federal Sources</b>	<b>2,916,467</b>	<b>2,946,765</b>	<b>3,285,258</b>

#### Expenses

Agriculture	59,563	65,984	61,686
Community Services	912,570	890,631	945,813
Economic and Rural Development	91,645	91,012	95,243
Education and Universities	1,492,255	1,752,928	1,740,949
Energy	21,817	35,881	40,090
Environment	44,607	27,907	44,334
Finance	29,871	27,085	30,399
Fisheries and Aquaculture	7,463	7,311	11,350
Health	3,205,939	3,165,806	3,422,276
Health Promotion and Protection	87,526	87,666	89,031
Justice	262,244	262,071	281,490
Labour and Workforce Development	62,443	67,410	160,859
Natural Resources	84,638	86,829	91,449
Public Service	156,350	157,602	182,702
Seniors	2,127	1,693	1,957
Service Nova Scotia and Municipal Relations	254,539	244,388	300,194
Tourism, Culture and Heritage	56,727	61,356	63,022
Transportation and Infrastructure Renewal	350,875	381,343	374,333
Restructuring Costs	177,690	154,861	178,817
Gain (Loss) on the Disposal of Assets	---	(1,076)	---
Pension Valuation Adjustment	67,590	85,066	88,990
Debt Servicing Costs	904,522	867,338	889,076
<b>Total - Program Expenses</b>	<b>8,333,001</b>	<b>8,521,092</b>	<b>9,094,060</b>

# NOVA SCOTIA BUDGET

FOR THE FISCAL YEAR 2009-2010

## HIGHLIGHTS

For budget information, visit the Department of Finance website:  
**[www.gov.ns.ca/finance](http://www.gov.ns.ca/finance)**

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# BUDGET HIGHLIGHTS

FOR THE FISCAL YEAR 2009–2010

The Province of Nova Scotia is tabling a budget with a deficit of \$592.1 million for 2009–2010.

Total revenues for 2009–2010, including government business enterprises' net income of \$356.8 million, are projected to be \$8.4 billion, a decrease of \$54.1 million over the 2008–2009 estimates. Provincial source revenues are estimated to be down \$421.5 million, offset by a \$368.8 million increase in federal source revenues.

Provincial source revenues have decreased primarily as a result of decreases in income taxes of \$141.2 million and petroleum royalties of \$362.8 million, offset by increases in HST revenues of \$30.5 million and a \$30.9 million increase in tobacco tax revenues. Interest revenues are up \$11.4 million.

Despite equalization payments being flat, federal source revenues are up over the 2008–2009 estimates due to increases in infrastructure cost-shared revenues of \$62.8 million, the Crown Share Adjustment payment of \$79.4 million, increases to the amount accrued for the Offshore Agreement of \$74.2 million, and increases in the Canada Health and Social Transfers of \$43.2 million. These increases are offset by a decline in other federal sources of \$15.2 million.

Total expenses for fiscal 2009–2010, before consolidation adjustments, are budgeted at \$9.1 billion, up \$761.1 million from an \$8.3 billion total in 2008–2009. Major increases in spending for departments include assistance to universities, \$225.3 million; Health, \$216.3 million; Labour and Workforce Development, \$98.4 million; Community Services, \$33.2 million; Service Nova Scotia and Municipal Relations, \$45.7 million; Transportation and Infrastructure Renewal, \$23.5 million; and Education, \$23.4 million.

## A Measured Dose of Stimulus

- Nova Scotia's capital plan for 2009–2010 will leverage available federal dollars and stimulate the provincial economy. Government plans to spend a total of \$796 million to build and repair roads and bridges, schools, health-care facilities, housing, and more.
- \$81.3 million will go towards funding for parks, land improvements, and land purchases across the province. This will help meet the province's land purchase requirements such as those contained in the Environmental Goals and Sustainable Prosperity Act.

## Making Life Better for Families

- Beginning October 1, the provincial HST portion will be removed from basic home electricity. This initiative will put \$15 million back into Nova Scotian households throughout the winter heating season.
- Up to 1500 Nova Scotians who build or purchase a new home can qualify for The New Home Construction Rebate. The rebate is equivalent to 50 per cent of the provincial portion of the HST, to a maximum of \$7,000.
- The Equity Tax Credit will be increased by \$1 million. The rate of the tax credit will be increased from 30 to 35 per cent of the value of eligible investments made, starting in January 2010. This initiative is expected to return \$7.9 million to businesses in 2010.
- To increase competitiveness, a 10 per cent investment credit will be provided to businesses in the manufacturing and processing sector. At an annual cost of \$25 million, the program will begin in January 2010 and will help manufacturers boost productivity and create secure jobs for Nova Scotians.
- Those graduating with a degree who choose to stay and work in Nova Scotia will be able to deduct up to \$2,500 per year over a six-year period—providing potential tax savings up to \$15,000. Students with a diploma or certificate will be able to deduct up to \$1,250 per year over a six-year period, potentially saving \$7,500 in taxes.
- A \$750,000 fund will be created to help families with accommodation costs when they must travel out of province to seek medical treatment.

	2008	2009	2010
<b>Key Assumptions</b>			
Gross Domestic Product (GDP) (at Market Prices, \$ million)	34,774	34,833	35,910
GDP Growth Rate (chained 2002\$) (% change)	2.8	0.3	1.8
GDP Growth Rate at Market Prices (% change)	5.3	0.2	3.1
Personal Income (% change)	4.7	2.1	3.1
Employment	453,200	458,900	460,200
Employment Growth Rate (% change)	1.3	1.3	0.3
Unemployment Rate (%)	7.7	8.0	8.1
Consumer Price Index (% change)	2.9	-0.5	1.8
Retail Sales (% change)	4.2	-2.7	3.5
Corporate Profits before Taxes (% change)	7.8	-25.4	11.6
Exports of Goods and Services (% change)	8.1	-14.8	5.4
Exchange Rates (US\$/Cdn\$)	0.938	0.875	0.929
Natural Gas - Henry Hub (USD/mmbtu)	9.00	3.70	5.00
WTI Oil (USD/bbl)	100.00	60.00	68.00

## Net Debt/Gross Domestic Product

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09(a)	2009-10(e)
Net Debt	11.4	12.1	12.2	12.3	12.3	12.2	12.4	12.1	12.3	13.5
Nominal GDP	24.7	25.9	27.1	28.9	29.9	31.3	31.7	33.0	34.8	34.8
ND to GDP Ratio	46.1%	46.8%	45.1%	42.7%	41.2%	39.1%	38.9%	36.7%	35.4%	38.7%