



## *Living Within our Means*

Nova Scotia's fiscal plan is on track.

Experience shows that across-the-board cuts—cuts that go too far, too fast—don't work. Instead, a careful, deliberate effort to reduce government spending is the best course for Nova Scotia.

Government-wide spending reductions have resulted in savings of \$170.0 million for the upcoming year, adding to the \$54.3 million saved last year.

Government spending-restraint efforts have resulted in two successive years in which departmental spending has been lower than estimated.

In Budget 2011–2012, this government will

- Hold program expenses at 2010–2011 levels. Overall program expenses will be up \$323 million from 2010–2011, entirely due to reinstatement of university funding.
- Pave more and pay less by operating chip seal and asphalt programs for road maintenance, which will result in more competition and better prices.
- Reduce debt servicing costs.
- Ensure government gets value for money by negotiating better terms in all contracts.
- Further streamline government activities to reduce costs and improve services.
- Expand the professional services policy, which to-date has achieved \$7 million in savings.
- Expand the ban on March madness spending, and implement other expenditure controls, to all government agencies and boards.
- Implement a Change and Innovation fund to encourage efficiencies.
- Continue to review departmental programs for effectiveness and affordability.

As part of getting back to balance, government expects the civil service to be reduced by 10 per cent or approximately 1,000 full-time-equivalent employees (FTEs) by 2013–2014, relying on attrition through retirements and voluntary departures. This initiative will save \$60 million annually. Government has reduced the civil service by 153 FTEs since 2009–2010.

Estimates are a snapshot of staffing on April 1, of each year. The 2011–12 estimates do not include the reduction of 274 positions expected to become vacant between now and March 31, 2012. Government also anticipates hiring new staff as a result of changes in service delivery.

Year	FTE complement	Change
2009–2010 Estimate	10,935	n/a
2010–2011 Estimate	10,813	122
2011–2012 Estimate	10,782	31*

*\*Represents a snapshot as of April 1, 2011. Anticipated reduction of approximately 274 vacancies over the 2011–2012 fiscal year, brings the total to approximately 427 by March 31, 2012.*

Over half of the province’s budget is spent by third parties, such as school boards, universities, district health authorities (DHAs), and municipalities. Government congratulates its partners for cooperating. Budget 2011–2012 will

- Provide DHAs and the IWK with the same level of funding they received last year.
- Reflect declining enrolments with a 1.39 per cent reduction in grants to school boards, while increasing the level of per-student funding.
- Reduce the grant to universities by four per cent, while ensuring tuition remains at or below the national average.

Government has also notified municipalities that, in 12 months, the province will discontinue absorbing funding under the Memorandum of Understanding.

Unbudgeted spending in the past two years is far lower than under previous governments. From 2003 to 2009, unbudgeted spending averaged \$231 million per year. Tight budget management by government and the elimination of March madness have contributed to this historic result.

## Recent History of Unbudgeted Spending

(Millions)

