



# **Budget Highlights**

for the fiscal year 2012–2013

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## Budget Overview

Budget 2012 delivers on a commitment to provide important public services while living within our means. This year, the government will make strategic investments that will create good jobs, grow the economy, and help make life better for families.

Budget 2012 includes \$9.3 billion in revenues, \$9.5 billion in total spending, and a bottom line deficit of \$211.2 million.

This is year three of a four-year plan to get the province back to balance. Nova Scotia is now on a smooth path to balancing its books in 2013 and is well positioned to take full advantage of the unprecedented opportunities that lie ahead.

## Creating Good Jobs and Growing the Economy

Nova Scotia is heading into an era that promises greater prosperity. *jobsHere* will continue to help Nova Scotia businesses and workers be ready to take full advantage of these opportunities through investments in training, innovation, and helping businesses become more globally competitive.

- The province's Jobs and Building Plan will provide \$610 million to build and maintain roads and infrastructure, invest in new buildings such as schools, courts, and health-care facilities, and improve information technology in hospitals and schools.
- Through the Nova Scotia Jobs Fund, \$72.6 million will support Irving Shipbuilding's planned upgrades and other opportunities in forestry, fisheries, and manufacturing.
- A drop in the small business corporate income tax rate to 3.5 per cent will return \$10 million to small businesses in the 2013 tax year.
- The Large Corporations Tax on capital will be eliminated July 1, 2012, saving 2,700 non-financial institutions \$16.3 million.

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- Providing \$15 million through the Capital Investment Incentive will help companies purchase technologically advanced machinery, clean technology, equipment, software, and hardware.
  - Workplace Innovation and Productivity Skills Incentives, worth \$9 million, will encourage companies to invest in skills development and certification.
  - A \$15 million regional venture capital fund will help provide early-stage seed capital, in partnership with the private sector and with other governments.
  - An additional \$3 million will increase the number of trade apprenticeships and \$1.8 million will increase work placements for students enrolled in universities and community colleges.
  - A total of \$56.5 million will be invested in programs under *jobsHere*.

## **Better Care Sooner**

The province's Better Care Sooner plan is working. Budget 2012 makes new investments to keep emergency rooms open, to better meet patients' needs, and to reduce wait times.

- Over \$4.8 million for Collaborative Emergency Centres will help provide Nova Scotians with same-day or next-day appointments and 24/7 access to emergency care.
- Investing \$28 million in support for seniors will help those who want to stay home longer, with more home-care services and support for home improvements for accessibility.
- The province's Fair Drug Plan will protect families and seniors from unfair drug prices and save taxpayers \$17 million by the end of 2012–2013.
- A \$10.2 million investment will protect seniors from increases to Pharmacare premiums and copayments, and provide additional funding for Lucentis, exception drugs, and oncology drugs.
- \$40.9 million in upgrades to health-care facilities and new equipment will mean better hospitals and more treatment options.
- An investment of \$3.8 million will support a new strategy for people living with mental health and addictions issues.
- \$356,000 will expand addictions treatment in the Annapolis Valley.
- \$12.2 million will be invested in health promotion initiatives.

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## **Making Life More Affordable for Nova Scotians**

The province is committed to making life more affordable for families. Budget 2012 puts more money back into the hands of families, low-income Nova Scotians, students, and seniors.

- Personal income tax reductions will provide \$7.5 million to about 78,000 Nova Scotians.
- An additional \$900,000 will support people with disabilities to live more independently.
- An increase of the Income Assistance Personal Allowance by \$9 per month will build on last year's increase of \$15 per month.
- An increase of the Nova Scotia Child Benefit by \$2.5 million will help 24,000 families and nearly 40,000 children.
- An investment of \$3 million will increase the Poverty Reduction Credit to \$250 per year and increase the Affordable Living Tax Credit amount to \$255 for an individual adult and to \$60 for a dependant child.
- \$3.3 million will protect seniors against increases to their Pharmacare premiums and copayments.
- Additional relief of \$1.5 million will be provided to first-time home buyers on new home purchases.
- A further investment of \$5.5 million in student assistance and \$11.2 million in provincial income tax rebates will help support post-graduate students.
- \$7.7 million in provincial income tax will be put back in the hands of about 17,000 low-income seniors receiving the Guaranteed Income Supplement.

## **Kids & Learning First**

Nova Scotia has a plan that will help every student succeed. Budget 2012 provides the first year of multi-year funding to put kids and learning first.

- Funding per student will increase to \$10,457, the highest it has ever been.
- Class sizes will remain at their current 20-year low.
- An investment of \$1.8 million will triple the number of students who can participate in courses through online virtual classrooms.
- Students will benefit from \$1 million to double the number of schools offering skilled trades and to introduce a new course Manufacturing Trades 11.

- An investment of \$2 million will expand SchoolsPlus into more regions.
- A \$350,000 investment will launch a cyberbullying social marketing campaign.

## Living Within Our Means

Nova Scotia's fiscal plan is working. 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 the four-year fiscal plan are \$369 million.

- Departmental spending for 2011–2012 is forecast to be under budget for the third year in a row.
- The merging of administrative services for district health authorities and the IWK will save more than \$7.6 million, growing to \$41.5 million.
- Restraint on out-of-province travel will continue, which has already saved \$1.7 million.
- Restraint on the purchase and use of cell phones, Blackberries, and office space will continue.

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### Net Debt/Gross Domestic Product (\$ billions)

<i>Fiscal Year</i>	2007-08	2008-09	2009-10	2010-11	2011-12 (f)	2012-13	2013-14	2014-15	2015-16
Net Debt	12.116	12.318	13.045	12.827	13.290	13.721	13.807	13.882	13.947
Nominal GDP	33.031	34.519	34.774	36.352	37.735	39.483	40.986	42.624	44.714
ND to GDP Ratio	36.7%	35.7%	37.5%	35.3%	35.2%	34.8%	33.7%	32.6%	31.2%

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### Nova Scotia Economic Outlook

	2011	2012	2013
Real GDP, 2002\$ (% change)	1.2	1.7	1.9
Nominal GDP (% change)	3.8	4.6	3.8
Employment (% change)	0.1a	1.0	0.6
Unemployment Rate (%)	8.8a	7.8	7.2
Personal Income (% change)	3.0	3.3	3.3
Consumer Price Index (% change)	3.8a	1.8	2.1
Retail Sales (% change)	3.4a	1.8	3.5
Corporation Profits before Taxes (% change)	2.2	7.8	5.0
Exports of Goods and Services (% change)	3.2	5.8	4.4

a - actual

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<b>Budget Summary</b> <i>(\$ thousands)</i>	<b>Estimate</b> <i>2011–2012</i>	<b>Forecast</b> <i>2011–2012</i>	<b>Estimate</b> <i>2012–2013</i>
Total Revenues	8,878,578	8,885,635	9,270,313
Total Expenses	9,336,952	9,223,712	9,561,332
Consolidation Adjustments	68,817	77,280	79,819
<b>Provincial Surplus (Deficit)</b>	<b>(389,557)</b>	<b>(260,797)</b>	<b>(211,200)</b>
<b>Provincial Revenue Sources</b>			
Personal Income Tax	1,981,275	2,061,800	2,195,300
Corporate Income Tax	393,743	369,445	398,450
Harmonized Sales Tax	1,621,243	1,581,800	1,642,900
Motive Fuel Tax	253,653	251,900	254,100
Tobacco Tax	213,112	211,100	211,000
Other Tax Revenue	161,250	175,595	157,640
Registry of Motor Vehicles	110,897	115,038	110,279
Royalties — Petroleum	110,352	117,955	27,672
Other Provincial Sources	123,936	129,040	124,576
TCA Cost Shared Revenue	3,150	2,956	3,625
Other Fees and Charges	64,896	71,575	67,598
Prior Years' Adjustments	---	(77,411)	---
Ordinary Recoveries	278,187	282,408	276,422
Interest Revenues	96,617	73,416	74,070
Sinking Fund Earnings	104,803	105,596	108,348
Net Income from Government Business Enterprises	354,579	366,736	350,993
<b>Total — Provincial Sources</b>	<b>5,871,693</b>	<b>5,838,949</b>	<b>6,002,973</b>
<b>Federal Sources</b>			
Equalization Payments	1,342,552	1,407,243	1,593,820
Canada Health Transfer	758,947	759,934	796,959
Canada Social Transfer	315,047	315,916	321,943
Offshore Oil and Gas Payments	167,755	167,755	146,059
Crown Share	21,666	26,726	19,628
Other Federal Sources	28,591	23,242	23,712
TCA Cost Shared Revenue	67,763	47,160	73,151
Prior Years' Adjustments	---	(436)	---
Ordinary Recoveries	304,564	299,146	292,068
<b>Total — Federal Sources</b>	<b>3,006,885</b>	<b>3,046,686</b>	<b>3,267,340</b>
<b>Expenses</b>			
Agriculture	61,115	63,907	63,949
Communities, Culture and Heritage	55,100	54,694	58,665
Community Services	985,084	976,845	977,924
Economic and Rural Development and Tourism	125,610	117,539	187,353
Education	1,135,237	1,130,023	1,112,830
Energy	30,462	30,055	29,568
Environment	27,582	26,994	26,385
Finance	36,007	34,407	38,990
Fisheries and Aquaculture	8,462	8,338	8,799
Health and Wellness	3,768,259	3,758,800	3,861,513
Justice	302,036	298,086	306,723
Labour and Advanced Education	345,211	341,532	346,208
Assistance to Universities	384,792	388,068	347,619
Natural Resources	92,845	99,897	95,685
Public Service	178,938	169,843	174,314
Seniors	1,881	1,889	1,871
Service Nova Scotia and Municipal Relations	274,761	260,764	275,909
Transportation and Infrastructure Renewal	420,362	412,415	421,617
Restructuring Costs	111,019	98,501	198,724
Tax Credits and Rebates	74,943	70,000	73,500
Pension Valuation Adjustment	31,761	42,991	71,485
Debt Servicing Costs	885,485	838,124	881,701
<b>Total — Program Expenses</b>	<b>9,336,952</b>	<b>9,223,712</b>	<b>9,561,332</b>