

# NOVA SCOTIA BUDGET FACT SHEET

FOR THE FISCAL YEAR 2006–2007



July 4, 2006

## *Budget Facts*

The Province of Nova Scotia's 2006–2007 budget was first introduced on May 9, 2006.

The new government is tabling substantially the same budget on July 4, 2006.

This is the province's fifth consecutive balanced budget.

The budget includes the same

- investments in programs and services that will benefit Nova Scotians
- tax breaks that will allow Nova Scotians to keep more of their own money
- strategic investments to build a stronger economy with more good jobs
- commitment to good fiscal management and to the debt management plan

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## *Updated Budget Numbers*

Slight variations in revenue and economic figures have occurred since the budget was first introduced in May. New federal data on HST, higher motive fuel consumption, weaker natural gas prices, and changes in the Canadian dollar are some of the factors that contributed to the variations.

The updated figures are provided in the 2006–2007 Nova Scotia Budget Addendum.

### Revenue

The provincial surplus is projected to be \$1.6 million larger than earlier estimated, revised from \$71.9 million to \$73.5 million. This reflects revenue estimate increases for Harmonized Sales Tax and motive fuel tax, and decreases for offshore royalties and tobacco tax.

### Economic Forecast

Since May 9, there have been modest variations in economic forecasts such as interest rates and exchange rates.

### Net Program Expenses

Government plans to make the same investments in programs and services for Nova Scotians as put forth in the May 9 budget. Net program expenses are largely unchanged, with the exception of the Legislative Services, which has increased by \$8.3 million to \$31.9 million. This is due to election-related expenses.

### Debt Servicing Costs

Debt servicing costs are \$8.4 million lower than originally estimated due to a reduction in the interest relating to the long-term debt.

Government will provide its first 2006–2007 forecast update by the end of September, as is the case each year.

## Budget Addendum Summary

(\$ millions)	Budget	Addendum	Increase (Decrease) from Budget
Revenue	6,587.3	6,588.8	1.5
Expenses			
Net Program Expenses	5,987.2	5,995.5	8.3
Pension Valuation Adjustment	33.2	33.2	—
Net Debt Servicing Costs	884.6	876.2	(8.4)
Total Expenses	6,905.0	6,904.9	(0.1)
	(317.7)	(316.1)	1.6
Consolidation and Accounting Adjustments for Governmental Units	54.5	54.5	—
Net Income for Government Business Enterprises	335.1	335.1	—
Provincial Surplus	71.9	73.5	1.6

## Ordinary Revenue

(\$ millions)	Budget	Addendum	Increase (Decrease) from Budget
Personal Income Tax	1,652.5	1,652.1	(0.4)
Corporate Income Tax	378.8	378.5	(0.3)
Harmonized Sales Tax	1,092.1	1,104.4	12.3
Tobacco Tax	166.4	163.0	(3.4)
Motive Fuel Taxes	244.9	247.3	2.4
Interest Revenues	77.8	77.3	(0.5)
Royalties—Petroleum	288.0	280.0	(8.0)
Fines—Criminal Prosecution	1.2	1.0	(0.2)
Timber and Fuel Wood Licenses	5.1	4.3	(0.8)
Levy on Private Sales of Used Vehicles	14.4	14.8	0.4
			1.5

Net Revenue is up by \$1.5 million.

## Net Program Expenses

(\$ millions)	Budget	Addendum	Increase (Decrease) from Budget
Legislative Services	23.6	31.9	8.3
Net Debt Servicing Costs	884.6	876.2	(8.4)
			(0.1)

Funding for programs and services for Nova Scotians remains unchanged from May 9.



The Honourable Michael G. Baker Q.C.  
Minister of Finance