

Nova Scotia's Budget 2017/18 Report Card

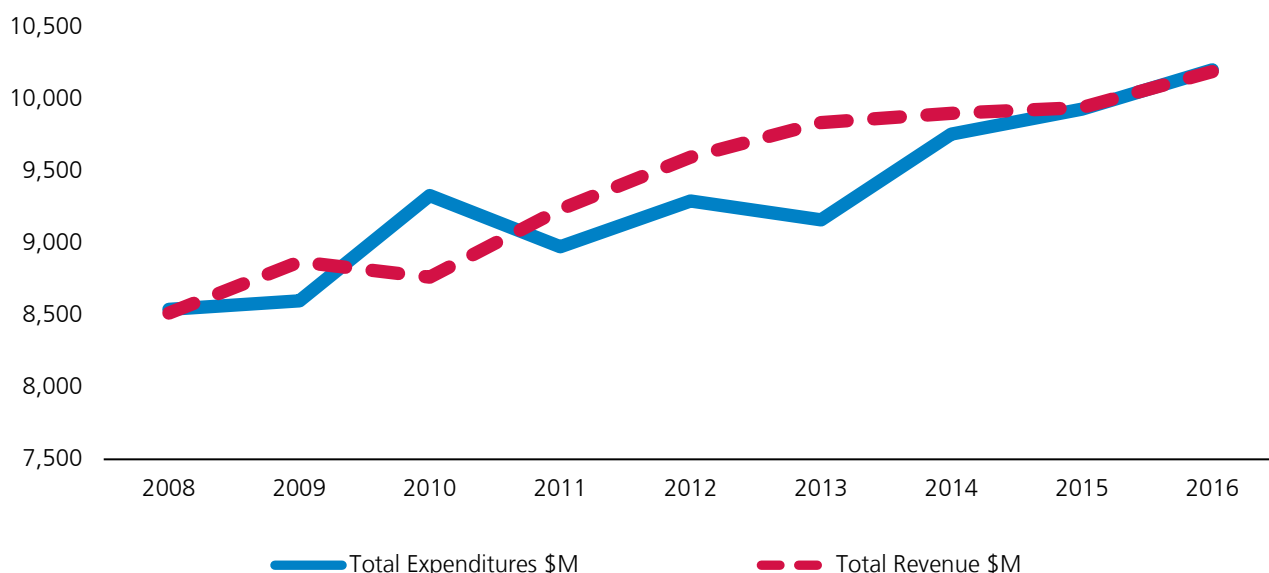
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CFIB looked to Budget 2017-18 for action on small- and medium-sized enterprises' (SMEs) fundamental priorities. We asked government to focus on tax relief, red tape reduction, spending restraint and support for SME innovation.

Here's how government responded to CFIB's budget recommendations:

| Issue | CFIB Recommendation | Government Response | Grade |
|-------------------------------|--|--|-----------|
| Tax Relief | <p>Increase the Small Business Tax Threshold from \$350,000 to \$500,000.</p> <p>Increase the Basic Personal Exemption (PBE) from \$8,481 to \$11,000.</p> <p>Reduce the provincial portion of the HST.</p> <p>Increase the Dividend Tax Credit on small business dividends.</p> <p>Implement a tax incentive for hiring/training employees.</p> | <p>Increase in the SBTT from \$350,000 to \$500,000.</p> <p>Increase in BPE by \$3,000 for income under \$75,000.</p> <p>No change.</p> <p>No change.</p> <p>Some boutique programs.</p> | B+ |
| Red Tape Reduction | <p>Establish a baseline measurement of the red tape burden in Nova Scotia.</p> <p>Set clear targets for red tape reduction and publically report on progress.</p> | <p>Yes.</p> <p>Yes, a target of \$25 million in red tape reduction has been set.</p> | A |
| Spending Restraint | <p>Maintain commitment to balancing the budget.</p> <p>Reduce Nova Scotia's public sector employment rate to the national average.</p> <p>Set targets to align public sector wages and benefits with private sector levels.</p> <p>Limit government spending to no more than population plus inflation.</p> | <p>Yes, there is a small surplus of \$25.8 million.</p> <p>No change.</p> <p>No change.</p> <p>No change.</p> | C |
| Support for Innovation | <p>Support a wide variety of SME innovation activities that increase productivity and competitiveness.</p> | <p>Some boutique programs for export, innovation and productivity.</p> | B |
| Overall Grade | | | B |

Government of Nova Scotia – Revenues and Expenditures (2008 – 2016)



Source: Nova Scotia Department of Finance – Public Accounts (2008-2016)

| Government Expenses by Department | 2016/2017 Budget (Millions) | 2017/2018 Budget (Millions) | % Increase or Decrease (-) over 2016/2017 |
|--|--------------------------------|--------------------------------|--|
| | <i>Budget Estimates</i> | <i>Budget Estimates</i> | |
| Agriculture | \$60.9 | \$61.7 | 1.3 |
| Business | \$137.4 | \$191.5 | 38 |
| Communities, Culture and Heritage | \$81.7 | \$84.3 | 3.2 |
| Community Services | \$929.9 | \$949.6 | 2.1 |
| Education and Early Childhood Development | \$1,279.5 | \$1,316.7 | 2.9 |
| Energy | \$29.6 | \$29.0 | -2.0 |
| Environment | \$36.8 | \$37.2 | 1.2 |
| Finance | \$22.8 | \$23.1 | 1.4 |
| Fisheries and Aquaculture | \$12.4 | \$12.6 | 1.6 |
| Health and Wellness | \$4,132.2 | \$4,207.9 | 1.8 |
| Internal Services | \$185.4 | \$189.1 | 2.0 |
| Justice | \$330.4 | \$340.4 | 3.0 |
| Labour and Advanced Education | \$364.3 | \$4376.1 | 3.3 |
| Assistance to Universities | \$380.6 | \$408.8 | 7.4 |
| Municipal Affairs | \$184.4 | \$332.4 | 80.2 |
| Natural Resources | \$76.5 | \$77.2 | 0.1 |
| Public Service | \$205.8 | \$206.2 | 0.2 |
| Seniors | \$1.6 | \$2.3 | 4.4 |
| Transportation and Infrastructure Renewal | \$460.7 | \$465.8 | 5.1 |
| Restructuring Costs | \$187.5 | \$176.4 | -6.0 |
| Total | \$10,145,614 | \$10,516,273 | 3.7 |

Source: Nova Scotia Department of Finance, Budget 2017-2018