Provincial Economic and Fiscal Update

Business tax cuts featured prominently in the revised budget tabled today.

The Finance Minister confirmed the commitment to health and education funding that appeared in the spring budget.

The Minister stressed that the government would table its first full budget on February 19, 2002. This would be preceded by a Core Review of all government programs. The 2002 Fiscal plan will include three-year budgets and three-year service plans.

From a local government perspective there are few material changes from what was announced in March with no change to the previously announced:
- School and rural taxes
- Homeowner grants
- Traffic Fine revenues

There are two changes that are of interest to local government:

First, is an apparent $5 million reduction in Conditional Grants transfers available to local government. These are available for infrastructure planning and infrastructure development. The reduction is apparently due to revised forecast of cash flow requirements to meet commitments. It is not a reduction in commitments or in funding available for new grants. These do not affect the federal-provincial infrastructure grant program. However, the cash flow savings are not being made available for new grants.

Second, there is an $8 million real reduction in Community Service and Culture grants. These were previously available through the former Ministry of Communities, Cooperatives and Volunteers for community enterprise and greening communities.

Overall, the Ministry of Community, Aboriginal and Women’s Services budget is down $24 million from March – $8 million in the above grants and $16 million as a result of cancelling a previously announced child care program.

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