

March 7th,2024



Subject: 2024-25 Provincial Budget Response

Last week, the Nova Scotia provincial government released their budget for 2024/25. Prior to the annual budget release, the Halifax Chamber's Policy Team submits a Pre-Budget Submission which includes several key recommendations to the Provincial Government that we believe will enhance the economic prosperity of our members and region. The recommendations are derived from hours of detailed analysis and stakeholder consultations which are then reviewed and approved by the Chamber's Task Force members and volunteer Board of Directors. I wanted to share with you the Chamber's perspective on the budget for the coming year. This note will focus on some of the key areas in our recommendation and the results of those recommendations:

AFFORDABILITY (COST OF LIVING) ADVOCACY WIN!

Our Recommendation: Increase the provincial basic personal amount (BPA), and other income tax credits to \$15,000 in 2024-25 to match the federal basic personal amount and adjust Nova Scotia's tax withholding to match other provinces.

Announcement: The Province of Nova Scotia will start to index personal income tax brackets, the basic personal amount and non-refundable tax credits to Nova Scotia's inflation rate. This will be the largest tax change in the province's history and will save Nova Scotians about \$150-\$160 million per year in taxes by 2028.

Our Reaction: The Chamber is very happy that the Provincial Government, in their own words "heard from Chambers across NS" and decided to index the BPA and tax brackets to inflation. Nova Scotia was the last remaining province to not index their personal income tax brackets to inflation. This was a much-needed change to our tax system that will eliminate the issue of bracket creep and prevent Nova Scotians from falling further behind other provinces each year.

Despite this win, Nova Scotians will still be among the highest taxed individuals in Canada. The Chamber will continue to advocate for increases to the BPA amount to help alleviate cost of living issues throughout our region and to match the other provinces. This is, however, a positive step in the right direction.

HOUSING (SKILLED WORKFORCE) ADVOCACY WIN(S)!

Our Recommendations:

1. Increase the funding for housing-related trade apprenticeship programs to increase the number of seats (capacity) and update the equipment for the programs.
2. Expand the age limit for the Province's More Opportunity for Skilled Trades (MOST) Program to include skilled trades workers in the residential & ICI construction sectors to 40 and under.
3. Promote Direct Entry pathways into the skilled trades such as the programs like the Building Trades Advancement College (BTAC)

Announcements:

1. Province will add up to 5,000 more new apprentices to the system in the next three years, increase the number of journeypersons and trades qualifiers by 1,000 a year. Actions will cost \$100 million over 3 years.

2. Funding more training seats in high-demand trades has resulted in almost 200 apprentices being moved off wait lists and into technical training to continue their journey to certification.
3. \$671,000 to increase participation and retention of women working in the skilled trades and to help advance women in their apprenticeships.
4. \$340,000 more for year three of a four-year \$13 million commitment to create up to 3,200 additional paid internship opportunities for post-secondary students.
5. The Province will provide a one-time grant of up to \$1,000 to purchase new tools, equipment and clothing required, while a technology support grant will offer up to \$900 for a computer and accessories to apprentices enrolled in training.
6. \$27.2 million for the MOST tax refund program for workers under the age of 30 in high-demand occupations.

Our Reaction: The Chamber is very pleased to see multiple announcements to help address the labour force needs of our housing sector. Through many consultations with our members and relevant stakeholders in the residential and ICI housing construction sectors, these announcements will have a positive impact on the development of the current and future skilled trades workforce needed to address our housing crisis.

Despite the funding increase to the MOST program (which we are happy about), we will continue to advocate for the increase to the age limit of the MOST program. The average age of a construction worker in N.S. is 40, while the average age for a construction apprentice is 31. By increasing the age limit for the tax credit, it would help to retain and attract the experienced workforce needed to build the houses we need today, while developing the next generation of apprentices for tomorrow.

To read the Halifax Chamber's full 2024-25 Provincial Pre-Budget Submission [Click Here](#)

2024-25 NOVA SCOTIA PROVINCIAL BUDGET HIGHLIGHTS:

Note: Parentheses show increase from 2023-24 forecasted budget

1. Total Revenues: \$15.8 billion (+2.0%)
2. Total Expenses: \$16.5 billion (+5.5%)
3. Total Deficit: \$675 million
4. Total Net Debt: \$20.2 billion (+8.1%)
5. Debt-to-GDP Ratio: 34.6% (+1.3%)

Biggest Increases in Spending (by Department):

1. Health & Wellness: +\$304 million (+5.8%)
2. Community Services: +\$182 million (+9.6%)
3. Education & Early Childhood Dev.: +\$122 million (+6.5%)
4. Public Service: +\$49 million (+10.6%)

Biggest Decreases in Spending (by Department):

1. Seniors & Long-Term Care: - \$76 million (-5.3%)
2. Service Nova Scotia: - \$72 million (-28.3%)
3. Communities, Culture, Tourism & Heritage: - \$36 million (-17.5%)
4. Municipal Affairs & Housing - \$33 million (-4.6%)

5. Natural Resources & Renewables: - \$16 million (-10.2%)

We are encouraged by the provincial government's dialogue with Chambers, and the resulting policy changes inspired by these discussions. Nova Scotia's Chambers of Commerce represent and have the ear of the majority of businesses and employees in the province and knowing that the provincial government appreciates the input of this group when making policy changes is critical to the economic well-being of the province.

We are also excited to see changes happening in government spending due to efforts informed by our members. Thank you for your feedback and support. We will continue to amplify your voice to all levels of government.

Regards,
Patrick Sullivan

A handwritten signature in black ink, appearing to read 'P. Sullivan', written in a cursive style.

President and CEO
Halifax Chamber of Commerce