Enterprise Canada

2024 NOVA SCOTIA BUDGET

Key Numbers

$15.8B
Total Revenue

$16.3B
Total Expense

$467.4M
Deficit

$20.2B (2024-2025)
Debt

58.3B (2024-2025)
Nominal GDP

34.6% (2024-2025)
Net Debt-to-GDP

Building Nova Scotia, Faster

Cost-of-Living Takes Centre Stage

Nova Scotia Finance Minister Allan MacMaster unveiled the Houston government's third budget earlier today. Titled "Building Nova Scotia, Faster," the 2024-25 budget prioritizes strategic investments aimed at improving the lives of Nova Scotians today and allowing them to keep more of the money they've earned, while projecting a deficit for this year and the following four years.

It's a calculated risk. In the face of a nearly half-billion-dollar deficit, these "strategic investments" may seem out-of-character for a typical Progressive Conservative government, especially when higher interest rates have stabilized, but not yet dropped. However, Premier Tim Houston's government has shown time and time again that it is unafraid to break with tradition. It is a calculation backed up by a public opinion environment where balanced budgets are not the vote driver they used to be, along with the rapid ascent of affordability concerns as rivalling and even surpassing health care as the number one issue on the public's radar.

Houston and MacMaster made it clear that the positive outlook from credit rating agencies is the preferred yardstick by which this government will decide what can and can't be spent. MacMaster was quick to point out that an expected budget surplus over the last two years saved the province half a billion dollars of - what would have been - net debt.

The Houston government is following its mantra of "more, faster" and keeping true to its campaign promise to run deficits to do it. Urgent demands for improving healthcare, housing, workforce, infrastructure, education, and a clean, green economy all found their way into this budget, and as the title implies, they are happening as quickly as possible.

It is a calculation backed up by a public opinion environment where balanced budgets are not the vote driver they used to be, and where the rapid ascent of affordability concerns is rivalling and even surpassing health care as the number one issue on the public's radar.

Notable Tangible Investments

This budget will provide much-needed relief to Nova Scotians' pocketbooks. The government has, up until now, leaned towards upgrading health infrastructure, human resources, and services, yet this time around, surprised more than a few people by diverting deficit spending back to taxpayers' pockets.

Through the indexation of tax brackets to inflation-touted by the government as the largest tax break in the province's history – Houston offers Nova Scotians a long-awaited break that every other province across the country has implemented. The basic personal amount will also be indexed along with several non-refundable tax credits.

With a $300/person per month increase for those with disabilities on income support, a first-of-its-kind nearly $19 million school lunch program in the province, and extended tax credits for children and seniors, the government has offered relief to a broad range of Nova Scotians.

Significant investments are enveloped for enhancing communication infrastructure, with $15 million allocated to expand cellular coverage. In addition, $5.5 million is dedicated to bolstering cybersecurity measures. Addressing transportation needs, $36 million is designated for rural road improvements, while $55 million is allocated for upgrading gravel roads. Another substantial investment of $483.3 million is directed towards enhancing the 100-series highways, reflecting a comprehensive approach to improving transportation infrastructure across the region.

Healthcare Investments Continue

"This year, a total of $7.3 billion will be spent on healthcare, a 36% increase over the past three years." – Allan MacMaster, Minister of Finance

It's hard to believe that with an increase of this magnitude - and despite leading all expenditures – it marks the first time healthcare hasn't been the focal point of a MacMaster budget.

It shouldn't go unnoticed that a significant portion - $301 million - is committed to plan and prepare the site for the new Halifax Infirmary. The budget includes $360.7 million allocated to Nova Scotia Health and IWK Health Centre, enhancing their capacity to provide quality care.

Recognizing the need for expedited patient care, $19.8 million will be designated to streamline patient movement through the healthcare system. Efforts to reduce surgery wait times receive a boost of $11.3 million, while $9.2 million will be allocated to fortify public health initiatives, ensuring community well-being.

$7.2 million will be spent to support Nova Scotians with diabetes, including $5.9 million for coverage of glucose monitors and $1.2 million to expand the insulin pump program.

Significant investments will also be made in mental health, with $36.2 million aimed at universal mental health programs – a key campaign promise.

Investing in Young Nova Scotians

In addition to $18.8 million for a new school lunch program, $28.8 million is allocated to ensure classrooms have the necessary resources, while $42.5 million is also earmarked for childcare as part of a federal-provincial agreement to improve accessibility to quality childcare for families across the province.

This budget allocates $208.5 million to the capital build and repair of schools. Further investments include $12.3 million for early childhood educators, $5.1 million for foster families, $5.8 million for school autism services, and $1.4 million for speech pathologists.

Clean Energy & A Sustainable Future

Houston's government is making significant investments totaling $92.8 million in pursuing a cleaner economy across various initiatives.

The Nova Scotia Climate Plan headlines these efforts, which is receiving $36.7 million to drive sustainable practices and combat climate change. A capital investment tax credit of $14.1 million is being introduced to incentivize companies to reinvest in Nova Scotia sustainably.

To bolster clean energy production, $5.4 million will be allocated towards the construction of at least 500 MW of clean electricity infrastructure, while the Green Hydrogen Action Plan will receive a boost of $1.5 million, emphasizing the province's dedication to advancing a technology that can turn Nova Scotia into a multi-billion-dollar industry.

Investments in infrastructure resilience include $8.3 million for dyke upgrades, enhancing protection against flooding events, $1 million to improve response mechanisms for coastal and inland flood risks and safeguard communities against environmental threats, and $1.3 million has been earmarked to assist farmers in adapting to changing environmental conditions.

More Housing, More Affordability

To accelerate housing development, there's an $80-100 million rebate on HST for purpose-built rentals and $14.8 million as part of the national housing strategy.

$5 million will be dedicated to expanding the affordable housing development program, with an additional $3.6 million allocated for new affordable housing in Halifax. Furthermore, $35.3 million is earmarked for constructing new public housing and maintaining existing units in Cape Breton, reflecting a new approach to address housing challenges across the province.

And More Skilled Trade Workers

Nova Scotia needs a more robust skilled workforce to kick-start, maintain and build capacity beyond the abovementioned initiatives and progress.

Significant investments totaling $46.4 million will be allocated toward advancing the province's $100 million skilled trades workforce plan to address the current shortage. Additionally, initiatives to foster gender diversity in trades receive a boost of $671,000, reflecting the government's commitment to inclusivity and equal opportunity.

The government also made good on their promise to extend the More Opportunities for Skilled Trades Program to nurses.

Political Peacemaker

The Premier feels a duty to the province's future beyond his stated personal preferences, as several news-making items were not initially proposed by the government in power. Once you get beyond the numbers, today's budget demonstrates how closely the Premier and his team watch and respond.

This budget funded and supported action items that the government needed to show progress on before the election next summer. Timelines are too short in next year's budget for Nova Scotians to feel real change before they head to the polls.

It also lands in the shadow of multiple successful and largely uneventful public-sector contract negotiations, something Nova Scotians haven't seen much of in the past decade and on the heels of the province stepping in to avoid a significant jump in power bills and instead spreading that across the next decade.

Ultimately, this budget is a testament to investment aimed at securing broad-based support from those on both political flanks with strong public institutional investments and a noticeable reduction in government revenue to the benefit of Nova Scotians' pocketbooks. Though Houston made his name via fiscal hawkishness in provincial house committees starting in 2013, his government was elected to lead based on his people-focused election campaign of 2021.

This strategy not only helps Nova Scotians in need but also takes the sword out of the hands of the opposition, turning a fight into a PC-led conversation on how to get things done. One and a half years from an election, the Premier has shown himself to be a leader for all Nova Scotians.

It's worth noting that in Nova Scotia, money can be spent outside and separate from the budget cycle, almost guaranteeing other expenditure announcements over and above what we heard today.

Enterprise Canada

For more information, please contact:

David Tarrant

Vice President, National Strategic Communications & Atlantic Canada Lead

dtarrant@enterprisecanada.com

Cal MacLellan

Director, Public Affairs, Atlantic Canada

cmaclellan@enterprisecanada.com

Sam Foran

Senior Consultant

sforan@enterprisecanada.com

1741 Lower Water Street, Suite 216, Halifax, NS B3J 0J2

enterprisecanada.com