

Wage Challenge

The inflated wage pattern of the past several years has prevented a return to balance. The fact that economic growth stalled in tandem with this wage pattern made the situation even more difficult.

- The generosity of 2.0, 2.5, and 3.0 per cent wage increases has left a major burden for all Nova Scotians
- Real economic growth in this period was only 1.6 per cent
- Over \$700 million in total was added to government's labour costs over the last three years – these costs are now embedded permanently
- 58 per cent of our departmental spending is spent on wages – about \$5.2 billion of the province's total departmental budget of \$8.9 billion
- If labour settlements had matched the real growth in the economy, our wage bill would be \$300 million lower and we would have a \$200-million surplus
- Getting back to a sustainable level of spending requires a resetting of labour costs
- This week, government announced a three-year wage freeze for excluded employees and froze their public service awards. These initial steps are part of addressing unsustainable labour costs

Budget 2015–2016 | At A Glance

GDP vs Wage Growth

