



# HALIFAX CHAMBER OF COMMERCE

*stronger together*

**Annual Municipal Pre-Budget Submission 2013-14**

**February 2013**

**Presented To: Halifax Regional Municipality**





# WE ARE

A not-for-profit business organization that takes a business - like approach to its operations.

Objective and non-partisan; we do not lobby for specific interests.

Funded exclusively through membership fees and fees for services we provide.

Experts in running conferences, publishing and disseminating information, helping people network, developing leadership skills, and building community capacity.

Specialists in the development and advocacy of public policy.

Not a government department or agency.

Independent from, but affiliated with, the Nova Scotia, Atlantic Provinces, and Canadian Chamber of Commerce.

A diverse organization made up of businesses that mirror the Halifax, Nova Scotia, and Canadian economies.

## **Introduction**

The Halifax Chamber of Commerce is a best practice business advocacy organization that represents over 1,700 members and strives to make Halifax an even better place to live, work and play. It is the oldest Chamber in North America with roots dating to 1750 and was the first Chamber in North America to become ISO certified. The Chamber is an active voice for business at the federal, provincial and municipal level.

The Chamber's strategic priorities for 2012-13 are set out to better represent the needs and interests of our membership, including an even greater focus on enhancing our competitiveness. These strategic priorities are based on member feedback and are as follows:

- 1) Enable Chamber members to gain competitive advantage from major infrastructure projects in the region; and
- 2) Making Halifax more competitive.

The following submission outlines the Halifax Chamber of Commerce's position on issues that are critical to the local business community and fall under our two main strategic priorities. It aims to bring policies and strategies to the forefront to inform and assist the City in developing its 2013-14 municipal budget.

## **Executive Summary**

This is an exciting and busy time for Halifax. The construction of a contemporary new downtown library is well underway, the Convention Centre is in the preliminary stages of development, and there are more cranes hanging over Halifax than any other time in the past decade. Greater prosperity is on the horizon for Halifax, and we need to collectively create and implement policies that seize this prosperity and generate much more.

On behalf of the business community of Halifax, we provide comment on the following areas as City Council prepares the 2013-14 budget:

- 1. Tax Reform** – establish a task force on commercial tax reform;
- 2. Fiscal Responsibility** – adhere to the City's Multi-Year Financial Strategy and focus on the long-term;
- 3. Transportation** – modernization of our transit system;
- 4. Good Governance** – creating an international, business savvy brand for Halifax in 2013.

# 1. Tax Reform

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Unfair, regressive, tax grab, archaic, discriminatory. Those are the words that have been used to describe our current municipal tax system. The citizens and businesses of Halifax deserve better. No tax system will please everyone, however, a review of our tax system, particularly commercial taxes, and consideration of logical and fair options would be beneficial for our City.

One way to do this is to set up a task force on commercial tax reform. In our election questionnaire distributed in July of 2012, the overwhelming majority of municipal candidates and now current mayor and councilors' were strongly in favour of a reformed tax system. One particular issue of concern is the imbalance between the commercial and residential taxpayer, with the commercial taxpayer paying almost 4 times the tax rate for far less service. To put this in perspective, the average business paid \$40,360 in tax to the City in 2011-2012, whereas, the average single-family home paid \$1,789 (HRM Revenues and Taxation, December 2012).

If our mayor is to be the Salesman in Chief for our City, a reformed tax regime is necessary for Halifax to become an even more vibrant business hub of Atlantic Canada. We need progressive action now.

## ***The Chamber Recommends:***

- A task force on commercial tax reform be established. The Chamber would be willing to actively participate in this;
- Public acknowledgement from council that there is a significant discrepancy between the commercial tax burden and the residential tax burden;
- The City minimize any increases in the cost of doing business in Halifax.

## 2. Fiscal Responsibility

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The Chamber will be monitoring the spending of the municipal government throughout its mandate to ensure that the nine principles set out in the Multi Year Financial Strategy are met. Also, the Chamber will continue to assess if the government is living within their means, paying down our debt, and focusing on a long-term financial plan to replace and renew infrastructure. Generally speaking, previous councils have done a good job with regards to financial management, and the expectation is that sound financial management is carried on and improved upon in the years to come.

### ***The Chamber Recommends:***

- Continuing to live within our means, pay down our debt, and focus on a long-term financing plan to replace and renew infrastructure;
- Continuing progress and adherence to the City's Multi-Year Financial Strategy (MYFS);
- Prioritizing expenditures, favoring areas that will grow our economy, attract more businesses and people, and decrease the costs of doing business in Halifax;
- Continuing to maintain the City's \$5 billion worth of assets through the State of Good Repair policy. This policy has proven to maintain assets and decrease expenditures.
- Putting benchmarks in place to ensure that we are using our assets efficiently, and also utilizing processes and programs to improve efficiency such as: Six Sigma practices.

### 3. Transportation

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The Chamber recognizes the enormous pressures our transit system has on the City's budget. With an approximate \$800 million budget and \$101 million of it going to transit, and daily ridership of 96,000 per day, the importance of a strong, modern and maintained transit system cannot be overlooked.

Furthermore, study after study has indicated that the top priority for citizens is improving the public transit system. One possible way to improve our transportation system is through an integrated transportation authority. The authority could encompass Halifax Harbor Bridges, Metro Transit and Halifax Airport. Such an authority could allow for strong communication and a unified transportation strategy.

***The Chamber recommends:***

- Modernization of our transit system, both technologically and mechanically;
- Review of the advantages and disadvantages of a potential transportation authority;
- Reaching out to the Chamber's Transportation Committee for support on any transportation policy objectives.

## 4. Good Governance

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Collegiality, cooperation, vision and accountability have been words used by the mayor and council throughout the election campaign. At the council table, it is easy to micromanage and become engaged with matters more appropriately left under the purview of the CAO and staff and to focus on issues with solely your constituents in mind, and not the greater good the City. This is not the way to create a strong unified vision for our City. The current mayor has stated he has a vision and will implement strategic plans to move Halifax forward. Over the next four years the Chamber will be encouraging and willing to assist council in executing this vision, in an effort to ensure that Halifax is governed with strong, effective leadership.

In addition, in order for Halifax to become more competitive, City Council needs to assist by minimizing red tape and uncompetitive taxes so aspiring entrepreneurs and existing businesses see Halifax as a city that is 'open for businesses. Opening a business in Halifax should not be a daunting or time consuming endeavor. Our mayor and council have indicated that they are in favour of rolling out the red carpet for business and creating an attractive international business savvy brand for Halifax. The Chamber will be monitoring council proceedings to ensure that City Council does in fact encourage this entrepreneurial spirit in our city.

It is critical that our municipal government ensures there is a basket of competitive conditions to support business investment and growth now and in our future.

### ***The Chamber Recommends:***

- That the mayor and council show strong leadership for the entire city, not individual districts;
- Establishing an open for business attitude by promoting Halifax to the world and reducing red tape;
- The creation of a strong international business savvy brand for Halifax in 2013

## Conclusion

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Over the next few years, the Chamber will be examining municipal actions and issues through a ‘competitive lens’ that will include the following key elements:

- Fiscal prudence
- Accountability and transparency
- Effective leadership

We look forward to working with you to achieve these objectives. As always, the Chamber stands by ready to assist the City in any way possible.

More information about the Chamber and its advocacy work can be accessed by contacting the office or visiting the Chamber web site at [www.halifaxchamber.com](http://www.halifaxchamber.com).

*This submission has been created in collaboration with the Chamber’s Municipal Affairs Committee, as well as input from our many Chamber members. The mandate of the Chamber’s Municipal Affairs Committee is to support the development of policies on issues of importance to our members that are within the purview of the Municipal Government.*

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