

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 levels.

Over the summer, the Chamber underwent an extensive review, and produced its 2013-2018 Strategic Plan, for the benefit of Chamber members. It's a comprehensive plan with very ambitious goals and defined targets, which can only be reached through dedication and collaboration. This submission outlines many of the priorities in the Plan, such as, demographics, growing the workforce, education and taxes which combined help to create a competitive business environment. The Chamber expects these areas of importance to be part of campaign platforms. And more importantly, the Chamber expects to see solid policies implemented and followed through after the election has ended and the new government formed.

Coming out of the strategic planning session, we undertook extensive research and member consultation afterwards, and the Chamber has decided upon two strategic goals for 2013-2018, with key elements supporting them, they are:

1. Creating a positive business environment; and
2. Growing the skilled workforce.

The Chamber Strategic Plan will be released to members and publicly in early September and the Chamber will seek to collaborate with all levels of government to reach the goals set out in the Plan.

An Action Plan for Halifax

Nova Scotia's demographics are a startling reminder of the need to act in order to prevent our province from becoming a province of retirees. That is the trajectory we are on. Over the next ten years, Nova Scotia's working age population (18-64) will drop by 47,000. To add to that, between 2012 and 2038, our overall population is expected to go from 948,000 to 926,300. Even more concerning, these are not the worst case scenarios.

The economy of Halifax is strong, accounting for approximately 54% of provincial GDP. However, Halifax cannot sustain the demographic avalanche yet to come.

This submission constitutes an action plan for Halifax, and an action plan for our provincial and business leaders.

During this provincial election, Chamber members encourage provincial party leaders to focus on the issues that *need* to be addressed -- rather than the issues that score political points.

This paper will outline those issues on our members' behalf, and it is our expectation that our elected premier will act on these issues and respond to the concerns in this submission.

On behalf of the Halifax business community, we provide comment on the following:

- **Immigration**- Immigrants are the heart of a diverse economy—we are not where we need to be;
- **Education**-Our P-12 system is producing young people who lack the skills that the workforce demands, such as finance and trades;
- **Youth/Talent Retention**- We need our youth to have a choice to stay in our province to build businesses and raise families;
- **Debt and Taxation**-We are losing talent and opportunities to harness economic growth due to our debt and high taxes;
- **Chamber Support**- These problems can only be solved through collaboration among the community at large.

Immigration

It's no secret Nova Scotia needs more people.

In 2010, the Government of Nova Scotia launched an immigration strategy titled: *Welcome Home to Nova Scotia*. The government recognized the urgency of our changing demographics and implemented this strategy in an effort to reverse our aging demographic trend.

The strategy is ambitious in nature, in that it seeks to attract 7,200 immigrants per year by 2020 and aims to increase retention rates to 70 percent or more.

The strategy also aims to issue 1000 provincial nomination certificates annually by 2015 and increase that number to 1500 nomination certificates annually by 2020.

Also, of equal importance is attracting immigrants with skills that align with our labour market. The provincial strategy also aims to:

1. Reduce credentials barriers;
2. Increase employer connections programs;
3. Provide more programs for international students;
4. Provide increased assistance for entrepreneurs.

Halifax Chamber members ask provincial political leaders:

- *How effective has this strategy been?*
- *How many certificates have been issued thus far?*
- *What are our retention rates today as compared to 2009?*
- *What will your government do differently to improve our immigration policies for Halifax?*
- *What do you plan to do to increase retention and attraction?*

Education

Our current grade school curriculum is not getting the job done when it comes to equipping our children with the proper skills and knowledge, especially with regards to math and science. Halifax and Nova Scotia need a first class educational system in order to provide highly qualified and motivated students for post-secondary learning and to attract families to Halifax.

In addition, we must address the educational skills mismatch. We need to match postsecondary student development with employer needs. Nova Scotia Community College has developed a close link with the business community and future employers and we need universities to build a similar relationship. We need to graduate students that align with the requirements of the workforce of the future.

Halifax Chamber members ask provincial political leaders:

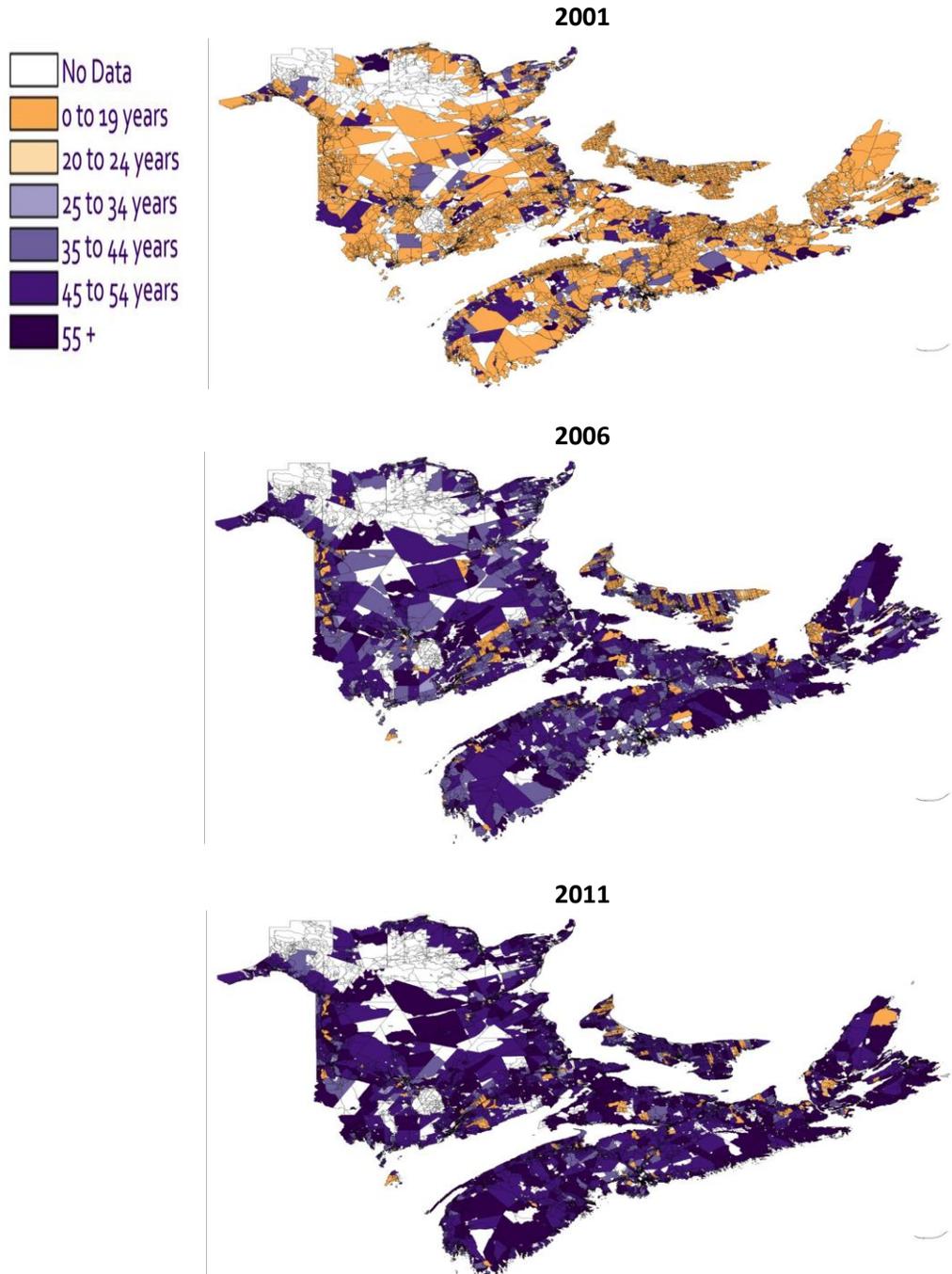
- *How will your government modernize our P-12 education system?*
- *How will your government raise our math and science skills to levels we can champion? A good benchmark is OECD scores.*
- *How will your government work with the business community to ensure that they are equipped with the right training for the labour market?*

Youth/Talent Retention

Our province is aging at an alarming rate. In fact, according to the Nova Scotia Commission on Building our New Economy, between 2012 and 2038 the proportion of Nova Scotians over the age of 65 will rise from 17.2 to 28.6 percent.

Below is some perspective on this trend:

Source: Turner Drake & Partners, Ltd., and Statistics Canada Census

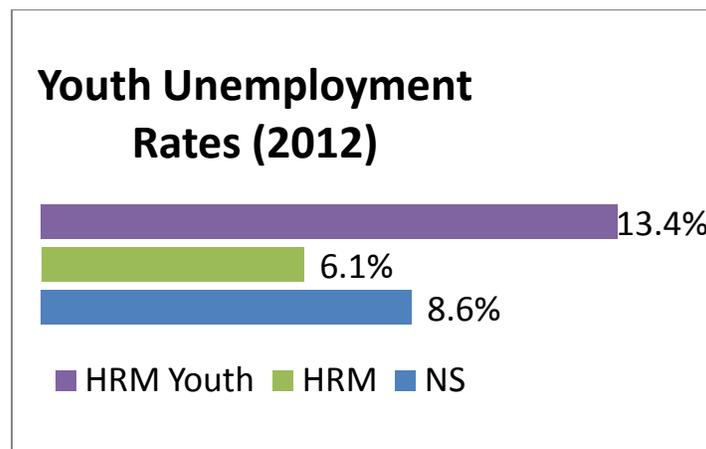


As one can see, these graphs show that we as a whole province are not doing enough to retain our young people. Between 2000 and 2012, the number of people over the age 65 increased by 16,000 and the birth rate has declined for the third consecutive year. This trend, according to GHP's Halifax Index is likely to continue due to the steady rise number of baby boomers (those born from 1946 - 1964).

Halifax produces some of the finest talent from our top notch universities, and they are seeing growth rates of 3% which is above the national average. Halifax has over 30,000 students at its universities and enrollment at community colleges continues to rise.

What is disheartening is that these talented young leaders are leaving our City because they cannot find jobs.

Youth (age 15 to 24) unemployment rate in Halifax is over double the average rate of overall unemployment in Halifax (Source: Vital Signs 2012).



Source: Vital Signs 2012

Halifax Chamber members ask provincial political leaders:

- *What specific retention strategies will be implemented by your government to mitigate this demographic time-bomb and retain our youth in this province?*
- *How will your government work differently with our universities, colleges, schools and the Halifax business community to harness our knowledge economy?*
- *How will your government work with the City to retain and attract youth?*

Debt and Taxation

The current provincial government deserves credit for bringing the province back to balance as stated in the 2012 Budget and receiving Dominion Bond Rating Service's highest long-term credit rating as a result.

However, our debt continues to rise to levels that have the potential of becoming unsustainable. Our current debt stands near \$14 Billion and is expected to rise to \$14.4 Billion by 2016-17. It costs close to \$900 Million annually to service this debt.

In addition to this growing debt, businesses face additional burdens from high taxes, particularly personal income taxes. One of the key elements of the Chamber's Strategic Plan is to reduce the tax burden, and advocating for lower personal incomes taxes is a desired measure. Chamber members have stated one of the reasons they cannot retain talent is due to our province having one of the highest personal income taxes in the country. For example, an individual making \$50,000 in New Brunswick would pay approximately \$9,751 in personal income tax, in Alberta that same individual would pay approximately, \$8,905 and here in Nova Scotia, that same individual would pay \$10,546 in income taxes (Source CFIB).

Halifax Chamber members ask provincial political leaders:

- *What are your plans to reduce our provincial debt?*
- *Will you make a commitment to Nova Scotians to decrease personal income taxes to competitive levels during the first year of your mandate?*
- *How else will your government ensure Halifax has a competitive business environment and a strong entrepreneurial spirit?*

Concluding Points

Provincial leaders and future Premier of Nova Scotia, Chamber members are looking to see these priorities addressed in the upcoming election campaign.

Most importantly, Chamber members expect to see policies supporting these points implemented from a returning, or newly minted, government.

It is our hope that we can work on these issues together, as we have done in the past with the reduction of the Small Business Tax and achieving a balanced budget. All of the priorities and questions we have outlined above are solvable and answerable. What is missing is action.

Together, we can create a positive business environment for Halifax and a workforce that matches people with great jobs.

Summary of Questions

Immigration

- *How effective has this strategy been?*
- *What are our retention rates today as compared to 2009?*
- *What will your government do differently to improve our immigration policies for Halifax?*
- *What do you plan to do to increase retention and attraction?*

Education

- *How will your government modernize our P-12 education system?*
- *How will you government raise our math and science skills to levels we can champion?*
- *How will your government work with the business community to ensure that they are equipped with the right training for the labour market?*

Youth Retention

- *What retention strategies will be implemented by your government to mitigate this demographic time-bomb?*
- *How will your government work with our universities, colleges, schools and the Halifax business community to harness our knowledge economy?*
- *How will your government work with the City to retain and attract youth?*

Debt Taxation

- *What are your plans to reduce our provincial debt?*
- *Will you make a commitment to Nova Scotians to decrease personal income taxes to competitive levels during the first year of your mandate?*
- *How else will your government ensure Halifax has a competitive business environment and a strong entrepreneurial spirit?*

The Chamber has asked for responses to these questions two weeks after receiving this submission. The responses will be shared with Chamber members and serve as a foundation for advocacy purposes and in communications to our members.