

February 4, 2011

Honourable Graham Steele
Department of Finance
1723 Hollis Street, 7th Floor
PO Box 187
Halifax, NS B3J 2V3

Dear Minister Steele:

Re: 2011-12 Annual Provincial Budget

In December 2010, the Halifax Chamber of Commerce submitted its annual pre-budget submission to you and your government. The document contained our priorities and suggestions that we are looking to have implemented in this year's provincial budget. Our key focus areas were, and still are: Taxation, Finances and Program Spending, and Economic Growth.

We've made it clear that we want to see a lower corporate income tax rate, reduced regulatory burdens for the business community, a decrease in the Small Business Tax Rate from 4.5% to 3%, and -- to be blunt -- no further tax increases.

We also believe a comprehensive tax review process needs to be undertaken to lay the groundwork if Nova Scotia is to create a more competitive business environment. It is difficult to make hard choices without good information. Both the public and business community need this level of disclosure.

Under Finances and Program Spending, the Chamber continues to advocate for a new, restructured approach to our education system, meaningful reform of our health care system, more consideration of private sector delivery options under a publicly funded system, and no further uncertainties for the taxpayer regarding pension bailouts.

In our view, the province must hold fast to its plan to return to a balanced budget by 2012-13. Achieving a balanced budget must be done in a way that does not negatively impact economic growth in our region, or put us in a tax environment that is even more uncompetitive for local businesses than currently exists.

We know you have many difficult decisions ahead. We look forward to seeing more details on government's own "Expenditure Management Initiative" (EMI). In the province's jobsHere Economic Strategy, there is much emphasis on productivity and innovation for business. This begs the question, "What exactly is the provincial government itself doing to improve its own productivity and innovation? What exactly and specifically is the government -- a big business in itself -- going to achieve through its Expenditures Management Initiative?"

In summary, we are looking for this year's provincial budget to show us that we are living within our means. We want this year's budget to set a clear course for the future, give true value for each tax dollar spent, and connect-the-dots -- so that we can all see that we are on a path that is consistent with the direction set out in the government's Economic Strategy.

Sincerely,

A handwritten signature in black ink, appearing to read "Valerie Payn". The signature is fluid and cursive, with a large, prominent initial "V" and a stylized "P".

Valerie Payn
President and CEO